

IMPACT STATEMENT

Legislation title: Presentation by Metro on a Potential Regional Housing Measure

Contact name: Michelle Plambeck

Contact phone: 3-4740

Presenter name: Andy Shaw, Metro
Jes Larson, Metro
Emily Lieb, Metro

Purpose of proposed legislation and background information:

Provide City Council an update and draft framework for a potential regional affordable housing measure.

Financial and budgetary impacts:

N/A

Community impacts and community involvement:

In early 2018, the Metro Council directed staff to work with community partners, local officials and the public to develop a potential regional funding measure to create and protect safe and affordable homes across the region. Since then, staff have been working hard to advance Council's direction. This work includes convening technical and stakeholder advisory tables; Metro-funded community partnerships; and engagement with other public and private partners. Together with technical work and research, these activities will inform the COO's recommendation to Metro Council.

Budgetary Impact Worksheet

Does this action change appropriations?

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount



Homes for greater Portland

Regional housing measure: Draft framework

Everyone deserves a safe, stable, affordable place to call home. Working together, we can give more families the housing opportunity they need.

Metro has a long history of working with partners to protect quality of life by supporting new homes and jobs where it makes sense, with good access to jobs, schools, transportation, parks and nature.

As in many metropolitan areas, thousands of Portland-area families are struggling to find a stable, affordable home. This challenge affects every community in the region.

The Metro Council is considering a regional general obligation bond measure that would help partners build and protect affordable homes throughout the region.

Creating a draft framework

In January, Metro convened stakeholder and technical advisory tables with nearly 50 total members, each with unique experience in housing, community, business and related topics.

The stakeholder advisory table has identified values to guide creation and implementation of the measure framework. The technical advisory table has advised on feasibility, costs, modeling, implementation, and other technical considerations.

To explore need and opportunity, Metro has also funded community partner engagement with diverse communities, conducted detailed analysis of capacity and need, and listened to input from jurisdictional partners, housing providers and other key stakeholders.

The draft framework is a major milestone in that effort. It is a vision of what we can achieve together, and how. It is now being released for review and discussion by the advisory tables, jurisdictional partners, advocates, impacted communities and the general public.



What happens next

In late May, the Metro chief operating officer will recommend to the Metro Council what should be included in a regional affordable housing measure that creates homes for people who need them, reflects community values, and ensures technical feasibility and accountability. The final measure framework will be a central part of the COO's recommendation.

The council is expected to make a referral decision in early June. The measure would appear on the November 2018 ballot. If voters approve, Metro's goal is to achieve the measure's outcomes within five to seven years.

Learn more

Visit oregonmetro.gov/housing to learn more and sign up for emails to stay informed.

Share your thoughts

Metro wants to hear how you would prioritize investments in affordable homes across greater Portland. Our online survey will also help provide guidance on implementing the bond if the Metro Council refers a measure that is passed by voters.

To add your voice, visit oregonmetro.gov/housing.

Draft framework summary

Regional outcomes

Serving as many as 10,000 people by creating 3,200 affordable homes if a statewide constitutional amendment is approved (see below); 6,300 people and 2,000 homes if amendment disapproved \$516.5 million general obligation bond, less than \$50 annually for average Portland-area homeowner

Strong accountability & oversight

A community oversight committee will monitor bond investments' progress toward regional targets and priorities. Annual reporting and auditing will be required. Seven percent of funds will be reserved for administration of the bond.

Homes throughout the region

Most affordable homes are expected to be created through local jurisdictions and providers.

To create opportunity and respond to needs in many communities, we will seek to create homes throughout the region:

- Clackamas County: 21%
- Multnomah County: 45%
- Washington County: 34%

Approximately 10 percent of funds will be reserved for a Metro program to buy land for affordable homes near transit.

