



# Intergovernmental Agreement

## Affordable Housing Bond Measure Program IGA

---

Metro Contract No. XXXXX

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is between Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 N.E. Grand Avenue, Portland, Oregon 97232-2736, and Housing Authority of Clackamas County ("Local Implementation Partner" or "LIP"), located at 13930 S. Gain Street, Oregon City, Oregon 97045 and is dated effective as of the last day of signature set forth below (the "Effective Date").

### RECITALS

A. The electors of Metro approved Ballot Measure 26-199 on November 6, 2018 (the "Bond Measure"), authorizing Metro to issue \$652.8 million in general obligation bonds to fund affordable housing (the "Bonds").

B. On January 31, 2019, the Metro Council adopted Resolution No. 19-4956, which, among other things, provides that Metro will distribute a portion of the proceeds of the Bonds (the "Bond Proceeds") to eligible local government affordable housing implementation partners, and LIP is a participating local government partner eligible to receive Bond Proceeds.

C. The parties desire to enter into this Agreement to provide the terms and conditions under which Metro will provide Bond Proceeds to LIP to implement the Bond Measure goals, requirements, and restrictions set forth in the Work Plan.

### AGREEMENT

**1. Definitions.** In addition to the definitions above, capitalized terms used in this Agreement have the definitions set forth in this Section 1.

1.1. "Administrative Costs" means Capital Costs that are not Direct Project Costs, including general program administrative expenses (e.g. staff support and overhead costs attributable to Bond Measure program implementation), expenses related to community engagement and outreach, and payments to third-party consultants (e.g. realtors, appraisers, surveyors, title insurers, environmental evaluators, designers, and engineers).

- 1.2. “Administrative Share” means that portion of the Bond Proceeds totaling \$2,446,065.
- 1.3. “Affordable Housing” means land and improvements for residential units occupied by low-income households making 80% or less of area median income, consistent with the intents and purposes of the Bond Measure.
- 1.4. “Affordable Housing Project(s)” or “Projects” means Affordable Housing that is developed, built or acquired by LIP using Bond Proceeds, or supported by LIP through grants or loans of Bond Proceeds, burdened by a Restrictive Covenant.
- 1.5. “Area Median Income” or “AMI” means median gross household income, adjusted for household size, for the Portland, Oregon metropolitan statistical area as established each year by HUD.
- 1.6. “Capital Costs” means costs of Affordable Housing that are capitalizable under generally acceptable accounting principles (GAAP), which costs include the costs of capital construction, capital improvements or other capital costs, as those terms are defined by the relevant provisions of the Oregon Constitution and Oregon law (including ORS 310.140).
- 1.7. “Concept Endorsement” is as defined in Section 4.1, below.
- 1.8. “Conversions” means conversion of existing, occupied market-rate housing units to Affordable Housing units burdened by a Restrictive Covenant.
- 1.9. “Direct Project Costs” means Capital Costs that are expended for the acquisition, development, or construction of an Affordable Housing Project.
- 1.10. “Disbursement Request” is as defined in Section 4.3, below.
- 1.11. “Eligible Share” means that portion of the Bond Proceeds totaling \$113,488,094.
- 1.12. “Final Approval” is as defined in Section 4.2, below.
- 1.13. “LIS” means the LIP’s local implementation strategy document adopted by LIP and attached to this Agreement as **Exhibit A**.
- 1.14. “LIS Annual Progress Report” is as defined in Section 9.1, below.
- 1.15. “New Construction” means development and construction of a new Affordable Housing Project.
- 1.16. “Oversight Committee” means the Affordable Housing Bond Community Oversight Committee created pursuant to Metro Code Section 2.19.260.
- 1.17. “Project Funds” means that portion of Eligible Share committed through the Project approval process set forth and distributed in accordance with Section 4.
- 1.18. “Property Acquisitions” means real property acquisitions by LIP to be used for future development of an Affordable Housing Project.

- 1.19. "Regional Investment" is as defined in Section 2.2, below.
- 1.20. "Regional Site Acquisition Program" means the program implemented by Metro to use Bond Proceeds to acquire and develop regionally significant sites for Affordable Housing.
- 1.21. "Restrictive Covenant" is as defined in Section 5, below.
- 1.22. "Term" is as defined in Section 11.1, below.
- 1.23. "Unit Production Targets" means those targets set forth in Section 2.1 below, and include the "Total Unit Target," the "30% or Below Target," the "31%-60% Unit Target," the "61-80% Cap," and the "Two-Bedroom+ Target," each as defined in Section 2.1.
- 1.24. "Unit(s)" means residential units in an Affordable Housing Project.
- 1.25. "Work Plan" means Metro's Affordable Housing Bond Measure Program Work Plan adopted by the Metro Council by Resolution 19-4956, as subsequently amended by the Metro Council on October 17, 2019 by Resolution 19-5015.

## **2. Unit Production Targets**

2.1. Unit Production Targets. LIP hereby agrees to adopt and take all necessary and appropriate action to implement the Unit Production Targets set forth below. The parties anticipate the LIP's Unit Production Targets will be met using a combination of funds, including LIP's Eligible Share and Metro's Regional Investment. LIP's failure to make reasonable progress towards meeting its Unit Production Targets, in accordance with the timeline attached hereto as **Exhibit B**, is grounds for termination of this Agreement by Metro as provided in Section 11, after which Metro shall have no further obligation to distribute the Eligible Share.

- 2.1.1. Total Unit Target: 812. This is the minimum total number of Units to be built or acquired using LIP's Eligible Share. Should LIP build or acquire additional units above the Total Unit Target using its Eligible Share, those units may be occupied by households earning anywhere between 0-80% so long as 30% or Below Target and the 31%-60% Unit Target have been satisfied.
- 2.1.2. 30% or Below Target: 333. This is number of the Total Unit Target that will be restricted to households earning 30% or less of AMI, in accordance with the terms of the Restrictive Covenant.
- 2.1.3. 31%-60% Unit Target: 398. This is number of the Total Unit Target that will be restricted to households earning 31%-60% of AMI, in accordance with the terms of the Restrictive Covenant.

2.1.4. 61-80% Cap: 81. This is the maximum number of units contributing to the Total Unit Target that may be restricted to households earning 61-80% of AMI.

2.1.5. Two-Bedroom+ Target: 406. This is number of the Total Unit Target that will be two bedrooms or more.

2.2. Impact of Regional Program. Metro will use ten percent of the total Bond Proceeds to fund and operate its Regional Site Acquisition Program. The parties expect that Metro's Site Acquisition Program will spend approximately \$12,909,788 within LIP's jurisdictional boundary (the "Regional Investment"). Units created in projects that utilize Regional Investment will contribute towards LIP's Unit Production Targets, unless otherwise agreed to by the parties. Metro will make good faith efforts to coordinate and consult with LIP to ensure Metro's decisions regarding the Regional Investment support LIP in reaching its Unit Production Targets. Once LIP has spent or has committed to spend 75% of its Eligible Share, if Metro has not yet spent, or committed to spend, the Regional Investment, then the parties will meet to discuss potential alternative options for how the Regional Investment could be spent by Metro to support LIP's remaining Unit Production Targets. If following such meeting the parties are still unable to identify opportunities for collaboration or agreeable potential alternative options, then LIP's Unit Production Targets will be reduced by the lesser of (a) ten percent or (b) the proportionate share equal to the amount of Regional Investment Metro has not yet spent.

### **3. Local Implementation Partner's Eligible Share.**

3.1. Direct Project Costs; Consistency with LIS. Subject to the terms and conditions of this Agreement, including Section 4, below, and the requirements, limits, and restrictions set forth in both the Work Plan and the Bond Measure, Metro will provide to LIP the Eligible Share on a Project-by-Project basis. LIP may only spend the Eligible Share on Direct Project Costs that are consistent with its LIS, as determined by Metro, in Metro's reasonable discretion, and will spend no portion of the Eligible Share on Administrative Costs.

3.2. Public or Private Ownership. LIP may use its Eligible Share to support the creation of Affordable Housing that is either privately or publicly owned. The Eligible Share may be contributed to privately-owned Projects in the form of loans or grants on terms approved by LIP. The identification and selection of a Project will be at the discretion of LIP, provided, however, all Project selections must comply with the LIS and contribute towards the Unit Production Targets. Publicly-owned Affordable Housing financed with the LIP's Eligible

Share must contribute to the Unit production Targets and must comply with the LIS and the terms and conditions of this Agreement, including, without limitation, the same Project Requirements provided for in Section 5 below.

3.3. Approved Project Types. LIP may use its Eligible Share only for the types of projects described in the Work Plan. As of the Effective Date, the Work Plan sets forth the following approved types of Affordable Housing Projects: (a) New Construction, (b) Conversions, and (c) Property Acquisitions.

#### **4. Metro Approval Process; Disbursement of Funds; Repayment**

4.1. Concept Endorsement. In order for LIP to receive a disbursement of its Eligible Share to fund a New Construction or Conversion Project, LIP must receive an initial funding commitment for such Project (the “Concept Endorsement”) from Metro. LIP’s request for a Concept Endorsement must include general project information, including a project narrative, preliminary sources and uses information, a draft project site plan, copies of relevant due diligence documents, and any other information Metro deems reasonably necessary to issue a Concept Endorsement. Metro will issue the Concept Endorsement to LIP upon Metro’s determination that (a) the Project will reasonably contribute to the Unit Production Targets relative to the amount of the Eligible Share LIP proposes to use for the Project; and (b) the Project will be consistent with the LIS, the Work Plan and the Bond Measure.

4.2. Final Approval. In order for LIP to use its Eligible Share for an Affordable Housing Project, LIP must have received final approval from Metro, as described in this section (“Final Approval”). Metro will issue Final Approval to LIP upon Metro’s determination that (a) the proposed Project reasonably contributes to the Unit Production Targets relative to the amount of the Eligible Share proposed to be used for the Project; and (b) the Project is consistent with the LIS, the Work Plan, and the Bond Measure. LIP’s request for Final Approval will include the Project information described above in Section 4.1, as well as any additional information Metro reasonably requests related to the finalized development program, including design development drawings and an updated sources and uses budget. If after receiving Final Approval, the amount of the Eligible Share initially proposed and approved increases or the Project’s unit count, bedroom mix, or affordability level changes, then LIP must submit an amended request for Final Approval for the Project. Metro will review such an amended request (along with any related Disbursement Request) expeditiously, making best efforts to accommodate LIP’s anticipated Project closing timeline.

4.3. Disbursement. Following Metro's Final Approval of LIP's proposed use of its Eligible Share for an Affordable Housing Project, LIP may request disbursement of the Project Funds from Metro ("Disbursement Request"). Such request will be made in writing (a) no more than 45 days and (b) no less than 10 business days prior to any anticipated closing or need for use. The Disbursement Request will include: (a) a certification from LIP to Metro that the Project information LIP provided to Metro in connection with its request for Final Approval has not changed or been modified in any material way; (b) a completed draft of the proposed Restrictive Covenant that LIP intends to record against the Project in accordance with Section 5 below, (c) a list of finalized sources and uses, (d) a final construction contract schedule of values, if applicable, and (e) wiring instructions or other instructions related to the transmittal of funds. LIP will provide to Metro any other information as Metro may reasonably request related to the Project. Metro will review Disbursement Requests expeditiously and will disburse funds within 10 business days of receiving a completed Disbursement Request.

4.4. Project Failure and Repayment. LIP will use the Project Funds strictly in accordance with the manner and method described in the Final Approval. If the Project financing transaction for which disbursement was sought fails to close within sixty (60) days after Metro disburses the requested funds, then, unless otherwise directed in writing by Metro, LIP will immediately repay to Metro the amount of its Eligible Share disbursed for the Project, including any interest earned thereon. If LIP uses Project Funds for a Property Acquisition, and is thereafter unable to make substantial progress, as reasonably determined by Metro, towards the development of Affordable Housing on the property within four (4) years following the closing date of the Property Acquisition (or such other time period agreed to in writing by Metro), LIP will repay to Metro the amount of the Eligible Share disbursed for the Property Acquisition. LIP acknowledges and expressly affirms its repayment obligations set forth in this section even if such failure is through no fault of LIP. LIP's remaining Eligible Share will be adjusted and increased to reflect such repayment.

## **5. Affordable Housing Restrictive Covenant.**

5.1. General Provisions and Recording Obligations. For all Projects that receive Bond Proceeds, LIP will ensure an affordable housing restrictive covenant (a "Restrictive Covenant") is recorded on the title to the land that comprises the Project. The Restrictive Covenant must be recorded at closing, or upon LIP's contribution of the Bond Proceeds to a Project. LIP will provide Metro a copy of the recorded Restrictive Covenant within ten (10) business days following its recording. If for any reason LIP fails to record a Restrictive Covenant

in accordance with this section, Metro may, at its sole option and upon written notice to LIP, terminate this Agreement in accordance with Section 11, in which case LIP will refund Metro the Bond Proceeds disbursed to LIP for such Project.

