

HOUSING BOND LOCAL IMPLEMENTATION STRATEGIES FOR THE CITY OF BEAVERTON AND WASHINGTON COUNTY

Date: July 22, 2019
Department: Planning & Development
Meeting Date: August 1, 2019

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Length: 15 minutes

ISSUE STATEMENT

In July, the City of Beaverton and Washington County submitted Local Implementation Strategies (LISs) to Metro for consideration. In accordance with requirements set forth in Metro's Housing Bond Program Work Plan, adopted by Metro Council in January 2019, the LISs were informed by community engagement and include a development plan to achieve the unit production targets and strategies for advancing racial equity and ensuring community engagement throughout implementation.

The LISs will be reviewed by the Community Oversight Committee for the Housing Bond Program on July 24, 2019. On Aug. 1, Metro staff will provide a brief overview of the submitted LISs and the Housing Bond Community Oversight Committee's recommendation related to these strategies.

ACTION REQUESTED

This item is informational and will inform potential future action to approve the Housing Bond implementation intergovernmental agreements with the City of Beaverton and Washington County at the Council's September 5, 2019, meeting.

IDENTIFIED POLICY OUTCOMES

The LISs will be a part of the intergovernmental agreements describing the terms under which Metro will disburse Metro bond funding to local government partners for eligible investments and program activities. All proposed affordable housing development projects will be reviewed by Metro for consistency with approved LISs.

POLICY QUESTION(S)

Do the submitted LISs meet the requirements established by the Council in the Program Work Plan? Does the Council have any questions or concerns related to approval of the LISs as part of intergovernmental agreements?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Upon approval of the Housing Bond implementation intergovernmental agreements in September, the City of Beaverton and Washington County will receive an annual disbursement of administrative funding and will be eligible to begin receiving bond funding for qualifying projects. A decision by the Council not to approve the IGAs (which will incorporate the LISs) could result in program implementation delays.

STAFF RECOMMENDATIONS

No action is recommended for Aug. 1. Staff will recommend that the Council take action to approve the LIS as part of the forthcoming IGA in September.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Washington County, City of Beaverton, and the City of Hillsboro – all three eligible implementation jurisdictions in Washington County—conducted coordinated community engagement efforts in spring/summer 2019 that collectively reached 451 community members and over 100 agencies. This engaged informed the development of Local Implementation Strategies, and this month, LISs for Beaverton and Washington County were reviewed by Beaverton City Council and the Washington County Board of Commissioners, respectively, and referred to Metro for consideration.

Beaverton Local Implementation Strategy

Beaverton is eligible for \$31,140,595 in Metro bond funding to support eligible projects, and \$655,591 in program administrative funds. Disbursement of funds from Metro to the City will be based on demonstrated progress toward achieving the City's share of unit production targets, including a total of 218 total units, of which 89 must be deeply affordable to households making less than 30% of area median income (AMI) and 109 must be family size units (2 bedrooms or more).

To inform the creation of the LIS, the City of Beaverton hosted eight events, include a listening session for the general public and specific outreach targeting the Arabic community, Latino parents in the Beaverton School District, and Habitat for Humanity clients. Events included translation services and childcare and were hosted at a variety of locations and times to ensure inclusivity. Through these efforts, the City reached over 200 people, and 69% of those who provided demographic information were people of color. Engagement themes included housing barriers, service needs, and location criteria for affordable housing investments.