Affordable homes for families' needs

- 45% of homes reserved for households at 30% median family income (MFI) or below
- Half of homes large enough for families (2+ bedrooms)
- Maximum 10% of homes reserved for 60-80% MFI

How we'll create affordable homes

Through regional programs and supporting local action, the bond will create affordable home opportunities in several ways:

- Buying land for affordable homes
- Buying and renovating low-cost market rate housing to create permanently affordable homes
- Construction of new affordable homes
- Public ownership of affordable homes without Constitutional amendment; potential private/non-profit ownership with amendment

Who to serve, and where to invest

- Prioritize people least well-served by the market, including communities of color, veterans, seniors, families, people with disabilities and people experiencing or at risk of homelessness
- Increase access to transportation, jobs, schools, parks and other opportunities
- Support mixed-income and mixed use communities with a variety of housing types
- Prevent displacement in changing neighborhoods

Potential Constitutional amendment

The Oregon Constitution requires that general obligation bond dollars be used only for publicly owned capital projects. In November, Oregon voters will consider a Constitutional amendment to allow local bonds to support affordable housing created by nongovernmental entities. Depending on whether this potential amendment is approved by voters, a regional bond would have different outcomes and eligible activities.

A commitment to racial equity

This investment can help address generations of barriers faced by communities of color in accessing affordable, stable homes in the region. A racial equity lens can also increase affordable housing opportunity for other marginalized people and low-income residents.

To advance racial equity through this investment, Metro will:

- Include communities of color in decision-making and oversight roles
- Work with partners to conduct further engagement with communities of color
- Consider racial equity as a factor in all investment decisions
- Work with community to track impacts and benefits of investments for communities of color

Looking to the future

Several strategies can help ensure regional investments are efficient, equitable and responsive as the bond is implemented, including:

- Prioritize racial equity and advance fair housing in project selection
- Work with local governments to identify and act on local needs and opportunities
- Require projects to have screening criteria and marketing that reduce barriers to marginalized groups finding a home
- Partner with culturally-specific organizations and community partners for project selection, design and evaluation
- Create equitable workforce targets for investments

Metro Housing Bond Implementation Approach

Local jurisdictions are best able to develop affordable housing solutions tailored to meet their community's needs. Metro is proposing an efficient and nimble implementation structure for the regional housing bond to increase and support local creation of affordable homes. This implementation approach is intended to provide certainty, reduce barriers, and clarify responsibilities for all partners.

April 26, 2018



Partnering jurisdictions will present their progress reports to the oversight committee annually. The oversight committee will make recommendations to Metro and participating jurisdictions to ensure that the local programs and the regional portfolio of projects are tracking to meet the overall identified goals and targets. Local strategies may be amended annually via IGAs to address necessary and recommended programmatic changes identified by the oversight committee.