5.2. Form for Property Acquisitions. For Property Acquisitions, the Restrictive Covenant will be granted to Metro directly, be recorded in such priority approved by Metro, and shall be substantially in the form attached hereto as **Exhibit C**, or as otherwise approved by Metro.

5.3. Form for New Construction and Conversion Projects. For New Construction Projects and Conversion Projects, the Restrictive Covenant will (a) acknowledge the use of Bond Measure funds, (b) include applicable long-term affordability restrictions, (c) burden the property for a minimum duration of sixty (60) years or thirty (30) years for Conversion Projects where the building is more than ten (10) years old), (d) provide monitoring and access rights to LIP and Metro, (e) name Metro as a third-party beneficiary and (f) unless otherwise agreed to in writing by Metro, be recorded in a priority position only subject to and subordinate to a primary first mortgage or deed of trust and State low-income housing regulatory agreements. The monitoring, access and third party beneficiary language will be subject to Metro's review and approval during the Final Approval process. LIP acknowledges that such language will require Projects to provide to Metro certain data (including financial reports, physical inspection reports, and tenant data) typically collected and prepared by Oregon Housing and Community Services. Metro acknowledges that the Restrictive Covenant may provide for a waiver or temporary relief from the limitations on qualifying income, in order to address incomes rising in place to avoid undue hardship or displacement, or to conform to other regulatory or policy requirements.

## **6. Project Information Reports; Funding Recognition**

6.1. Project Information and Updates. Upon Metro's disbursement of Eligible Share for any particular Project, LIP will provide Metro with regular updates regarding Project construction and completion. LIP will notify Metro of any events during construction that materially affect the Project, including (a) significant extensions of the Project schedule, (b) significant increases to the Project budget, (c) any notices of default issued by LIP or other Project lenders, or (d) any other changes that impact the quality or nature of the Project described in the Final Approval process. If any such material events occur during Project construction, LIP will provide Metro with any additional information Metro reasonably requests related to such events. In addition to providing the general Project updates and information

described above, LIP will provide Metro with the documents listed on the attached **Exhibit D** at the Project milestones referenced therein.

6.2. Funding Recognition. LIP will publicly recognize Metro and the Bond Measure in any publications, media presentations, or other presentations relating to or describing Projects receiving Bond Proceeds. LIP will coordinate with Metro in selecting the date and time for any event recognizing, celebrating or commemorating any Project ground-breaking, completion, ribbon cutting or opening, and provide Metro an opportunity to participate. LIP will ensure that the Bond Measure is officially recognized as a funding source at any such event, and will provide a speaking opportunity for the Metro elected official representing the district in which the Project is located, if such opportunities are provided to LIP or other public officials.

**7. Administrative Funding.** Subject to the terms and conditions of this Agreement, and the requirements and restrictions set forth in both the Work Plan and the Bond Measure, Metro will provide LIP the Administrative Share. Within thirty (30) days of the Effective Date, Metro will disburse to LIP its Administrative Share in accordance with the schedule set forth on Exhibit B attached to this Agreement. Interest earnings on the Administrative Share while held by LIP may be retained by LIP, provided such interest is used for affordable housing, residential services, or supportive services for residents of affordable housing. Metro's obligation to distribute the Administrative Share is conditioned on LIP making reasonable progress towards its Unit Production Targets, as reasonably determined by Metro in accordance with the timeline set forth on the attached Exhibit B.

**8. General Obligation Bonds.** All Bond Proceeds disbursed to LIP pursuant to this Agreement (including both the Eligible Share and the Administrative Share) are derived from the sale of voter-approved general obligation bonds that are to be repaid using ad valorem property taxes exempt from the limitations of Article XI, sections 11 and 11b of the Oregon Constitution. LIP covenants and agrees that it will take no actions that would adversely affect the validity of the Bonds or cause Metro not to be able to levy and collect the real property taxes imposed to repay these bonds, which are exempt from Oregon's constitutional property tax limitations. LIP further covenants and agrees that (a) all Bond Proceeds disbursed hereunder will be used only to pay for or reimburse costs that are of a type that are properly chargeable to a Capital Costs (or would be so chargeable with a proper election) to comply with the Oregon Constitution and other applicable laws with respect to the permitted expenditure of general obligation bond proceeds; and (b) within ten (10) days of the event, LIP



will disclose to Metro any events that are required to be included in Metro's continuing disclosure obligations as the issuer of the general obligation bonds. If LIP breaches the foregoing covenants, LIP will immediately undertake whatever remedies or other action may be necessary to cure the default and to compensate Metro for any loss it may suffer as a result thereof, including, without limitation, repayment to Metro of Project Funds.

## **9. LIP Required Annual Reporting**

9.1. Local Implementation Strategy Progress Reports. By the end of each calendar year of the Term, or until LIP has fully expended its Eligible Share, LIP will provide a report to Metro summarizing its LIS progress and outcomes (the "LIS Annual Progress Report"). LIP will create the LIS Annual Progress Report using a template provided by Metro, which template Metro will develop with input from all participating local government partners receiving Bond Proceeds. The Oversight Committee will review the LIS Annual Progress Report and may recommend changes to the LIS to achieve the Unit Production Targets and to better align the LIS with the Work Plan. LIP agrees to participate fully in such annual review process; provided, however, the LIS may be revised or amended only upon written agreement by both LIP and Metro. Failure by LIP to agree to a proposed amendment will not constitute an event of default.

9.2. Financial Eligible Share Reports. Beginning with Metro's first disbursement of any portion of the Eligible Share to LIP for a Project, and continuing each year thereafter, on or before September 15 of each year during the Term until Unit Targets are completed and/or all Eligible Share is disbursed, LIP will provide an annual financial report to Metro containing (a) an itemized list of LIP's expenditure of Project Funds (and interest earnings thereon) through the end of the applicable fiscal year and (b) a certification from LIP to Metro that the Eligible Share was used only to pay for or Capital Costs.

9.3. Administrative Share Reports. On or before September 15 of each year during the Term, LIP will provide an annual report to Metro containing (a) an itemized list of LIP's expenditure of its Administrative Share (and any investment earnings thereon) through the end of the prior fiscal year detailing each entity LIP paid any portion of the Administrative Share and (b) a certification from LIP to Metro that the Administrative Share was used only to pay for or Capital Costs.

**10. Audits, Inspections and Retention of Records.** LIP will keep proper books of account and records on all activities associated with the expenditure of all funds disbursed by Metro under this Agreement. LIP will maintain these books of account and records in accordance with generally

accepted accounting principles through the date that is three (3) years after the anticipated maturity date of the Bonds or the anticipated maturity date of any obligations issued by Metro to refund the Bonds. Metro expects the Bonds will be outstanding until approximately May of 2039. LIP will permit Metro and its duly authorized representatives, upon prior written notice, to inspect books and records, properties, all work done, labor performed and materials furnished during normal business hours, and to review and make excerpts and transcripts of its books of account and records with respect to the receipt and disbursement of Bond Proceeds received from Metro. Access to these books of account and records is not limited to the required retention period. Metro's authorized representatives will have access to records upon reasonable notice at any reasonable time for as long as the records are maintained

## **11. Term; Termination; Default Remedies; Dispute Resolution**

11.1. The term of this Agreement commences on the Effective Date and terminates on ten years after the Effective Date (the "Term"). The expectation of the parties is that LIP will spend its Eligible Share within seven (7) years after the Effective Date and that all Projects will be completed within the Term of this Agreement. Metro will have no obligation to disburse any remaining portion of LIP's Eligible Share or Administrative Share after the expiration of the Term. The repayment obligations and indemnities set forth in Sections 4, 5, 8 and 14 survive the expiration or earlier termination of this Agreement.

11.2. Metro and LIP may jointly terminate all or part of this Agreement based upon a determination that such action is in the public interest. Termination under this provision will be effective only upon the mutual, written termination agreement signed by both Metro and LIP.

11.3. If Metro reasonably believes LIP is not spending its Eligible Share according to the terms herein or otherwise has otherwise failed to comply with the terms of this Agreement, in addition to any other rights and remedies set forth herein or available at law, or in equity, Metro has the right to immediately withhold or suspend future distributions of Eligible Share and Administrative Share. In such an event Metro will provide LIP with written notice of such determination and will thereafter proceed with the dispute resolution provisions set forth below in Section 11.4.

11.4. Metro and LIP will negotiate in good faith to resolve any dispute arising out of this Agreement. Subject to the provisions set forth below, Metro or LIP may terminate this Agreement during the term if it reasonably determines the other party has failed to comply with any material provision of this Agreement and is therefore in default. Before terminating this Agreement in accordance with this section, the terminating party will provide the other party with

written notice that describes the evidence of default and include a description of the steps needed to cure the default. From the date that such notice of default is received, the defaulting party will have 30 days to cure the default. If the default is of such a nature that it cannot reasonably be cured within 30 days, the defaulting party will have such additional time as required to cure the default, as long as it is acting in a reasonable manner and in good faith to cure the default. If the parties are unable to resolve any dispute within thirty (30) days of after receipt of a written notice of default or such additional time as may be needed to reasonably cure the default, the parties will attempt to settle any dispute through mediation. The parties shall attempt to agree on a single mediator. The cost of mediation will be shared equally. If the parties agree on a mediator, the mediation must be held within 60 days of selection of the mediator unless the parties otherwise agree. If the parties cannot agree on a mediator, or the matter is not settled during mediation, the parties will have all other remedies available at law or in equity.

## **12. Notices and Parties' Representatives**

12.1. Any notices permitted or required by this Agreement will be addressed to the other party's representative(s) designated in this section and will be deemed provided (a) on the date they are personally delivered, (b) on the date they are sent via electronic communication, or (c) on the third day after they are deposited in the United States mail, postage fully prepaid, by certified mail return receipt requested. Either party may change its representative(s) and the contact information for its representative(s) by providing notice in compliance with this.

Metro:

Emily Lieb

600 NE Grand Ave.

Portland, OR 97232

503-797-1921

[Emily.Lieb@oregonmetro.gov](mailto:Emily.Lieb@oregonmetro.gov)

Housing Authority of Clackamas County:

Stephen McMurtrey

13930 S. Gain Street

Oregon City, OR 97045

503-650-3414

[SMcMurtrey@clackamas.us](mailto:SMcMurtrey@clackamas.us)

## **13. Compliance with Law**

13.1. LIP will comply with all applicable federal, state, and local laws, regulations, executive orders and ordinances applicable to its investment and expenditure of the Bond Proceeds.

13.2. LIP further recognizes that investing Bond Proceeds (through either a loan or grant) could result in a Project being a “public works” for purposes of Oregon’s prevailing wage rate law, ORS 279C.800 to 279C.870, as it may be amended from time to time. LIP will be solely responsible for ensuring that all Projects receiving Bond Proceeds comply with prevailing wage rate law, as applicable.

13.3. No recipient or proposed recipient of any services or other assistance under the provisions of this Agreement or any program related to this Agreement may be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with the funds made available through this Agreement on the grounds of race, color, or national origin, 42 U.S.C. §2000d (Title VI), or on the grounds of religion, sex, ancestry, age, or disability as that term is defined in the Americans with Disabilities Act. For purposes of this section, “program or activity” is defined as any function conducted by an identifiable administrative unit of LIP receiving funds pursuant to this Agreement.

#### **14. Insurance; Indemnification; Limitation on Liability**

14.1. Metro and LIP will self-insure or maintain general liability insurance and workers compensation insurance coverage. Each party is responsible for the wages and benefits of its respective employees performing any work or services related to this Agreement. LIP will add Metro as an additional insured to all commercial general, excess and umbrella liability policies. LIP will provide a certificate of insurance listing Metro as a certificate holder within 30 days of execution of this Agreement.

14.2. Subject to the limitations and conditions of the Oregon Constitution and the Oregon Tort Claims Act, LIP will indemnify, defend, and hold harmless Metro, its elected officers and employees, from and against any and all liabilities, claims, demands, damages, actions, costs, penalties, losses and expenses (including any attorney’s fees in defense of Metro or any attorney’s fees incurred in enforcing this provision) suffered or incurred as a result of third-party claims arising out of LIP’s performance of this Agreement or resulting in whole or in part from any act, omission, negligence, fault or violation of law by LIP, its officers, employees, agents, and contractors. This indemnity includes any third-party claims related to the development, construction, operation, repair, or maintenance of Affordable Housing Projects. This indemnity provision does not apply to third-party claims resulting from the sole negligence or willful misconduct of Metro.

