

IN CONSIDERATION OF RESOLUTION NO. 19-5010 FOR THE PURPOSE OF
AUTHORIZING EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE
HOUSING AUTHORITY OF CLACKAMAS COUNTY FOR IMPLEMENTATION OF THE
METRO AFFORDABLE HOUSING BOND MEASURE

Date: November 6, 2019
Department: Planning & Development
Meeting date: November 21, 2019

Prepared by: Emily Lieb
Presenter(s): Emily Lieb
Length: 10 minutes

ISSUE STATEMENT

As directed by the Program Work Plan, staff has prepared an intergovernmental agreement (IGA) setting forth the terms and conditions under which Metro will disburse Metro Housing Bond funding to Housing Authority of Clackamas County (HACC) for eligible program activities. The proposed IGA is attached as Exhibit A to the Resolution.

The IGA is intended to provide clarity and accountability regarding the expenditure of bond funds to achieve specific Unit Production Targets.

Eligible funding amounts

HACC is eligible for the following funding amounts to support investment in Affordable Housing Projects that are consistent with the Bond Measure, Work Plan, and approved LIS.

- Eligible Share: \$113,488,094 to be disbursed on a Project by Project basis to support direct capital investments in eligible Affordable Housing Projects.
 - This amount reflects the County's full Eligible Share allocation of \$116,188,094 less \$2,700,000 in Housing Bond funds previously disbursed to HACC for the acquisition of 18000 Webster Road site, which was approved by the Metro Council for funding in April 2019.
- Administrative Share: \$2,446,065 to be released in annual disbursements to support general costs associated with program administration activities.

Unit production targets

HACC agrees to direct the above funding resources toward the creation of Affordable Housing to achieve the following unit production targets:

- HACC will support investments to create a total of 812 permanently affordable homes.
- At least 333 homes will be restricted to households earning 30% or less of area median income (AMI)
- At least 398 homes will be restricted to households earning 31% to 60% of AMI
- No more than 10% of units (81 of 812 total units) may be affordable to households making 61-80% of AMI

- At least 406 units will contain two or more bedrooms.

General IGA provisions to ensure transparency and accountability

- All projects selected for bond funding must demonstrate consistency with HACC's Local Implementation Strategy (LIS), as confirmed through Metro staff review at the concept and final funding stage. See HACC's LIS attached as Exhibit A to the IGA.
- HACC will record a restrictive covenant ensuring long-term affordability and monitoring obligations for all approved projects.
- HACC will submit annual progress reports to Metro, which will be utilized by the Housing Bond Community Oversight Committee as part of their annual review. Along with project progress information, these reports will include metrics and narratives describing outcomes related to advancing racial equity.
- Metro will disburse administrative funding to HACC annually. See the Schedule of Administrative Funding Disbursement and Program Milestones attached as Exhibit B to the IGA.
- HACC will submit annual end-of-fiscal-year reports to Metro summarizing direct project expenditures and program administrative expenditures, the latter of which is subject to the 5% administrative cap included in the Housing Bond Measure.

Clackamas County Local Implementation Strategy (LIS)

In July, Clackamas County completed its Local Implementation Strategy (LIS). In accordance with requirements set forth in Metro's Housing Bond Program Work Plan, Clackamas County's LIS includes a development plan to achieve the County's share of unit production targets and strategies for advancing racial equity and ensuring community engagement throughout implementation. Key highlights of HACC's LIS include:

- HACC intends to directly develop and own approximately 450 units (55% of the total unit production goal), including 45 units planned for the 18000 Webster Road site in Gladstone, as well as redevelopment efforts on three public housing sites that have been designated for redevelopment.
- Remaining unit production targets will be achieved through funding agreements with third-party developers selected through a competitive solicitation process.
- At least 200 of the 333 targeted deeply affordable units will be supported with rental assistance vouchers allocated by HACC.
- HACC has established a goal of 20% COBID/MWESB contracting participation throughout implementation, and has committed to work with Metro and other partners to explore strategies for encouraging diversity in workforce participation.
- HACC's LIS includes commitments related to the use of low barrier screening and affirmative marketing strategies

The Clackamas County LIS was reviewed and discussed by the Housing Bond Community Oversight Committee at their August 7th meeting, where Committee members present voted unanimously to recommend the LIS to Metro Council for approval with

considerations for ongoing monitoring. A copy of the Oversight Committee's recommendation and noted considerations is attached to this Staff Report.