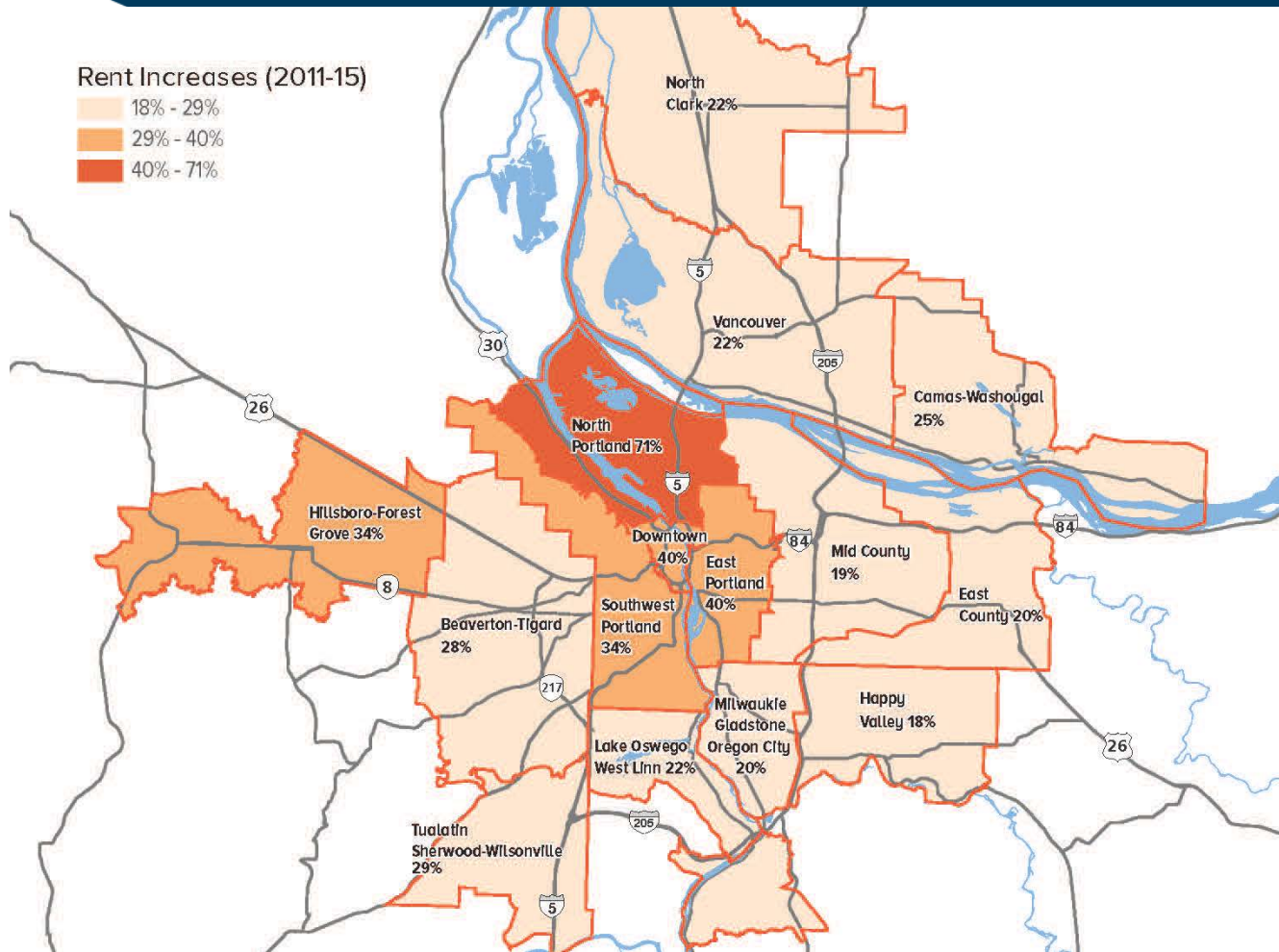
Metro

Affordable homes: Draft framework

Portland City Council
May 16, 2018



Regional context



Source: Axiometrics, Multifamily NW, Johnson Economics

Regional housing bond: Where we started

General obligation bond

New homes and acquisition of
land and affordable homes

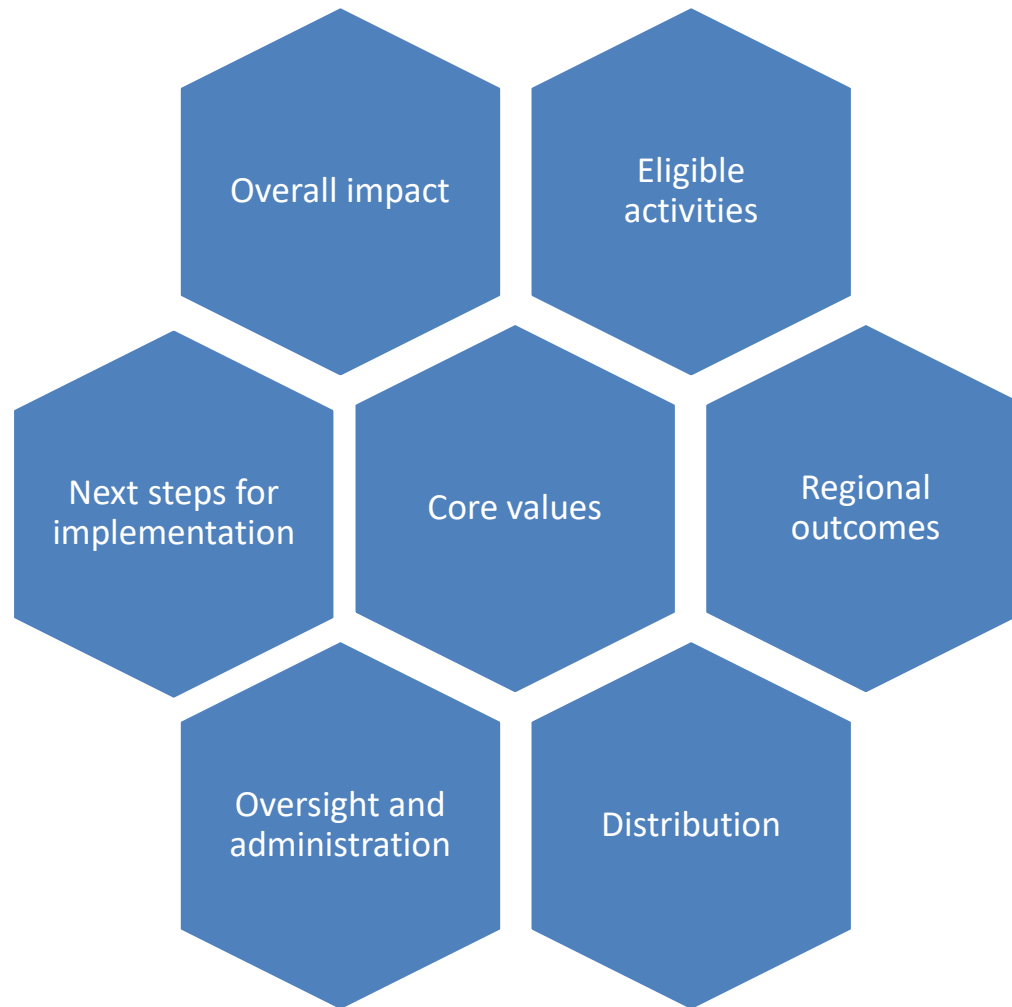
Homes created in partnership with
local governments and providers



Creating the framework



What is in the framework?



What is the framework



Core values

- Lead with racial equity
- Prioritize people not served by the market
- Access to opportunities
- Prevent displacement
- Mixed-income communities, variety of housing types
- Make good use of public dollars 7