14.3. In no event will either party be liable to the other for, and each party releases the other from, any liability for special, punitive, exemplary, consequential, incidental or indirect losses

or damages (in tort, contract or otherwise) under or in respect of this Agreement, however caused, whether or not arising from a party's sole, joint or concurrent negligence.

**15. Oregon Law, Dispute Resolution, and Forum.** This Agreement is to be construed according to the laws of the State of Oregon. Any litigation between Metro and LIP arising under this Agreement will occur, if in the state courts, in the Multnomah County Circuit Court, and if in the Federal courts, in the United States District Court for the District of Oregon located in Portland, Oregon.

**16. No Third Party Beneficiaries.** LIP and Metro are the only parties to this Agreement and are the only parties entitled to enforce its terms and the sole beneficiaries hereof. Nothing in this Agreement gives, is intended to give, or will be construed to give or provide any benefit or right, whether directly, indirectly, or otherwise, to third persons any greater than the right and benefits enjoyed by the general public.

**17. Relationship of Parties.** Nothing in this Agreement nor any acts of the parties hereunder will be deemed or construed by the parties, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture or any association between any LIP and Metro. Furthermore, Metro will not be considered the owner, contractor or the developer of any Project funded with Bond Proceeds. This Agreement is not intended to be a contract that provides for the development or construction of any Project, either directly with a construction contractor or through a developer. Metro specifically waives any provision contained in this Agreement, to the extent it is construed to provide Metro the right to manage, direct or control the developer, general contractor or the subcontractors. The rights and duties of the developer, the general contractor and the subcontractors are the subject of a separate contract or contracts with LIP to which Metro is not a party. LIP waives and releases Metro from any claims and actions related to the construction, operation, repair, or maintenance of any Affordable Housing Projects. If LIP obtains an indemnification agreement from any third-party developer or general contractor receiving Bond Proceeds under this Agreement, LIP will contractually require such party to indemnify Metro to the same extent as LIP.

**18. Assignment; Merger; Entire Agreement.** This Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstance, be assigned or transferred by LIP without Metro's written consent. This Agreement and attached

exhibit(s) constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. The failure to enforce any provision of this Agreement does not constitute a waiver by Metro of that or any other provision. No waiver, consent, modification or change of terms of this Agreement will bind either party unless it is in writing and signed by both parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, will be effective only in the specific instance and for the specific purpose given. The failure of a party to enforce any provision of this Agreement will not constitute a waiver by that party of that provision, or of any other provision.

**19. Further Assurances.** Each of the parties will execute and deliver any and all additional papers, documents, and other assurances, and will do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent and agreements of the parties hereto.

**20. Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which will constitute one and the same instrument.

**21. No Attorney Fees.** In the event any arbitration, action or proceeding, including any bankruptcy proceeding, is instituted to enforce any term of this Agreement, each party shall be responsible for its own attorneys' fees and expenses.

**22. Debt Limitation.** This Agreement is expressly subject to the limitations of the Oregon Constitution and Oregon Tort Claims Act, and is contingent upon appropriation of funds. Any provisions herein that conflict with the above referenced laws are deemed inoperative to that extent.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**Metro**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Housing Authority for Clackamas  
County**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Clackamas County**  
**Local Implementation Strategy (LIS)**  
**Metro Affordable Housing Bonds**  
**+++**

I. Introduction.....pg. 2

II. Strategy Development.....pg. 5

III. Implementation Phases.....pg. 6

IV. Organizational Plan for Implementation.....pg. 6

V. Project Selection Process.....pg. 7

VI. Leveraging Other Affordable Housing Resources.....pg. 9

VII. Project Selection Criteria.....pg. 11

VIII. Project Implementation.....pg. 15

IX. Reporting on the Implementation Strategy.....pg. 18

Exhibit 1 – Outreach Report.....pg. 19

Exhibit 2 – HACC Portfolio Approach (Tracking Worksheet) .....pg. 32

Attachment 1 – Clackamas County Metro Boundary Map.....pg. 33



## **I. Introduction**

Clackamas County sits south of the Portland metro area in the Willamette Valley and in the shadow of Mt. Hood. Here we have national forests, hideaway lakes, winding rivers, thriving agriculture, bustling cities, and small town communities.

We're a county with a rich history dating back to 1843 when the early settlers created the four original districts that made up Oregon, naming Clackamas County after the Clackamas Indians.

Today, our county covers nearly 1,900 miles with a little more than 400,000 residents, making us the third largest county in the state by population.

More than half of our residents live in 16 cities; the rest live in unincorporated areas. We are a county of diverse and welcoming communities, where all residents are essential. Diversity, equity, and inclusion are of great importance in our county, but due to the high cost of housing and increasing wage gap, many residents increasingly struggle to remain housed.

This Local Implementation Strategy (LIS) aims to sustain Clackamas County's livability, particularly for those most in need. This LIS will serve as a guide for the county and our partnering communities as we create affordable housing using the Metro Affordable Housing Bond. As a county without entitlement cities (cities with a population of at least 50,000), all bond resources will run through the Housing Authority of Clackamas County (HACC).

Clackamas County is excited to be an implementing jurisdiction of the Metro Bonds. These resources will play a critical role in creating opportunities and will expand our cities racial and cultural and economic diversity while meeting a range of important housing needs that will provide increased stability for decades to come. Our highly skilled staff and committed elected officials will work collaboratively with our community and jurisdictional partners to expedite review periods for projects that come our way in order to capitalize on this exciting resource and get housing built as quickly as we can.

### **Clackamas County Housing Needs**

In 2018, Clackamas County embarked on an ambitious look at a countywide Housing Needs Analysis (HNA). To undertake this endeavor required the collaboration and cooperation of all Clackamas County cities as well as our unincorporated communities. The study was contracted with ECONorthwest with the goal of developing an in-depth understanding of the housing needs in our county, as well as where we need to focus additional resources (monetary or partnership driven) to create opportunities and provide a lasting impact for residents that have been historically marginalized.

To date, Clackamas County has 2,806 existing regulated housing units within the Metro boundary. Of these regulated units there are 543 Public Housing units operated by HACC. The information below represents data provide to HACC through a county-wide Housing Needs Assessment (HNA) and is representative of **new** affordable rental housing needs.

Estimated (New) affordable rental housing needs, based on Median Family Income (MFI), forecasted for the next twenty years (2019-2039) in the urban unincorporated areas of Clackamas County.

Unincorporated* Urban Areas	Extremely Low Income (<30% MFI Need)	Very Low Income (30-50% MFI Need)	Low Income (50-80% MFI Need)	Total affordable rental housing need between 0-80% MFI
All Urban	1,175	1,166	1,666	4,007

Source: U.S. Department of Housing and Urban Development. U.S. Census Bureau, 2012-2016 ACS Table 19001.

\*The data provided is still in DRAFT form and will be updated once finalized.

Estimated rental housing needs, based on Median Family Income (MFI) forecasted for the next twenty years (2019-2039) within the Metro boundary of incorporated cities of Clackamas County.

City*	Extremely Low Income (<30% MFI Need)	Very Low Income (30-50% MFI Need)	Low Income (50-80% MFI Need)	Total affordable rental housing need between 0-80% MFI
Gladstone	62	72	51	185
Happy Valley	473	548	1,025	2,046
Lake Oswego	198	167	198	563
Milwaukie	256	167	274	316
Oregon City	441	353	599	1,393
West Linn	98	164	102	364
Wilsonville	333	592	347	1,272

Source: U.S. Department of Housing and Urban Development. U.S. Census Bureau, 2012-2016 ACS Table 19001.

\*The data provided is still in DRAFT form and will be updated once finalized.

## Available Resources and Framework Targets

This Implementation Strategy focuses on the housing that will be developed within the eligible Metro boundary in Clackamas County. Bond resources are designated for use within Metro jurisdictional boundaries and are not applicable to incorporated and unincorporated communities outside of this boundary; see Attachment 1 for a detailed map of the applicable Metro boundary for Clackamas County. Bond revenues dedicated to HACC are **\$116,188,094**. The goal for HACC is to support at least **812 units of affordable housing** in the community. These can be newly built units or existing units that are at risk of rapidly rising rents. While many of these units are expected to provide rental housing, affordable homeownership opportunities units may also be supported with the bond resources.

Recognizing that our lowest income neighbors have the greatest challenges in securing affordable housing, and consistent with the Metro Bond Framework, HACC has set a goal that at least **333** of these units will be affordable for households with incomes at or below 30% of area median income. These units may serve people with special needs as well as people who earn low wages or have fixed incomes. At least **200** of these units will be supported with rental assistance provided by HACC, allowing them to be targeted to the most fragile households. To aid this process, HACC will provide opportunity for developers to access site-based rental assistance via competitive applications at several points throughout the life of the bond. It is currently anticipated that at a minimum, 2/3 of the vouchers will be offered for use on developments that are not the redevelopment of HACC public housing sites. In order to ensure that residents are stable and secure, HACC will work with project sponsors and developers to connect social service agencies and other community partners as a link to supportive services for these affordable housing units.

Because the need for affordable housing crosses many income levels, and because serving moderate-income households can effectively provide a source of cross-subsidization for lower-income households, HACC may also explore options to include units that have rents appropriate for households with incomes from 61% to 80% of area median income. No more than **81** Bond financed units will have rents at this level. The need for affordable housing crosses income levels, and serving higher-income households can create cross-subsidization for very low-income households.

The private rental housing market has always been concentrated on small unit sizes, while the need for rental housing crosses a range of household sizes. This mismatch between need and available units is especially difficult for lower-income households. As a result, the Metro Bond Framework has set a goal that half of the units developed under the bond program must include two or more bedrooms. For HACC, this means that at least **406** units will include two or more bedrooms.

## **Advancing Racial Equity**

The Housing Authority of Clackamas County prioritizes advancing racial equity for all its activities. This is an ongoing priority of HACC to mitigate decades of government policy from the federal to the local level that contributed to disparate outcomes for communities of color. People of color struggle disproportionately with unaffordable housing, displacement and homelessness. The implementation of the Affordable Housing Bond provides an opportunity to work to address this inequity and to meet the needs of historically marginalized communities.

Efforts and opportunities to address racial equity occur at many points in the implementation of the Affordable Housing Bond. Opportunities to advance racial equity include community engagement and plan development, project selection, the inclusion of minority businesses and workforce in the design and construction of housing, the formation of culturally specific partnerships for outreach and services, accessible tenant selection/screening criteria processes, contracting opportunities post construction, and ongoing reporting of outcomes. The specific implementation strategies HACC will employ are discussed in the various sections below.

## **II. Strategy Development**

HACC has developed this LIS by engaging in a comprehensive outreach and review process during the spring and early summer of 2019. Meaningful community engagement is the basis for this LIS. The outreach process resulted in hearing from hundreds of community members and dozens of local stakeholder agencies and jurisdictional partners. This resulted in perspectives on housing needs across Clackamas County especially focused on special needs populations. Exhibit 1 provides a detailed report on the outreach and engagement process; the highlights are included below.

### **Listening Phase**

To inform our LIS, Clackamas County and HACC recognize the importance of community engagement. To help us outline this process, we began active outreach efforts to inform the public about the forthcoming Affordable Housing Bond and the impact it will have on critical housing needs throughout the communities in Clackamas County. Utilizing advisory boards already in place, feedback from our County Commissioners, jurisdictional partners, and our residents, HACC established several opportunities for information sessions detailing our countywide state of housing needs and the guidelines and outcomes expected through the Affordable Housing Bond program. During these information sessions, county staff asked “key” questions of our audiences to help inform how the formation of our LIS and how best to organize implementation. Below represents findings from these sessions.

### **Review Draft Feedback**

This LIS was drafted using the Metro Affordable Housing Bond Work Plan adopted in February of 2019, as well as with feedback from HACC Board, our Housing Advisory

Board (HAB), and feedback during various listening sessions held by HACC over several months. HACC staff will present the draft LIS to the HACC Board for feedback on June 18, 2019. At that point, the LIS draft was made available for community feedback, as well as comments from Metro staff, members of the Metro Housing Bond Oversight Committee, and community groups engaged in the Listening phase.

### **Local Implementation Strategy Approval**

It is anticipated that a final LIS will be reviewed by the Metro Housing Bond Oversight Committee on August 7, 2019, and subsequently by Metro Council on September 5th, 2019. It will be considered by the HACC Board for final County approval on September 10th, 2019.

### **III. Implementation Phases**

Implementation of Bond funded projects is expected to occur over a period of four to seven years. This timeline will allow for the identification of sites, securing needed resources for capital and services, forming partnerships with developers and service providers, procurement of projects through public solicitations, and completing construction. During this period, community needs and opportunities may change. New census data will become available, new community planning efforts may be initiated or completed, and new resources or opportunities may become available while other resources or opportunities may not materialize as anticipated. In addition, certain framework goals may be easily fulfilled, while others may prove more challenging. Because of the dynamic nature of this work, HACC proposes to periodically review, and potentially reset this Implementation Strategy.