REQUESTED

Adopt Resolution No. 19-5010, authorizing the Chief Operating Officer to execute an intergovernmental agreement with the Housing Authority of Clackamas County for implementation of the Metro Affordable Housing Bond Measure.

IDENTIFIED POLICY OUTCOMES

Once the IGA is finalized, HACC will be eligible to receive \$113,488,094 in Metro bond funding for disbursement on a project-by-project basis, and \$2,303,216 in funding for program administration costs between FY19-20 and FY25-26, including \$489,213 in FY19-20 administration funding to be disbursed within 30 days of the execution of the IGA.

Ongoing disbursement of funds will be contingent upon demonstrated progress toward achieving HACC's share of the Unit Production Targets and HACC's compliance with its LIS.

POLICY QUESTION(S)

- Does the Council believe the IGA provides the necessary accountability structures and mechanisms to ensure the region's success in fulfilling the commitments articulated in the Housing Bond Measure?
- Does the Council believe HACC's LIS (attached as Exhibit A to the IGA) meets the requirements established by the Council in the Program Work Plan, as recommended by the Community Oversight Committee?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

- Authorize the execution of an intergovernmental agreement with the Housing Authority of Clackamas County for implementation of the Metro Affordable Housing Bond Measure by adopting Resolution No. 19-5010. Such authorization would effectively approve HACC's LIS, which is incorporated into the IGA as Exhibit A.
- Reject proposed intergovernmental agreement with the Housing Authority of Clackamas County for implementation of the Metro Affordable Housing Bond Measure, and direct staff to renegotiate the terms and conditions upon which funding will be provided.

STAFF RECOMMENDATIONS

Staff recommends adoption of Resolution No. 19-5010.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The IGA was shaped through the direction provided in the Housing Bond Program Work Plan, adopted by Metro Council on January 31, 2019, and through consideration of applicable state laws pertaining to the program. Staff from Planning & Development; Office of Metro Attorney; Finance and Regulatory Services; Risk Management; and external bond counsel have all been consulted in development of the IGA.

Metro staff have worked with staff at all seven eligible local implementation partners over the past six months to develop IGA terms that protect the integrity of the program and ability for implementation partners to achieve prescribed outcomes. Clackamas County staff briefed the Housing Authority of Clackamas County's Housing Advisory Board, which includes the Board of County Commissioners plus a citizen representative, on the IGA in September 4, and the Board of County Commissioners is scheduled to consider approval of the IGA on November 14.

The County conducted extensive engagement to inform its LIS, including events targeting local jurisdiction staff and elected officials, affordable housing developers and service providers, and broader community outreach. The County also contracted with Unite Oregon to provide targeted outreach to low-income community members, communities of color, people with limited English proficiency, immigrants and refugees, and people with disabilities. The Housing Advisory Board reviewed and approved submittal of Clackamas County's LIS to Metro on July 16th.

Oversight Committee members present at the August 7th meeting voted unanimously to recommend Metro Council approval of the LIS as part of the IGA. Staff are not aware of any opposition to Clackamas County's LIS or to the IGA.

The proposed Resolution is based on numerous policies previously adopted by the Metro Council, including but not limited to:

- Resolution No. 19-4956, approving the Metro Affordable Housing Bond Program Work Plan
- Resolution No. 18-4898, referring the Affordable Housing Bond Measure to Metro District voters

ATTACHMENTS

Attachment 1: Metro Housing Bond Community Oversight Committee Recommendations for Clackamas County's Local Implementation Strategy