Overall impact

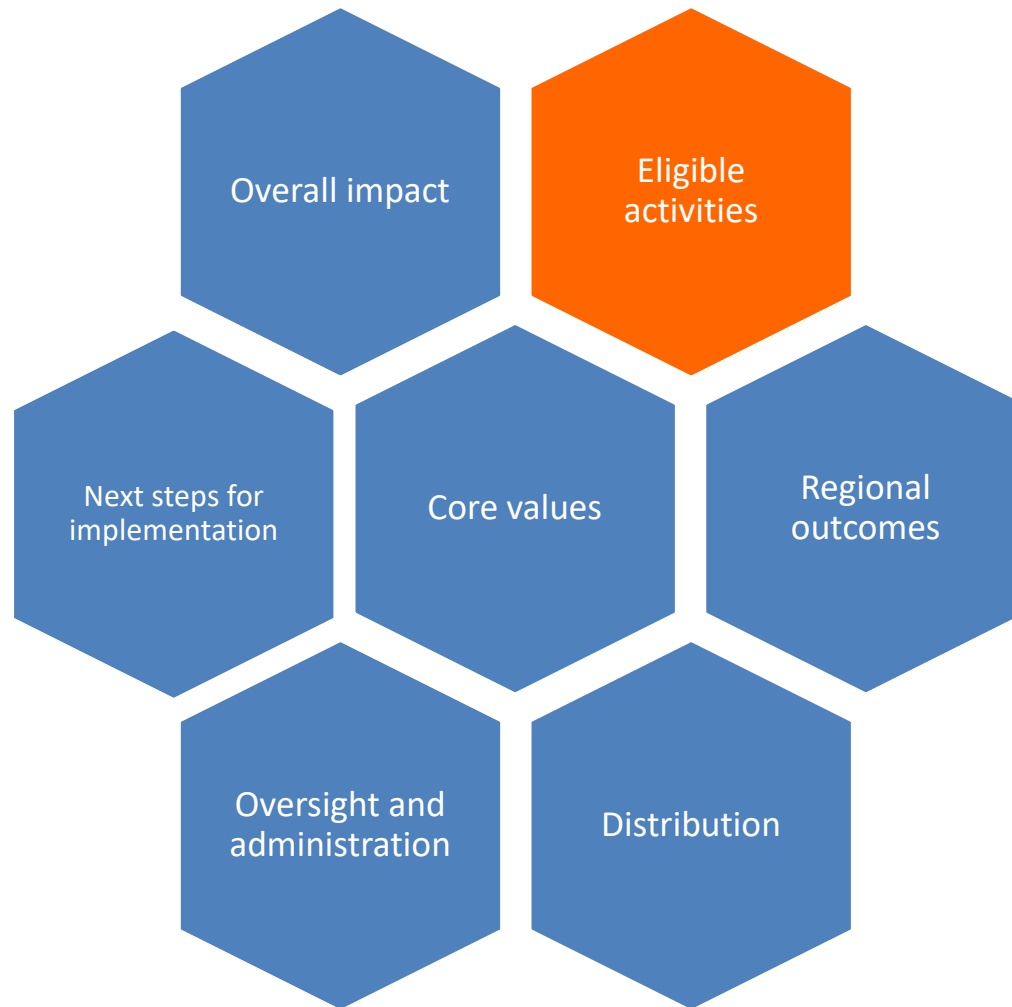


Overall impact

- Total homes / total people
 - Without amendment: 2,000 homes, about 6,300 people
 - With amendment: 3,200 homes, about 10,000 people
- Recommended scope: \$516.5 million general obligation bond
- Average annual cost to Portland-area homeowner: Less than \$50/year



Eligible activities



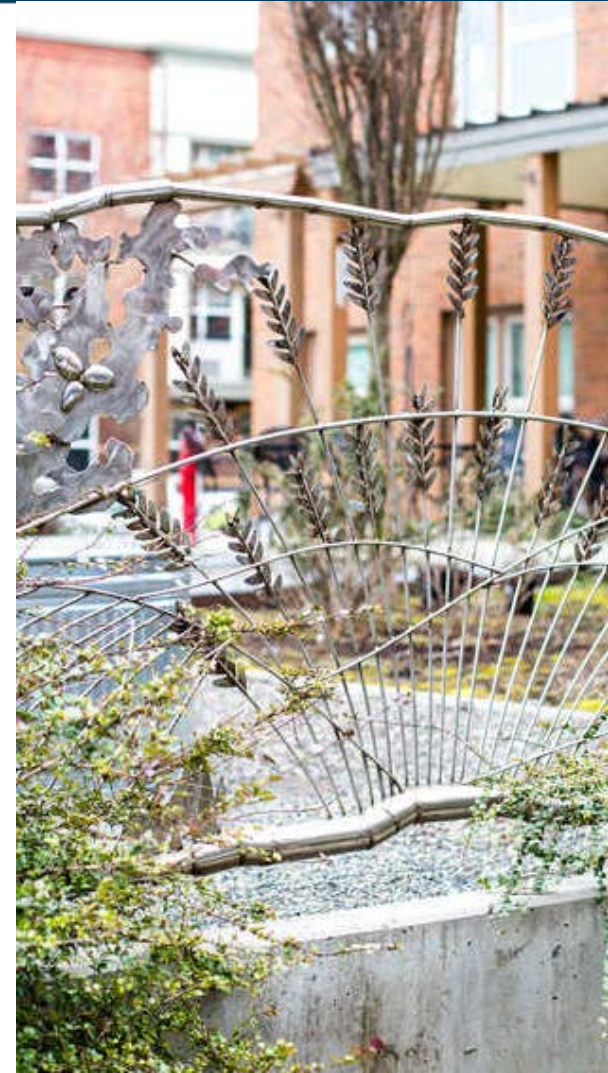
Eligible activities

Acquisition of land for affordable homes

Acquisition and rehabilitation of low-cost market rate housing for conversion to permanently regulated affordable homes