HACC proposes to take a portfolio approach to implementing Bond resources, monitoring and adjusting the LIS when appropriate (Exhibit 2). Because the pace of implementation is uncertain, review points will not occur at specific points in time but instead will be based on the commitment of Bond resources to specific projects.

HACC will use Exhibit 2 as an addendum to this Implementation Strategy. As project commitments are made, the tracking worksheet will be updated to show balances of funds available and progress toward framework goals. This will provide a real-time update that can guide the selection of the subsequent projects to ensure that overall goals and resource commitments are consistent with the Metro framework. Should the tracking worksheet indicate that a modification to the adopted Implementation Strategy is advisable; the amendment process will include community outreach and engagement, review by the HAB and amendment by the HACC Board with submission to Metro for review and approval.

### **IV. Organizational Plan for Implementation**

HACC will use a combination of staff and consultants to administer this Implementation Strategy. In-house staff will be responsible for coordinating community engagement and

outreach, project selection process, project documentation and funding processes, as well as overall program monitoring and reporting. The Housing Authority may engage consultants with expertise in financial packaging of affordable housing to review proposed projects during the selection and commitment phases. Similarly, HACC may engage consultants or collaborate with other project funders to leverage their expertise in construction management to help oversee project development.

Some aspects of implementation will require the development of new systems for HACC. Depending on the activity, HACC will either create its own tracking/compliance system or may work with Metro or other jurisdictions to create effective implementation strategies.

In addition to the county general fund, Metro has committed \$2,446,065 of one-time funds to be spent over five years to augment and support Clackamas County's development team and pre-development activities directly related to bond implementation and bond funded projects. Initially, Clackamas County anticipates that these funds will support additional staffing for our Finance and Community Development departments to implement, track and monitor bond resources over the term of the bonds. In addition, these resources will also support our ongoing community outreach engagement strategies.

## **V. Project Selection Process**

HACC will work in partnership with developers/owners that are skilled and interested in providing affordable housing throughout the County's Metro boundary. In addition, the Housing Authority itself intends to be a developer or owner of housing funded under the Bond. HACC expects that the Bond funds may provide support for a total of approximately 8-12 projects. HACC expects that it will be the developer/owner of approximately 450 units of bond-financed housing and will use approximately \$63.9 MM or 55% of the total bond resources with the remaining balance, \$52.3MM or 45%, available for projects sponsored by non-profit or for-profit developers throughout the eligible bond boundary within the county.

HACC will establish a set of expectations for developers/owners to ensure that both the framework goals and racial equity outcomes are achieved. These are requirements that will apply to all developer/owners; they will not be competitive selection criteria. Requirements will include such things as the period of affordability, the inclusion of MWESB contractor participation in the development process, community engagement during predevelopment, and the use of best practice outreach and tenant selection criteria. The specific requirements are described in the Project Selection Criteria and Project Implementation sections below.

The Housing Authority will utilize the Clackamas County Housing Advisory Board (HAB) as a review committee. The HAB is comprised of Clackamas County residents and industry experts from the fields of affordable housing finance, resident services,

homelessness, affordable housing development, real estate management, culturally specific service providers, the elder community and the construction general contracting industry. The HAB will provide feedback to staff and advise the HACC Board regarding proposed Housing Bond projects.

### **Accessing Bond Resources**

HACC anticipates that access to bond proceeds will occur through several processes; Notice of Funds Availability (NOFA), Requests for Qualification (RFQ) and Requests for Proposals (RFP), and in select cases via negotiated or sole source agreements, are all examples of proposed bond allocation mechanisms. These various avenues for accessing bond resources are explained in greater detail below. However, in all cases in which bond resources are allocated, the selection process will include a set of expectations for all developers/owners to ensure selected projects achieve both the framework goals and racial equity outcomes. These requirements include a 60-year affordability covenant for new construction, a minimum of a 30-year affordability covenant for acquisition/rehab inclusion of minority and women-owned contractor participation in the development process and the use of best practice outreach and tenant selection criteria..

### **NOFA**

HACC anticipates that for sites that are not part of HACC's public housing portfolio competitive NOFA processes will be used to support the release of \$52.3MM (45% of bond proceeds) for projects sponsored within the eligible boundary for Clackamas County.. A competitive NOFA is expected to be released as early as fall of 2019 providing early access to bond resources for projects that can demonstrate project readiness.

### **Request for Qualification (RFQ) or Request for Proposal (RFP)**

HACC anticipates that many but not all sites developed throughout our public housing portfolio will be solely developed by HACC. In those instances where a site is not being developed by HACC we anticipate issuing through a competitive RFQ or RFP our intent to allocate resources from the \$63.9MM (55% of bond proceeds) set aside for this portfolio. Though subject to change, HACC anticipates that the first of our public housing redevelopments, Hillside Park in Milwaukie, will begin in 2021. Following Hillside Park, HACC expects that Clackamas Heights in Oregon City (also a public housing site) would begin its process for redevelopment approvals in 2021 with an RFP for bond resources available sometime after final redevelopment approvals have been granted.

### **Negotiated or Sole-Source Agreements**

In some instances, HACC may choose to engage in a negotiated agreement or sole-source proposal. An example of this type may be the acquisition and rehabilitation of an existing building that provides an opportunity to further Clackamas County's affordable housing stock, or when a developer or landowner has an available site that is adjacent to publically owned property. In both described cases, time may not allow for a competitive

funding release and therefore, HACC would instead consider a rolling process for these types of developments.

In all cases, any proposed use of bond resources will be reviewed first through HACC staff and then via the Housing Advisory Board (HAB) before any recommendation to the HACC board and Metro.

An exception to this process is the Gladstone SRO affordable housing project which had been identified as a potential Bond funded project prior to the development of this LIS. This project is expected to be the first project to be funded with Housing Bond resources in Clackamas County and the reasons for being exempted from this selection process are detailed below.

### **Phase 1 Project – The Gladstone SRO Affordable Housing site**

Consistent with Metro and Clackamas County's hopes to demonstrate timely progress in Bond implementation, HACC has identified a Phase 1 Project. The project, located in Gladstone, is the re-development of an older special needs housing site that can provide up to 45 units. HACC will be the developer/owner of the project.

The site is currently controlled by HACC and has been vacant for a number of years. It had previously been used as a nursing home and then a residential facility for youth. The site can be easily re-adapted, has good service spaces, is close to commercial services, transportation, and is affordable. The development of the Gladstone Single Room Occupancy (SRO) can fill a gap in the existing continuum of housing in Clackamas County by providing property for a singles population with deeply affordable rents and wrap around supportive services.

HACC envisions the project will provide single room occupancy units to single adults. All of the units will have tenant rents at or below 30% AMI and will have project-based rent assistance. HACC is continuing to explore whether the project would be targeted to a specific sub-population or available to a range of income-qualified singles. HACC will explore the opportunity for partnerships with service providers who may have clientele needing housing and/or providers who may have valuable services to offer to residents. The space configuration allows the possibility of locating a medical clinic on site as well as on-site food preparation services available to residents.

The bond funds in this project will be leveraged with 4% tax credits and the site is located in a qualified census tract, increasing the resources generated by the tax credits. Other leverage sources may include the Multifamily Energy Program (MEP), Permanent Supportive Housing (PSH) resources, and a permanent mortgage.

### **Public Housing Re-Positioning**

The Housing Authority is working on master plans to re-position its existing public housing portfolio. There are currently three primary public housing sites—Hillside Park, Clackamas Heights, and Oregon City View Manor. Long-term plans for these sites may include possible sales of current land holdings associated with these sites, possible



purchases of adjacent sites and ultimately the re-development of the bulk of the existing 300 units into new communities. These projects are some of the oldest public housing in Oregon. They have a number of problems including poor physical condition, poor use of land, poor locations and over concentration of lower income households. The Housing Authority's goal is to embark on community-based input and planning exercises that result in well-built mixed-income communities with modern levels of density.

The Housing Authority expects that the new master plans will result in substantially more units of affordable housing. Use of Bond funds to support this re-positioning effort is consistent with Metro requirements that Bond financing only be used for existing affordable housing sites that are part of the redevelopment of a residential property with existing public affordability restrictions, as long as the redevelopment results in a substantial net increase in the total number of affordable homes. In such cases, Bond funds may only be used for the portion of new homes that are not replacing regulated affordable homes currently on the site. HACC expects that it will use some portion of the Bond funds in these re-development projects. While the specific sites, the number of units and characteristics of those units are not set at this time, it is expected that the projects selected for Bond funding will emphasize large family and deeply affordable units.

Should the Housing Authority identify public housing redevelopment sites under this Implementation Strategy, it will determine whether to develop/own the project themselves or to select a developer/owner; HACC anticipates acting as a developer on at least 300 of our public housing units. Should HACC decide to select a developer/owner it may use an RFQ, RFP, or sole source selection process.

### **Sites Identified by Metro**

The allocation of Affordable Housing Bond funds includes an allocation for land acquisitions carried out by Metro rather than by the implementing jurisdictions. Metro has allocated an estimated \$12 million for acquisition in Clackamas County. We will encourage Metro to purchase sites throughout the eligible boundaries in the county to further leverage our allocation of bond funds. HACC is committed to working closely with Metro should such sites be identified. When such sites are identified, HACC and Metro plan to select a developer/owner through a competitive process.

### **Sites Proposed by Developers**

The Housing Authority may accept unsolicited proposals from developers for projects to be funded under the Bond. Developers should be aware that, depending on progress against the Bond framework, such proposals may need to achieve specific targets for income levels, cost, unit types, geographic area, racial equity, accessibility, or other characteristics. Developer/owners are encouraged to work closely with HACC to ensure that their proposals are responsive to the evolving needs of HACC's Implementation Strategy.

## **VI. Leveraging Other Affordable Housing Resources**

While the Metro Bond resources are substantial, in order to accomplish the unit targets of the Bond, these funds will need to be blended with other public and private funding sources, including other HACC resources. A number of principles will guide efforts to leverage the Bond funds:

- **Maximize the use of non-competitive resources.** The 4% LIHTC program is available on a non-competitive basis to provide equity for affordable housing development. This program is especially useful for larger projects or scattered site projects that can be bundled to achieve the scale desired by equity investors. Developing projects in Qualified Census Tracts (QCTs) or Difficult to Develop Areas (DDAs) can maximize the usefulness of the 4% tax credits.
- **Maximize use of private resources.** Many projects will generate sufficient rental income to be able to make debt service payments on loans from private banks. While ensuring that projects have appropriate operating budgets and reserves, private debt should be secured for projects whenever feasible. Additionally, where bonds may be used for homeownership opportunities, the owners' mortgages are an example of leveraging private sources.
- **Maximize local resources.** A variety of local resources may be available to support capital and operating expenses:
  - **Project-based rental assistance.** HACC has committed project-based rental assistance for 200 units to Bond projects. This assistance will allow residents to pay based on their household income, while the project will receive a set rental income based on the rental assistance payment standard.
  - **Property tax exemption.** For project developed/owned by HACC, it will take advantage of property tax exemption under the provisions of ORS 307.092--this is the statute that provides property tax exemptions for housing authorities. It may also consider this exemption to projects under co-development agreements with HACC.
  - **Publicly owned land.** HACC will prioritize projects developed on County/HACC-owned or other publicly owned sites. The ability of HACC or other jurisdictions to donate the full value of the sites may vary, but discounted values would likely be available.
  - **Explore other local resources.** The Clackamas County Board and HACC will work with bond-eligible jurisdictions to identify local resources that support bond financed projects in an effort to encourage bond developments in jurisdictions committed to affordable housing.
  - **Seek other existing affordable housing resources (Federal, State and County resources).** HACC recognizes that despite the substantial amount of Bond funding, projects may have financing gaps that are best filled with other traditional affordable housing program resources. Though it is not anticipated that these competitive resources will be utilized to support bond-financed

developments, sources outside the purview of HACC may be needed to complete financing packages for specific projects. In partnership with the selected developer, HACC will work with other funders in a transparent way to find the most effective and efficient way to bring these resources to Bond funded housing projects as necessary.

- **Support the pipeline of other affordable housing projects.** While much of HACC's efforts during the implementation of the Affordable Housing Bond will be focused on moving the pipeline of Bond funded projects forward, the ongoing availability of other Federal, State, and local affordable housing resources means that there is a likelihood other projects may move forward during the same timeframe. HACC will monitor the pipeline of projects proposed and funded throughout Clackamas County and will collaborate with developers and jurisdictions throughout the county to identify the most appropriate funding packages and other support that can be allocated to those projects.
- **Funding for resident and supportive services.** HACC will work with regional and state partners to identify a consistent funding source to serve vulnerable homeless or at risk populations. It is through consistent funding of resident and supportive services that vulnerable populations can remain housed and help the project succeed financially.