Highlights from Beaverton's LIS include:

- Portfolio approach to achieve the unit production targets through four projects, including:
 - Mary Ann Apartments, which received a concept endorsement from Metro Council as a Phase 1 project on March 11, 2019;
 - Plans to partner with Metro on the development of the Metro owned Elmonica site at 170th and Baseline, to be facilitated through a joint developer solicitation process;
 - One site to be acquired by the City using bond funds, for development through a Request for Qualifications (RFQ) process; and
 - One project to be selected through an open Notice of Funding Availability (NOFA) process
- Creation of a Housing Technical Advisory Group to advise staff on investment decisions

- Requirements for project sponsors to make good faith efforts to achieve 20% subcontracting participation on the development hard and soft costs to COBID certified MWESBDVs
- Requirements that project developers/owners use low barrier screening and best practice affirmative marketing strategies
- Requirement that project developers/owners track the labor force demographic and hours worked by each apprentice

Washington County Local Implementation Strategy

Washington County is eligible for \$116,465,532 in Metro bond funding to support eligible projects, and \$2,451,906 in program administrative funds. The Housing Authority of Washington County (HAWC) will administer funding, with a focus on implementing funds in the balance of the county not covered by the other eligible implementation jurisdictions of Beaverton and Hillsboro. Disbursement of funds from Metro to the County will be based on demonstrated progress toward achieving the County's share of unit production targets, including a total of 814 total units, of which 334 must be deeply affordable to households making less than 30% of area median income (AMI) and 407 must be family size units (2 bedrooms or more).

Washington County staff engaged over 300 community members as well as individuals representing more than 50 agencies. Community members included people with low incomes, seniors, youth experiencing housing instability, people with physical or developmental disability, people with mental health or addiction concerns, people with limited English proficiency, immigrants and refugees, residents of low-income housing, service providers, veterans, and tribal community members. Engagement themes included housing barriers, service needs, location priorities, and affirmative marketing opportunities for affordable housing investments.

Highlights from Washington County's LIS include:

- Portfolio approach to developing approximately 13 projects, to be primarily developed by private/nonprofit developers selected through competitive RFP or NOFA processes, and including the Community Development Partners (CDP) apartment development at 72nd and Baylor in Tigard, which received a concept endorsement from Metro Council as a Phase 1 project on July 11, 2019;
- Goal to provide 100 permanent supportive housing (PSH) units by seeking opportunities to leverage existing county service resources and new statewide resources
- \$25 million set-aside for Small Non-Profits and Community Housing Development Organizations (CHDO), who will have opportunities to propose projects outside of the NOFA/RFP process
- Threshold utilization goal of 15% for state certified COBID/MWESB firms, with an aspirational goal of 20%
- Commitment to work with WorkSystems and Metro to develop apprenticeship programs, as well as participation in Metro's Construction Careers Pathways Projects (C2P2)

- Requirements that project developers/owners use low barrier screening and best practice affirmative marketing strategies

BACKGROUND

In January 2019, Metro Council adopted the Housing Bond Program Work Plan, which identified seven local government partner agencies as eligible to participate in implementation of the housing bond, along with Metro. The Work Plan established requirements for eligible agencies to create community engagement informed local implementation strategies, informed by community engagement, that includes a development plan to achieve the unit production targets, a strategy for advancing racial equity, and ensuring community engagement in implementation.

Since the Work Plan was adopted, seven eligible local implementation partners have been working to conduct engagement and develop local implementation strategies. These include:

- City of Beaverton
- City of Gresham
- City of Hillsboro
- City of Portland
- Home Forward (the housing authority serving Multnomah County)
- Clackamas County
- Washington County

Metro is also developing an implementation strategy for its Site Acquisition program, which will administer a portion of funding focused on acquisition of regionally significant sites for affordable housing development in partnership with local implementation partners.

In January 2019, the Metro Council also established and appointed a Community Oversight Committee charged with evaluating implementation strategies and recommending changes as necessary to achieve unit production targets and incorporate guiding principles; monitoring financial aspects of program administration; and providing an annual report and presentation to Metro Council assessing Program performance, challenges and outcomes.

ATTACHMENTS

Metro Staff Evaluation of Beaverton LIS

Beaverton LIS

Metro Staff Evaluation of Washington County LIS

Washington County LIS

- Is legislation required for Council action? ☐ Yes ☒ No
- If yes, is draft legislation attached? ☐ Yes ☒ No