Construction of new affordable homes

Public ownership of affordable homes (subject to change if constitutional amendment is approved by voters)

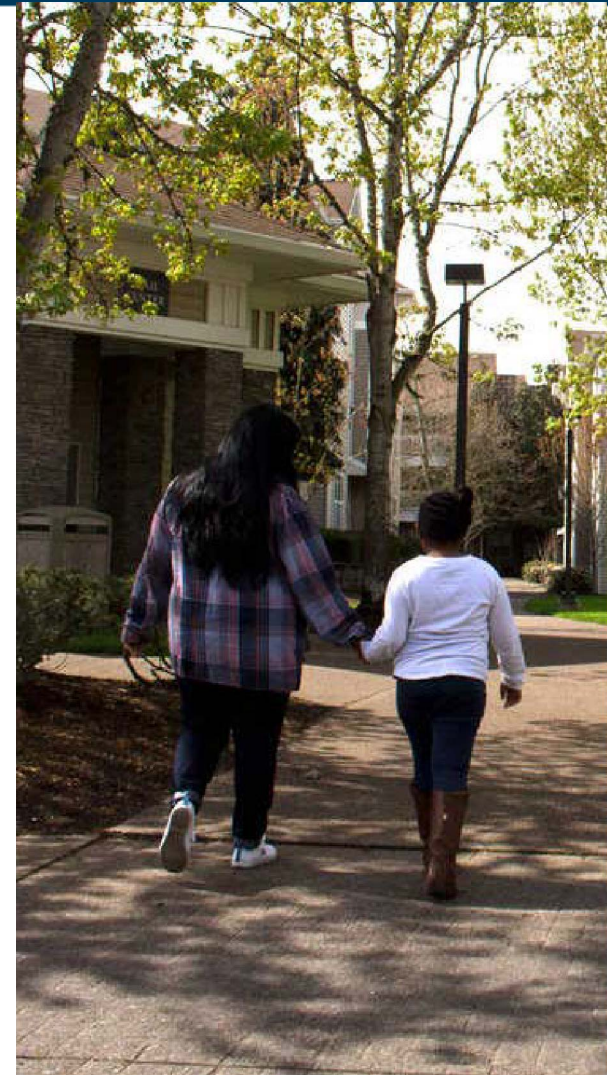


Regional outcomes

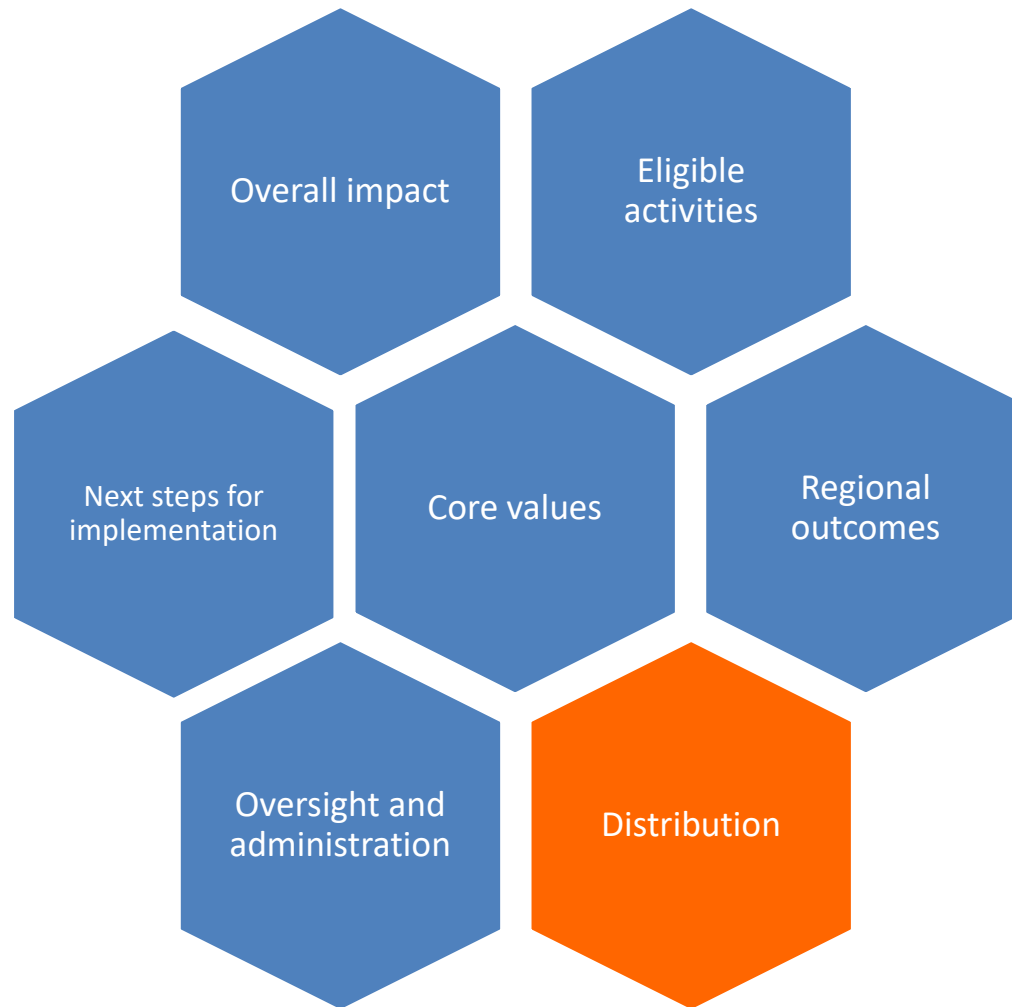


Regional outcomes

- 45% of homes below 30% MFI