## **VII. Project Selection Criteria and Metro Framework**

HACC will consider a number of factors in the selection of Housing Bond projects. The first consideration will be how each project contributes to the accomplishment of the goals in the Metro Framework. Under the Framework, HACC has the following targets:

Framework Targets	
Total Units	812
Minimum number of 30% AMI Units	333
Maximum number of 61% to 80% AMI Units	81
Minimum number of 2 Bedroom & Larger Units	406

HACC does not expect that each project will reflect the ratios expressed by these targets, but instead that the overall portfolio of funded projects will achieve this mix.

HACC does expect that most projects will include some units that are two bedrooms or larger. The ratio of small and large units will reflect the characteristics of the target

population of specific projects, and that in turn, should reflect characteristics of a site in terms of whether it is best suited to families with children or smaller families.

HACC does expect that most projects will include some units with rents at 30% AMI. In some cases, projects will be targeted to low wage earners, while others may be targeted to people with disabilities or other special needs, or people who have experienced homelessness. Some projects may be designed exclusively to have 30% units or have high concentrations of 30% units with corresponding supportive services.

HACC hopes to include 61%-80% AMI units when that helps to cross-subsidize lower income units or reduces the amount of Bond financing needed for the project.

HACC will focus its Bond financed affordable housing on new construction multi-family rental projects and may also consider multi-family acquisition/rehabilitation projects. Additionally, HACC is considering investing Bond resources in homeownership strategies should the right location and opportunity arise. In our community engagement, participants from communities of color strongly emphasized a desire to see Bond resources promoting access to home ownership among communities of color in Clackamas County.

### **Furthering Clackamas County's Affordable Housing Goals**

In addition to fulfilling the LIS, HACC will work to align the affordable housing developed with the Bond to support a variety of local goals. These include:

- Working to create housing opportunities across the geographic area of this Implementation Strategy. This includes the cities and unincorporated areas of Clackamas County that are in the Metro area.
- Focusing its Bond-financed affordable housing on new construction of multi-family rental projects and explore homeownership opportunities.
- Considering acquisition/rehabilitation projects to prevent displacement.
- Geographic Goals – HACC looks to support projects in opportunity neighborhoods that have good access to transportation, commercial services, community amenities, and provide the opportunity to create inclusive mixed-income neighborhoods.
- Target Population Goals – During the Listening phase, we received reminders of the need for senior housing, family housing (to include three and four-bedroom units), housing accessible to high needs populations, housing that is compliant with the American with Disabilities Act (ADA), and housing for individuals exiting the foster care system. Due to limited resources and the small number of projects to be funded under the Bond, addressing all these needs will not be feasible, but HACC will strive to assist as many of these needs as possible. To do so, HACC will require that project sponsors of bond developments are holding at least two engagement sessions during predevelopment to actively engage with the community surrounding the sites location and to provide listening and feedback sessions to the potential residents that may live there.

- Complementing other affordable housing-related activities – The Housing Bond funds allow HACC to leverage its resources to continue its work on other affordable housing strategies and in other parts of the county that aren't eligible for Bond proceeds. These include working with property owners to identify ways to improve the housing stock while avoiding forced displacement of tenants, collaborating with market-rate developers and nonprofits to also consider development in non-Metro boundary communities, prioritizing Community Development resources to support non-Metro boundary developments, working with homebuilders to increase affordable homeownership stock.
- HACC supports the principle that housing created with the bond should maximize housing choice for tenants.

### **Racial Equity**

HACC's approach to racial equity in project selection will take into consideration factors such as:

- Increasing affordable housing in areas with existing underserved diverse populations, especially in areas that may be subject to gentrification. Throughout our community engagement process, the needs of those historically underserved in growing areas of gentrification were heard. Priority will be placed on developments that provide by location and amenities the ability to create long-term affordable housing with the following criteria considered:
  - Providing new affordable housing in high opportunity neighborhoods and sites. This would include sites that have good access to transit (e.g. bus, rail, bike paths and pedestrian corridors), jobs, quality schools, commercial services, parks & open space, etc.
- Supporting project teams that have a proven track record of:
  - Outreach, engagement, and ensuring participation of minority and women-owned contractors in pre-development and construction of the project, as well as the ongoing maintenance of the building
  - Engaging targeted and/or marginalized communities, communities of color as part of its leasing process
  - Creating an inclusive tenant screening criteria process, minimizing barriers to housing experienced by communities of color

HACC will prioritize projects addressing the historical racial disparity and lack of housing access and opportunity to build equity and generational wealth experienced by communities of color. Addressing these disparities may be through projects sponsored by culturally specific organizations, or projects sponsored by partnerships in which culturally specific organizations have a meaningful role in project design and operations, or sponsors that provide sufficient proof of their ability to connect with communities of color to promote housing access and/or affordable homeownership opportunities.

### **Connection to Services**

HACC expects that Resident Service Coordination will be provided at all projects, appropriate to the level of need of the target population. Resident Services will focus on eviction prevention, helping residents access to mainstream services for which they may be eligible, empowerment services and community building activities.

Projects serving high needs populations will require robust supportive services to ensure resident stability and positive outcomes. HACC currently provides limited supportive services. HACC will work closely with other Clackamas County departments to help connect developer/owners to public and private service providers in the community to create needed partnerships. HACC will evaluate a project's target population and service plan to ensure that it is appropriate and durable. HACC will approve resident service fees in project operating expense budgets.

HACC heard throughout our community engagement with historically under-represented communities, the importance space and place play in regards to the development of a site; importance that moves a building from simply housing to a place called home. To that end, HACC will require that developers/sponsors of bond-financed units detail within their proposals and design how they intend to meet and promote community gathering space opportunities. These may be opportunities both internal to their developments or through site locations that emphasize access to community building through existing amenities such as: parks, libraries, community centers, and other place-making opportunities.

### **Project Cost/Leveraging Funds**

HACC plans to use Bond funds to support a portfolio of projects that provide the best return on investment in the form of long-term sustainable housing. These projects will be characterized by efficient design and durable construction. They will use cost-effective green building measures to create efficient use of energy and water, and select materials to create healthy living spaces. They will be well aligned with the needs of the target households in terms of space, amenities and service requirements, and will be valuable assets in the communities in which they are located.

The blend of funding sources will have an impact on both hard and soft costs. Hard costs will be impacted by development standards of investors, lenders and other public funders. Soft costs will vary with requirements for specific legal, accounting, reserve requirements, and fees. Leverage will also be impacted by the service needs of the residents.

HACC will evaluate all proposed projects to ensure that the costs are reasonable and appropriate to the specific project. In doing this evaluation HACC will focus on the amount of Bond funds needed rather than the total development costs of projects. This evaluation may consider:

- Scale appropriate to the target population.
- Scale appropriate to the neighborhood in which the project is located.
- Costs associated with mixed-use projects.

- Quality of construction materials.
- Costs associated with the service needs of the target population.
- Reasonable fees and reserves.

HACC recognizes that in order to accomplish the overall unit target, it will need to have an average Housing Bond expenditure per unit of approximately \$143,000. Some projects may receive significantly fewer Bond funds than this amount, while others may receive significantly more. The Bond funding levels available for specific projects or funding processes will be clear in the Exhibit 2 tracking worksheet that is attached to this Implementation Strategy.

### **Capacity/Readiness to Proceed**

Affordable housing is a specialty business that differs in many ways from market-rate housing or other real estate development. HACC will seek to partner with non-profit, for-profit, or governmental organizations that have demonstrated skills as affordable housing developer/owners. Expertise with the framework target unit types and with the specific population proposed by a project will also be considered.

Timely implementation of the Housing Bond is critically important and was a point of emphasis throughout our community engagement activities. In its selection process, HACC will prioritize projects that have a clear path to timely completion. HACC may prioritize projects that have appropriate zoning, have secured much or all of the other financing sources, have secured needed service partnerships, have a clear and achievable racial equity plan, etc. While HACC may not make concept endorsements until projects meet benchmarks that indicate the likelihood of projects coming to fruition, HACC suggests that interested developers begin conversations with the Housing Authority at the earliest stages of pre-development to ensure that project programming aligns with the Implementation Strategy.

## **VIII. Project Implementation**

### **Review & Approval of Projects**

Bond-funded projects will go through a multi-stage review and approval process as follows:

- **HACC concept endorsement.** To be forwarded to Metro for concept endorsement a project must, at a minimum, have site control, a preliminary development plan, the preliminary estimate of total development costs, a preliminary estimate of needed Housing Bond funds, and an identified development team. HACC will process concept endorsements first at the staff level, then review by the Housing Advisory Board, and review by the HACC Board work session.
- **Metro concept endorsement.** HACC staff, in conjunction with Metro staff, will present the project to Metro for endorsement by the Metro COO. Metro will review the project for conformance to the adopted Local Implementation Strategy.

- **HACC project approval & funding authorization.** As the project completes due diligence and moves to financial closing, HACC will process project approval by asking the HACC Board to take action.
- **Metro project approval & funding authorization.** HACC staff, in conjunction with Metro staff, will present the project to Metro for final approval and funding authorization.
- **Release of Funds.** Once a project has received approval by HACC and Metro, funds will be released to the Housing Authority and disbursed to the project in accordance with the provisions of the project documents and the Metro Intergovernmental Agreement.

### **Project Closing**

- **Metro-Approved Regulatory Agreement.** All projects will be required to execute a Metro-approved Regulatory Agreement that acknowledges the use of Metro Housing Bond funds and the restrictions associated with the use of such funds. The Regulatory Agreement shall be recorded against the project at or prior to closing.
- **Period of Affordability.** The Regulatory Agreement will generally specify a 60-year period of affordability. For acquisition projects that are more than 10 years old, HACC may consider a shorter period of affordability, but no less than 30 years. The Regulatory Agreement will provide a first right of refusal for qualified nonprofit organizations or government entities to acquire the project upon expiration of the affordability period.
- **The accomplishment of Framework Targets.** The Regulatory Agreement will also specify the level of affordability and the unit bedroom sizes of the project
- **Reporting Requirements & Monitoring During Operations.** The Regulatory Agreement or similar agreement will also provide requirements for periodically providing information relating to the project's financial performance, physical condition, occupancy, tenant income verification, and voluntarily collected tenant demographics. The agreement calling for these reports shall provide that reports will be made for the benefit of both Metro and the Housing Authority of Clackamas County. The agreement shall also provide physical access to the property when requested by Metro, HACC, or other project financing partners.
- **Jurisdiction Documents.** HACC will require a variety of other documents relating to the project. These may include:
  - Development & Disposition Agreements. In the case of properties controlled by HACC, the Housing Authority will develop agreements relating to the transfer of property to the developer/owner.
  - HACC will develop documents relating to the form of investment of Bond Funds. These may vary depending on the projected cash flow of different projects and may take the form of cash flow dependent loans or grants. In general, HACC will support the allocation of modest amounts of program income to restricted reserve accounts dedicated first to the provision of Resident Services. Projects that are expected to have more significant program income may have requirements for cash flow dependent distributions to the Housing Authority.
  - HACC will specify requirements relating to the implementation of racial equity strategies. Strategies will be developed for each project, and requirements will be documented in agreements with the Housing Authority. This will include:



- **MWESB Contracting.** Project sponsors will be required to make best faith efforts to achieve 20% participation of subcontracting of development hard and/or soft costs to certified minority, women, emerging small businesses. Project sponsors will be required to provide documentation of subcontracting efforts and results.
- **Workforce Participation.** The Housing Authority is interested in encouraging participation in project workforce hours by minorities, women and disabled veterans. While specific programs to further this goal are not developed at the time of writing this Implementation Strategy, the Housing Authority will work with Metro, other implementing jurisdictions, and with project sponsors to explore ways to maximize participation in project workforce hours.
- **Affirmative Marketing, Tenant Selection & Lease-Up.** Consistent with Metro policy and feedback provide throughout our community engagement (please see targeted engagements to specific populations in Exhibit 1, pg. 23) outreach sessions, HACC will work to ensure that Bond financed housing serves communities of color, families with children and multiple generations, people living with disabilities, seniors, veterans, households experiencing or at risk of homelessness, and households at risk of displacement. HACC will require that project developers/owners make best faith efforts to make units available to minorities and disadvantaged populations using best practice strategies. In general, this will require:
  - Affirmative outreach and marketing to target populations. Developers/owners, and their property management companies (if applicable) will be expected to engage in proactive efforts to make disadvantaged populations aware of the availability of units, and the process and timeline for application. HACC will work with project sponsors to identify specific target populations for each project and will review the proposed outreach and marketing strategy for each project.
  - HACC will require that project sponsors use low-barrier screening criteria that balance access to target populations, project operations, and community stability. Typical requirements may include less than standard market apartment income-to-rent ratios, reduced credit history requirements, and criminal history requirements that only consider recent convictions that are most directly tied to tenant success. Project sponsors will be required to review appeals to denials of standard screening criteria that take into consideration the efforts of applicants that demonstrate stability and potential for tenant success. Project sponsors are also required to review appeals if the disqualifying aspects of denial are related to a disability and make reasonable accommodations as appropriate.

## **Project Monitoring**

Projects will be subject to monitoring throughout the development process and period of affordability. The monitoring process and expectations will be documented in agreements with the City. In general, this will include:

- **Monitoring During Development & Lease Up.** HACC will require monthly reports during the project development and lease-up period and will conduct monthly site inspections in coordination with other funding partners to ensure progress to on-time and on-budget completion. HACC will sign off of any change orders and on monthly draw requests.
- **During Operations.** HACC will require annual reports that include information about project physical condition, fiscal condition, occupancy, tenant income verification, and voluntarily collected tenant demographics. HACC will conduct periodic site inspections in coordination with other funding partners.
- **Post-Completion Monitoring.** In addition to monitoring of operations, HACC will revisit each developments engagement plan at “natural” stages of completion and stabilization to check proposed goals against actual achievements. The intent of this stage is to reconnect with our community stakeholders to report on outcomes to date and to assess whether we need to revisit the goals of our LIS. Areas of significant interest may be in the following categories and times
  - MWESB proposed outcomes versus actual (50% and 100% construction completion);
  - Workforce participation (50% and 100% construction completion);
  - Low-barrier screening and outreach to communities of color as it pertains to lease up activities (initial lease up period, 1-year anniversary, 3-year anniversary);
  - Connection to services in the community (1-year lease-up anniversary)

## **IX. Reporting on the Implementation Strategy**

### **Annual Report**

HACC staff will prepare an annual report to the Housing Advisory Board and the HACC Board on the overall progress of the Local Implementation Strategy. This information will be made available to the public and interested stakeholders using a variety of strategies such as published reports, newsletter articles and website postings. The report will include information on committed and completed projects (e.g. project status, Bond funding amounts, total project cost, and units produced by unit size, type and income level served). The report will also include information on overall progress toward achievement of the framework goals.

Reporting is a critical step for HACC and Clackamas County to address the impact of our efforts. To that end, each development will be revisited and measured against its

outcomes to determine whether proposed levels of engagement and participation were met. Some of this information may be immediately available after project completion and some, like lease up and retention statistics may take a year or more to fully understand. The information gleaned will be valuable to our long term efforts throughout the life of the bond. It is HACC's intention to revisit these criteria, through annual reporting of the project sponsor, so that we can make periodic changes to our strategies under the LIS and to provide feedback and reporting to our residents, stakeholders, and Metro.

### **Reporting to Metro**

HACC will submit annual reports to Metro in accordance with the Intergovernmental Agreement.

***This page intentionally left blank***

## **Exhibit 1**

### **OUTREACH & ENGAGEMENT REPORT**

Clackamas County staff from Heath, Housing & Human Services (H3S) and Public and Government Affairs (PGA) initiated outreach and engagement efforts around the Metro Affordable Housing Bond after voters approved the measure in November 2018. Building upon the county's strong relationships with local jurisdictions, affordable housing developers and service providers, county staff organized a series of engagement events targeting those respective stakeholder communities.

The county also contracted with a culturally specific provider, Unite Oregon, to partner on engagement efforts with low-income community members, communities of color, people with limited English proficiency, immigrants and refugees, and people with disabilities. Similar exercises and questions were used across these various engagement events, which reached a broad and diverse cross section of Clackamas County residents. A calendar of events and detailed summaries of each key engagement activity are provided below.

#### **Summary of outreach event themes**

Participants advocated for the need for affordable housing development for a diverse range of populations. This included people with disabilities (including those in recovery), seniors, families with children, and single individuals.

Key themes specific to what communities need for success emerged from engagement efforts across all stakeholder groups. Those included:

- The need for improved countywide access to multimodal transportation systems (especially in the more rural areas, but also increased connectivity between rural and urban areas)
- Increased affordable housing with access to services and jobs
- Improved access to health services (including mental health and addiction services)

Other recurring themes included safety and access to community amenities, such as grocery stores, green spaces, childcare and good schools.

Additional themes emerged specifically from conversations with communities of color, underrepresented and historically marginalized communities. Promoting opportunities for homeownership was a top priority, as was access to community spaces (community rooms in buildings, shared gardens, housing near parks or green spaces, community amenities, and the like). There was also a desire for access to free or low-cost educational opportunities, and family-friendly and culturally-specific activities. Detailed accounts of each engagement event are outlined below.

#### **Calendar of engagement events**

Outreach and engagement was primarily information sharing presentations to local jurisdictions and community fora. In May and June county staff and Unite Oregon held a series of engagement events at which extensive feedback was gathered, summarized further below. An online survey (English only) was also available for community members to anonymously fill out.

#### **Informational Meetings Presenting Preliminary Bond Information to the Larger Community**

11/28/18 and ongoing at monthly meetings	Discussion of Bond and implications with CC Affordable Housing and Homelessness Task Force
11/29/18	Presentation on homelessness and the Bond to Lake Oswego City Council and staff
12/6/18	Discussion at Milwaukie Housing Forum
1/8/19	Presentation to Gladstone City Council
1/8/19	Handout and brief information shared at Clackamas County's Legislative Dinner
1/10/19	Presentation to the Court Appointed Special Advocates for Children

2/19-5/19	Worked with Community Alliance of Tenants and the Institute for Portland Metropolitan Studies on a community engagement plan for our Phase I project in Gladstone
2/26/19	Presentation to Jennings Lodge Community Planning Organization
4/14/19	Presentation to Milwaukie Housing Town Hall

### **Community Engagement Events to Solicit Feedback for LIS**

Date	Event	Type	Number of Attendees
May 14th	Housing Forum	Targeted outreach to jurisdictional partners (including city officials, CPOs) and developers	56
May 15th	ClackCo Academy resident outreach	Community members (not targeted). Class made up of community members	19
May 23rd	Our Housing, Our Communities	General and Targeted outreach to diverse community members. Sought to engage non-english speaking and POC.	Approx. 40
June 11th	Homeless Solutions Coalition of Clackamas County (HSCCC) Community Meeting	Service Providers	Approx. 45
June 15th	Clackamas County Coordinated Committee (C4 Retreat)	Targeted outreach to Mayors, elected officials, Metro	53

June 20th	Our Housing, Our Communities	General and Targeted outreach to diverse community members. Sought to engage non-English speaking and POC. Discussion around equity.	52
-----------	------------------------------	--	----

**Targeted engagement to specific populations or organizations that serve them**

<b>Participating Populations</b>	<b>Focus Groups or Events</b>
Low-income individuals	HSCCC, Unite Oregon meetings (5/23, 6/20)
Seniors	HSCCC, Unite Oregon meetings (5/23, 6/20)
Youth experiencing housing instability	United Oregon meetings (5/23, 6/20), and service providers of this population at HSCCC (6/11)
Individuals with physical disabilities	6/20 Unite Oregon meeting, and service providers of this population at HSCCC meeting (6/11)
Individuals with developmental disabilities (service providers)	HSCCC
Individuals with mental health concerns disabilities (service providers)	HSCCC
Individuals with addictions issues disabilities (service providers)	HSCCC
Individuals with limited English proficiency	Both Unite Oregon meetings (5/23, 6/20)
Immigrants and refugees	Both Unite Oregon meetings (5/23, 6/20)

Individuals with current or previous experience of housing instability	HSCCC (6/11) and Unite Oregon meetings (5/23, 6/20)
Residents of low-income housing	HSCCC (6/11) and Unite Oregon meetings (5/23, 6/20)
Justice-involved individuals disabilities (service providers)	HSCCC meeting (6/11)
Service providers for people on probation and currently incarcerated	HSCCC meeting (6/11)
Community Participation Organization (CPO) members	2/26 Jennings Lodge CPO meeting
Tribal community members	6/20 Unite Oregon meeting

Demographic information was requested at the 6/11/19 Unite Oregon engagement event but not all participants responded. Though age wasn't captured, older adults were in attendance and have attended several events thus far. Of particular interest has been the welcome attendance of non-native English speakers. The goal from our community engagement consultants, Unite Oregon, was to cast a wide net to attract as much feedback from as many different people as we could. Primary to that goal was to recruit people of color, immigrants, and refugees.

Not all who were in attendance have been willing to provide full demographic information but we have received direct feedback and information from: six Arab-Speaking immigrants/refugees; three Vietnamese speakers; 4 identifying as Spanish-speaking or Latino; an individual who identified as mixed race; one native Hawaiian.

Additionally, Unite Oregon provided outreach to people experiencing housing instability. Their feedback regarding increased information and resources relating to housing helped HACC shape the format of our engagement meetings.

**Below is a list of jurisdictions we have had conversations with about the bond, or who have participated in a formal presentation.**

- West Linn
- Tualatin
- Sandy
- Molalla



- Wilsonville
- Happy Valley
- Lake Oswego
- Canby
- Oregon City
- Milwaukie
- Gladstone
- Estacada
- Fire Districts
- Beavercreek
- Johnson City
- Rivergrove

**Staff had informal listening sessions with the following nonprofit and for-profit developers and community groups. These discussions helped HACC staff frame topic areas and priorities within the LIS:**

- Geller Silvis
- Strategies 360
- Sera Design
- Key Bank
- MHA of Oregon
- Milwaukie Floors
- Community Development Partners
- Rose Community Development
- Columbia Care Services
- Related Companies
- Todos Juntos
- Healthy Families Oregon, Clackamas County
- Community Development Partners (CDP)
- Community Partners for Affordable Housing (CPAH)
- Otak
- Columbia Care
- Bridge Housing
- Reach Community Development
- Northwest Housing Alternatives
- Northwest Family Services
- Pedcor
- Dominion
- Structure Development
- Related Northwest
- Portland Habitat for Humanity
- Proud Ground
- NEDCO
- Strategies 360

The “Our Housing, Our Communities!” engagement sessions held on May 23 and June 20 were conducted in partnership with Unite Oregon, whose staff did extensive community outreach to historically marginalized communities to invite attendees. Interpretation was available and actively utilized in Spanish, Vietnamese, and Arabic. Childcare and dinner were provided and gift cards were distributed to all community members in attendance. Events utilized interactive activities to capture in-depth feedback. Attendees represented recent immigrants, longtime residents, multiple nationalities, different age groups, and multiple ethnicities and races.

At the request of the community, the May forum included information about tenant’s rights and basic information about what affordable housing is before the bond portion of the event began. A participatory budgeting exercise was conducted at the June meeting. The two Unite Oregon meetings saw roughly 45 and 60 attendees, respectively.

## **Detailed Engagement Summaries**

### **May 14th Housing Forum: Targeted outreach to jurisdictional partners and developers**

This event was an opportunity to hear from city representatives and Community Planning Organizations (CPOs) as key stakeholders in successful implementation of the Metro Housing Bond in Clackamas County. Marketing strategies for this event included posting on the County Events Calendar, as well as email invitations sent to all elected city representatives, CPO Constant Contact List, as well as a list of active community developers. 56 people attended this event, which was held at Clackamas County's Development Services Building.

Participants identified a strong need for countywide public transportation improvements in order for affordable housing to be the most effective in serving the community, in addition to rent caps and a need for accessible wrap around services. In addition, fee waivers were recommended, as well as further community education around housing need. Participants also recognized the importance of community spaces such as gardens, parks, and community rooms.

What needs to be in place for housing to be successful?

- Countywide public transportation
- Rent caps
- Wrap around services
- Fee Waivers
- Education on housing need
- Community Spaces (shared gardens, parks, community rooms, etc.)

When looking at what populations are in greatest need of affordable housing, participants identified seniors and older adults, Workforce community members, and people with mental health challenges. Other populations identified were people with other types of disability (including people in recovery) and immigrants.

What population in your community is in greatest need of housing?

- Seniors and older adults
- Work Force
- People with Mental Health Challenges
- People with Disabilities
- People in Recovery
- Immigrants

Improved access to multi-modal transportation (including accessible public transportation). Other top 5 needs included access to affordable childcare, health services, and housing that includes supportive services.

What is your community's greatest need?

- Affordable housing
- Transportation
- Affordable childcare
- Access to Health Services
- Supportive Housing

When asked about values that should shape the County's approach to housing development, participants discussed the importance of opportunity areas, mixed income housing, increasing opportunities for homeownership, and providing quality housing. Racial equity was also stressed as a crucial part of smart development policies and practices. It was expressed that leadership needed to keep promises to voters around affordable housing development, by getting it done on an efficient timeline.

### **May 15th Input from ClackCo Academy participants**

ClackCo Academy gives members of the community the opportunity to learn more about county services and programs. This was a closed group, with direct email invites sent to ClackCo Academy participants. Members must live, work, own a business, or work full time in Clackamas County. Space is limited to 25 participants, with an additional five seats reserved for youth ages 16-20.

While the class is made up of community members, this engagement event was not open to the larger community.

What is your community's greatest need?

- Access to Jobs
- Access to services
- Transportation
- Affordable Housing

What population in your community is in greatest need of housing?

- Families with children
- People with disabilities
- Houseless community members
- Very Low Income
- Single Parents

What needs to be in place for housing to be successful?

- Access to multi-modal transportation options (including walkable streets)
- Access to services
- Access to jobs, training/adult education
- Public space/place-making, green space
- Government support and policy evaluation (land use, zoning, etc.)

### **May 23rd Our Housing, Our Communities!**

This was the first event held in partnership with Unite Oregon. Conducted in the evening at the Wichita Center for Family and Community in Milwaukie, this event began with presentations about renters' rights and housing resources, a presentation about the Affordable Housing Bond, and ended with an engagement exercise. Food, childcare, and interpretation in three languages (Spanish, Vietnamese, and Arabic) were provided by Unite Oregon.

What needs to be in place for housing to be successful?

- More food banks nearby
- Gas heating instead of electric, because of the lower utility bill costs associated with gas heat
- Nearby community/cultural centers, as well as parks and natural areas
- Good parking
- High-quality schools
- Accessibility (both of housing and the surrounding neighborhood) for residents with
- Accessible transportation, especially public transit
- Community gardens
- Family-sized housing (3+ bedrooms) for larger families

What population in your community is in greatest need of housing?

- People with disabilities
- Seniors and older adults
- People in recovery
- Low income families
- Single parents
- Domestic violence survivors
- Students
- Larger families
- Families with young children

What is your community's greatest need?

- Transportation: Frequent bus service; affordable housing near transit stations; accessible
- Food: housing close to shopping centers; access to healthy food like co-ops like in Portland; free food resources for people with low incomes; access to community gardens to grow own food
- Health services: proximity to hospitals and clinics
- Affordable housing: cheaper rents for families with children; cheaper rent in general
- Other: child care; educational programs; tutoring or similar activities for children; security and safety at schools; proximity to playgrounds; low-cost home-buying opportunities;

safe and friendly environments; close to stores/shopping opportunities; day care services; space to own a pet; well-ventilated housing units

Attendees gave a list of locations where they would like to see affordable housing in their communities:

- Oak Grove, especially near Fred Meyer
- Milwaukie
- Wilsonville, near major employment areas

### **June 11 Homeless Solutions Coalition of Clackamas County (HSCCC) Meeting**

The HSCCC is a grassroots coalition comprised of more than 200 citizens, agency staff, government officials, church affiliates, and community members in Clackamas County. The mission is to find compassionate and respectful solutions to homelessness through community partnerships. On June 11<sup>th</sup>, members of HSCCC were invited to provide input on how they think the Metro Affordable Housing Bond dollars should be spent in Clackamas County.

What needs to be in place for housing development to be successful (amenities, services, etc.)?

- Need for more accessible case management and other supportive services.
- Access to resources including child care and schools, jobs and training/placement, food.
- Access to mental and physical health services
- Access to multi-modal transportation options
- Place Making/Public Spaces (community building, public art, places for community empowerment)

During the dot voting, the following top 5 were prioritized (in order from most votes to least):

1. Support services
2. Access to transportation (walking, bike, bus, car)
3. Access to schools/childcare
4. Close access to services (medical, dental, etc)
5. Green Space/Play Place

Help us shape our county values around housing.

- Compassion, understanding acceptance. Educating community
- Equity and Inclusion
- Trauma Informed approach to providing services
- Safety
- Community oriented spaces and activities. Community participation
- Sustainability (social, environmental, etc.)
- Accessibility
- Respect, dignity, self-determination, and empowerment

- Provision of and access to support services
  - Education and youth services

During the dot voting, the following top 5 were prioritized (in order from most votes to least):

1. Compassion/understanding. Dignity, respect
2. Equity
3. Trauma Informed
4. Community Education
5. Access to Resources

Additionally, inclusion, sustainability, safety, and young children were called out as important priorities. Participants also pointed to the importance of community self-determination and empowerment as important to sustainable development practices, and expressed an interest in seeing more and improved community spaces.

What is your community's greatest need?

Participants were asked to provide input on the following predesigned categories: Transportation, Access to Health Services, Affordable Housing, access to food, and other. While a majority of participants did not put their city on a sticky note, the following were some of the areas identified:

- Transportation
  - Oregon City rural areas
  - Rural areas (county wide)
  - Milwaukie
  - Oregon City
  - Wilsonville
- Access to Health Services
  - Oregon City
  - Canby
  - Aurora
- Affordable Housing
  - Milwaukie/Oak Grove
  - The Whole Portland Metro Area
  - Milwaukie
  - Happy Valley
  - Oregon City
  - Wilsonville
  - Estacada
  - West Linn
  - Sandy

- Access to Food
  - Milwaukie
- Other
  - Walkability
  - Access to essential services
  - Better understanding of homeless by community
  - Peer support services
  - Access to affordable childcare
  - Access to good jobs, wages, and training
  - LGBTQ+ resources
  - Youth resources
  - Financial education

During the dot voting activity, the following 7 were prioritized as greatest community needs: (in order from most votes to least):

1. Affordable Housing
2. Mental Health & Physical Care
3. Transportation
4. Substance Abuse/Addiction Services
5. Support Services
6. Community Outreach/Awareness
7. Child Care

What population in your community is in greatest need of housing?

Of the predetermined categories, participants prioritized the following (from most to least votes):

1. People with mental health challenges
2. People in recovery
3. People with disabilities
4. Seniors and older adults

The largest number of votes, however, were in the “Other” category. Some of the greatest needs identified included:

- Single adults
- Single parent households
- Youth
- LGBTQ+ community members
- Families with children
- Veterans
- Those with criminal backgrounds and those recently incarcerated
- Houseless community members
- Domestic Violence survivors

- People of Color

During the dot voting activity, the following 8 were prioritized as greatest needs: (in order from most votes to least):

1. Mental Health Challenges
2. Families with children (ranked top along with Mental Health Challenges)
3. People in recovery
4. POC/LGBTQ+
5. Young people (teens and 20s)
6. Low Income
7. People with disabilities
8. Seniors/Older Adults

When asked how people receive their housing news, participants answered as follows:

- Social Media (Twitter, OCCH Chat, Next Door, MACG, etc.)
- Email or E-Newsletter
- Community Group/Meetings
- Government agency communications
- Networking
- Non-profits, day centers/shelters
- Libraries
- Health clinic communications

#### **June 15th Clackamas County Coordinated Committee (C4) Retreat**

The Clackamas County Coordinating Committee (C4) meets to provide coordination and cooperation between jurisdictions within Clackamas County and to form unified positions on land use and transportation plans. Membership is comprised of elected officials from Clackamas County, cities, representatives from unincorporated communities, and representatives from transit, sewer, water, and safety districts. At its June retreat, County staff presented the C4 with information on the Affordable Housing Bond and conducted a similar engagement activity to those described above. Responses listed below are in order of most to least.

What needs to be in place for housing development to be successful?

- Transportation access
- Services nearby
- Meaningful connections to existing neighborhood
- Green spaces

What population in your community is in greatest need of housing?

- Low income households
- Families with children (especially single parent households)
- Single adults experiencing homelessness



- People with behavioral health needs

What is your community's greatest need?

- Access to affordable housing
- Access to services (including health-both mental and physical)
- Improved access to transportation
- Access to jobs and job support/training

Help us shape our county values around housing.

- Commitment to mixed income integration
- Educate community (combat stereotypes, build support and acceptance)
- Living wages/access to employment
- Housing First/low or no barrier housing

### **June 20th Our Housing, Our Communities!**

At the second engagement meeting in partnership with Unite Oregon, we began by debriefing participants about what we had discussed in May. We then provided a short overview of local housing resources with an opportunity for participants to ask questions. Next, we provided a longer training on the concept of participatory budgeting, and then closed with a discussion of how participants define racial equity in affordable housing.

Breakout groups in the following discussion provided feedback on their perspective in what racial equity means in terms of housing. They reported the following:

- Public housing as a utility, not as an investment; a way to start place-making.
- There are lots of subsidies for owners but not renters
- Ownership should occur through multiple ways
  - Low income assistance to ownership
  - Expand down payment assistance
- Barriers to contracting
- Vietnamese participants shared a model of peer-to-peer lending in Vietnam to finance housing. Could there be a revolving fund to finance home purchases at reduced interest rates? How can affordability be passed on to the next owners?
- Clackamas County should hire within the community to build housing with an emphasis on hiring workers connected to families that would be housed.
- Housing opportunities could be prioritized to first-generation owners.
- Buy properties and housing now while it is less expensive and then figure out how to make it affordable to low-income buyers later. In other words, land bank if necessary.

### **Metro Bond Survey Results**

From June 4th to June 26th the County hosted an online survey about the Affordable Housing Bond on its website. Participants were asked to imagine the entire county, and think of a place where they would put new affordable housing before answering the questions below.

Why did you pick that location for affordable housing development?

1. Bus/Max
2. Affordable Grocery Store
3. Job
4. Food Bank, social service agency, other service
5. Where I live now (in my community)
6. Local Park/open space/trail

What are some other things about the area that you picked?

1. Safety
2. Open space/available land/rural/away from the city
3. Accessibility by car (including access to freeways, drivability, parking)
4. Central location (accessible to amenities, groceries, services, near city center etc.)
5. Accessible transportation options, and accessible green space
6. Access to jobs/employment opportunities

What are the biggest challenges people face when trying to find a place to live?

1. Rent is too expensive
2. Move-in costs are too expensive
3. Strict application and screening fee (income requirements, criminal and credit reports, rental history, etc.)
4. Distance from job, school, friends, family, school, etc.
5. Doesn't accept pets
6. Not enough space for a family

How do people find affordable housing?

1. Family/Friends
2. Craigslist
3. Social Media
4. Social Services Providers
5. 211

What do you think are the biggest challenges people have keeping their housing?

1. They can't afford to pay rent
2. Lack of good transportation options
3. The apartment isn't safe or habitable
4. The apartment isn't located where they want to live
5. Not enough support services provided or near the apartment

What types of services, programs, and/or support are needed to overcome these challenges?

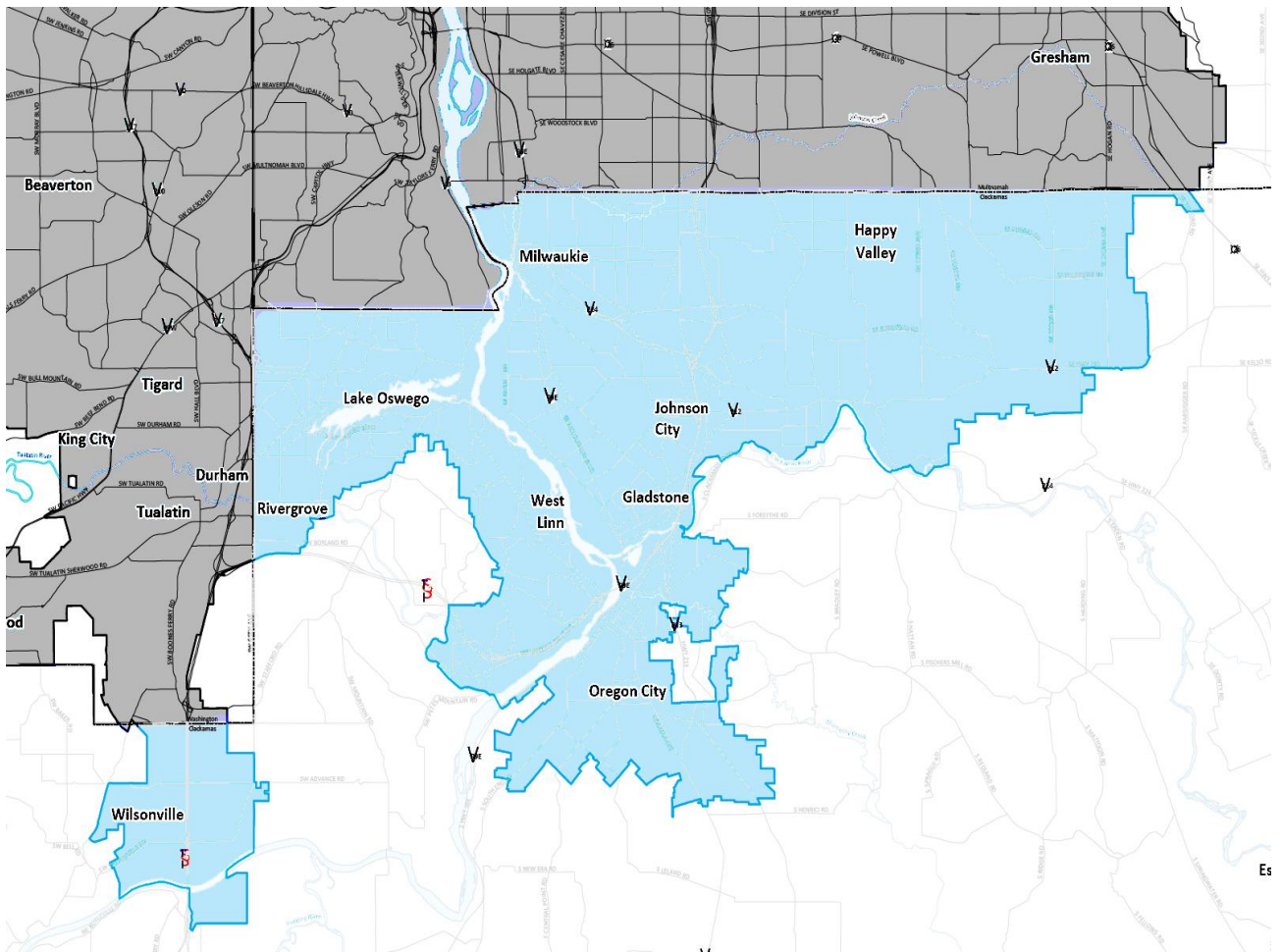
- Quality affordable housing county wide
- Accessible support services (including addiction services, mental and physical health services)
- Better multi-modal transportation infrastructure and services
- Access to jobs and job training/employment services
- Rent control, government and stakeholder buy-in/support

Exhibit 2  
FRAMEWORK TRACKING WORKSHEET

	Metro Bond	% of Total
Clackamas County Allocation	\$116,188,094	100.0%
<u>Utilized to date</u>	\$2,700,000	2%
18000 Webster Road		
Balance Remaining	\$113,488,094	98%

	Unit Production Targets			% of Total
Clackamas County	Total 812	30% AMI 333	Family size 403	100%
18000 Webster Road SRO	45	45	0	6% of Total units; 14% of 30% AMI
Balance Remaining	762	288	0	94%

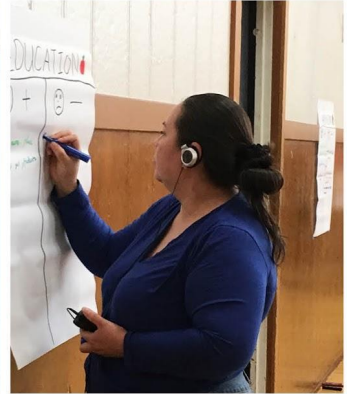
Attachment 1  
Clackamas County Eligible Bond Placement per the Urban Growth Boundary (UGB)













**CLACKAMAS COUNTY - 8/15/2019 Draft IGA Exhibit: Schedule of Administrative Funding and Program Milestones**

Total administrative funding available: \$2,446,065 [see Exhibit B of Work Plan, less any funds received in FY18-19]

Please note: The amount of administrative funds forecasted is a rough proxy for timeline.

Administrative funds include: direct staff costs for program implementation, project monitoring, legal services and community engagement; consultants to assist with implementation, and other direct costs.

The following schedule is subject to annual review and may be revised with approval from the Metro COO.

Fiscal year	Administrative funding annual allocation	Percent of total share of administrative funding	Anticipated Program Milestones
Year 1: 2019-20	\$489,213	20%	Finalization of LIS and IGA, Bond allocation program planning
			<b>NOFA 1:</b> Release of NOFA for up to 35% of bond allocation – available for projects sponsored by non-profit or for-profit developers throughout the eligible bond boundary within the county – select projects for funding
Year 2: 2020-21	\$489,213	20%	<b>NOFA 1:</b> Construction loan closing, groundbreaking and construction start
Year 3: 2021-22	\$489,213	20%	<b>HACC Public Housing Redevelopment RFP 1:</b> Release of RFP for up to 20% of bond allocation – select projects for funding
Year 4: 2022-23	\$244,607	10%	<b>NOFA 1:</b> Construction completion and Certificate of Occupancy
			<b>HACC Public Housing Redevelopment RFP 1:</b> Construction loan closing, groundbreaking and construction start
			<b>HACC Public Housing Redevelopment RFP 2:</b> Release of RFP for up to 20% of bond allocation – select projects for funding
Year 5: 2023-24	\$244,607	10%	<b>NOFA 1:</b> Lease-up and stabilization
			<b>HACC Public Housing Redevelopment RFP 2:</b> Construction loan closing, groundbreaking and construction start
			<b>NOFA 2:</b> Release of NOFA for up to 10% of bond allocation – available for projects sponsored by non-profit or for-profit developers throughout the eligible bond boundary within the county – select projects for funding
Year 6: 2024-25	\$244,607	10%	<b>HACC Public Housing Redevelopment RFP 1:</b> Lease-up and stabilization
			<b>HACC Public Housing Redevelopment RFP 3:</b> Release of RFP for up to 15% of bond allocation – select projects for funding

Year 7: 2025-26	\$244,607	10%	<b>NOFA 2:</b> Construction loan closing, groundbreaking and construction start
			<b>HACC Public Housing Redevelopment RFP 2:</b> Lease-up and stabilization
			<b>HACC Public Housing Redevelopment RFP 3:</b> Construction loan closing, groundbreaking and construction start

DRAFT

After recording return to:  
Office of Metro Attorney  
600 NE Grand Avenue  
Portland, OR 97232-2736  
Attn: \_\_\_\_\_

**DECLARATION OF AFFORDABLE HOUSING  
LAND USE RESTRICTIVE COVENANTS**

This Declaration of Affordable Housing Land Use Restrictive Covenants (this "Declaration") is entered into as of \_\_\_\_\_, 2019 (the "Effective Date"), by and between Metro, a municipal corporation of the State of Oregon ("Metro") and \_\_\_\_\_ ("Owner").

**RECITALS**

A. Owner is the owner of certain real property commonly known as \_\_\_\_\_ in \_\_\_\_\_, Oregon, and legally described on Exhibit A attached hereto.

B. Owner and Metro are parties to that certain Intergovernmental Agreement dated \_\_\_\_\_, 20\_\_ (the "IGA"), pursuant to which Metro provided to Owner certain funds applied by the Owner to acquire the Property, which funds were proceeds of certain general obligation bonds issued by Metro for the limited purpose of funding affordable housing projects as authorized by Measure 26-199 approved by the voters on November 6, 2019 (the "Ballot Title").

C. Owner plans to improve, or cause to be improved a \_\_\_\_ acre parcel [and modify an existing building from its current use as a \_\_\_\_\_] into [BRIEFLY DESCRIBE DEVELOPMENT PLAN].

D. The parties expect that the Property will be redeveloped and comprised of approximately \_\_\_\_\_ units of affordable housing (the "Project"). At initial occupancy, the Project will serve qualifying persons that earn \_\_\_\_% or less of area median income (AMI).

E. Metro and Owner anticipate that funding of the work described in the IGA will require release of this Declaration and execution, delivery, and recordation of a new restrictive covenant imposing long-term affordability restrictions on the Property.

F. As required by the IGA, and as consideration for Metro's provision of general obligation bond funds to the Owner to acquire the Property, Owner agrees to the restrictions, covenants and obligations set forth herein.

## SECTION 1 PROPERTY USE RESTRICTIONS

**1.1 Affordable Housing Land Use.** For the term of this Declaration, the Property and the Project shall at all times be owned, developed, constructed, improved and operated solely as “Affordable Housing” within the meaning of the Ballot Title and as described in the Metro Housing Program Work Plan approved by the Metro Council on January 31, 2019 (the “Work Plan”). For purposes of the Ballot Title and the Work Plan, “Affordable Housing” is defined as improvements for residential units occupied by households earning 80% or less of median gross household income, adjusted for household size, for the Portland, Oregon metropolitan statistical area as established each year by the U.S. Department of Housing and Urban Development.

**1.2 Nondiscrimination.** In accordance with Title VI of the Civil Rights Act, as amended; 42 U.S.C. Section 2000d; Section 303 of the Age Discrimination Act of 1975, as amended; 42 U.S.C. Section 6102; Section 202 of the Americans With Disabilities Act of 1990; 42 U.S.C. Section 12132, no owner of the Property shall discriminate against any employee, tenant, patron or buyer of the Property improvements because of race, color, creed, national origin, sex, age or disability. In addition, any such owner shall comply, to the extent applicable to the Property, with the applicable federal implementing regulations of the above-cited laws and other applicable state and federal laws. “Owner” shall mean the fee simple title holder to the Property or any part thereof, including contract buyers, but excluding those having such interest merely as security for the performance of an obligation.

**1.3 Running with the Land.** Owner hereby declares that the Property subject to this Declaration shall be held, sold and conveyed subject to the forgoing land use restrictions and covenants, which shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall inure to the benefit of Metro. Owner agrees that any and all requirements of the laws of the State of Oregon to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to ensure that these restrictions run with the Property for the term of this Declaration.

## SECTION 2 GENERAL PROVISIONS

**2.1 Enforcement.** Metro shall have standing, and may bring an action at law or equity in a court of competent jurisdiction to enforce all restrictions and covenants established by this Declaration and to enjoin violations, ex parte, if necessary. The failure to enforce any provision shall in no event be deemed a waiver of the right to do so thereafter.

Metro is the only party entitled to enforce the restrictions and covenants set forth herein. Nothing in this Declaration gives, is intended to give, or will be construed to give or provide any benefit or right, whether directly, indirectly, or otherwise, to third persons.

**2.2 Duration.** Subject to the provisions of the IGA providing for the early termination of this Declaration upon the occurrence of certain events or conditions, or otherwise upon mutual consent

**2.3 Amendment.** This Declaration may not be amended or revoked except by written agreement executed by Metro and Owner, their respective successors and assigns, and duly recorded in the manner then provided for by law. In the event Owner is unable to comply with the restrictions set forth herein, and Owner fully repays Metro for funds disbursed to acquire the Property pursuant to the terms of the IGA, the parties will revoke this Declaration.

**2.4 Limitation of Liability of Metro.** Under no circumstances shall Metro have any liability to Owner, its successors and assigns, or other user or tenant, lessee, guest or invitee of Owner, its successors and assigns, by virtue of Metro's enforcement or failure to enforce the rights established by this Declaration, and Owner, its successors and assigns, should defend and hold harmless Metro from same.

**2.5 Choice of Law.** This Declaration shall be interpreted under the laws of the State of Oregon.

**2.6 Breach of Agreements.** Owner represents and warrants that this Declaration does not violate any of the terms or conditions of any other agreement to which Owner is a party, or to which the Property is subject.

The parties have caused this Declaration to be signed by their respective, duly authorized representatives, as of the Effective Date.

OWNER:

---

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title:

State of Oregon )  
ss.

County of \_\_\_\_\_)

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_, of \_\_\_\_\_, an Oregon \_\_\_\_\_.

(Signature of Notarial Officer)

METRO

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

State of Oregon )  
 ) ss.  
County of \_\_\_\_\_)

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by \_\_\_\_\_, as \_\_\_\_\_, of \_\_\_\_\_, an Oregon \_\_\_\_\_.

(Signature of Notarial Officer)

**Exhibit A**

**Property Legal Description**

**Required Project Completion Reporting**

**Immediate Post Closing (within 10 business days after closing):**

- ☐ Copy of recorded Metro approved restrictive covenant
- ☐ Copy of settlement statement

**Post Construction Completion (within 3 months of recorded temporary certificate of occupancy):**

- ☐ Metro project closeout form attesting to use of Metro bond funds for capital costs
- ☐ Copy of temporary certificate of occupancy
- ☐ Resident Services Plan (OHCS form)
- ☐ Affirmative Fair Housing Marketing Plan (HUD Form)
- ☐ Community engagement report
- ☐ MWESB/COBID participation outcomes
- ☐ Workforce outcomes report, if project has stated workforce goals
- ☐ Draft project summary

**Post-Occupancy (within 3 months of 95% occupancy):**

- ☐ Marketing and application outcomes report
- ☐ Final project summary