- At least half of homes sized for families (two or more bedrooms)
- All homes affordable for families and individuals with less than 80% MFI
- Max 10% of homes at 60-80% MFI



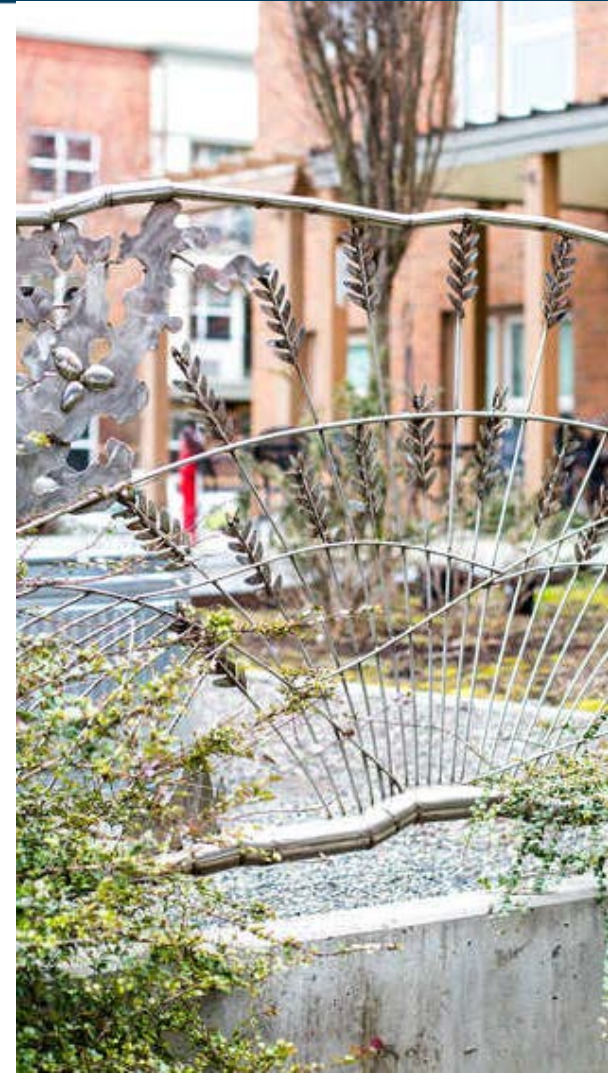
Distribution



Distribution

Funds anticipated for homes to be distributed throughout the region based on assessed value:

- Clackamas County: 21%
- Multnomah County: 45%
- Washington County: 34%



Distribution

90% of funds anticipated to be spent by local partners

10% of funds reserved for regional land acquisition program at Metro



Oversight & Administration



Oversight and administration

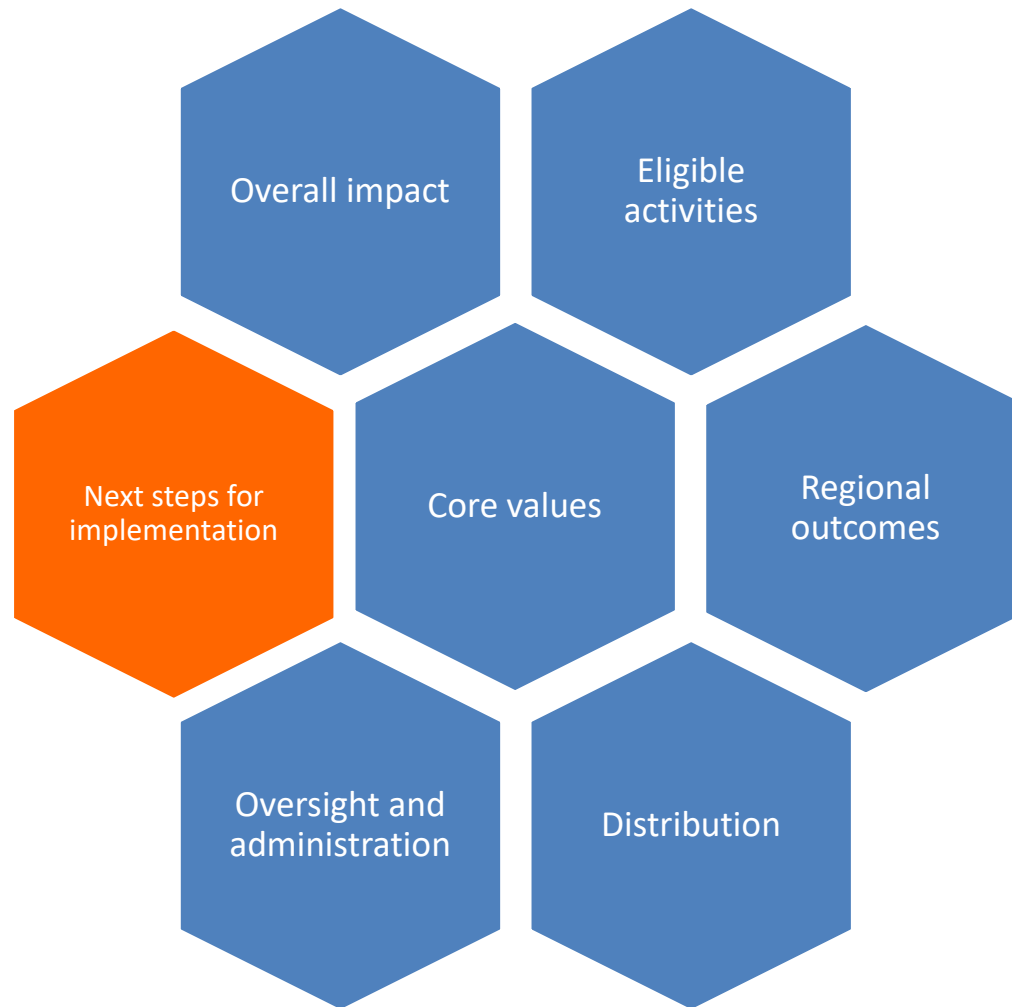
Intergovernmental agreements;
Local implementation strategies

Community oversight committee:
reporting and auditing

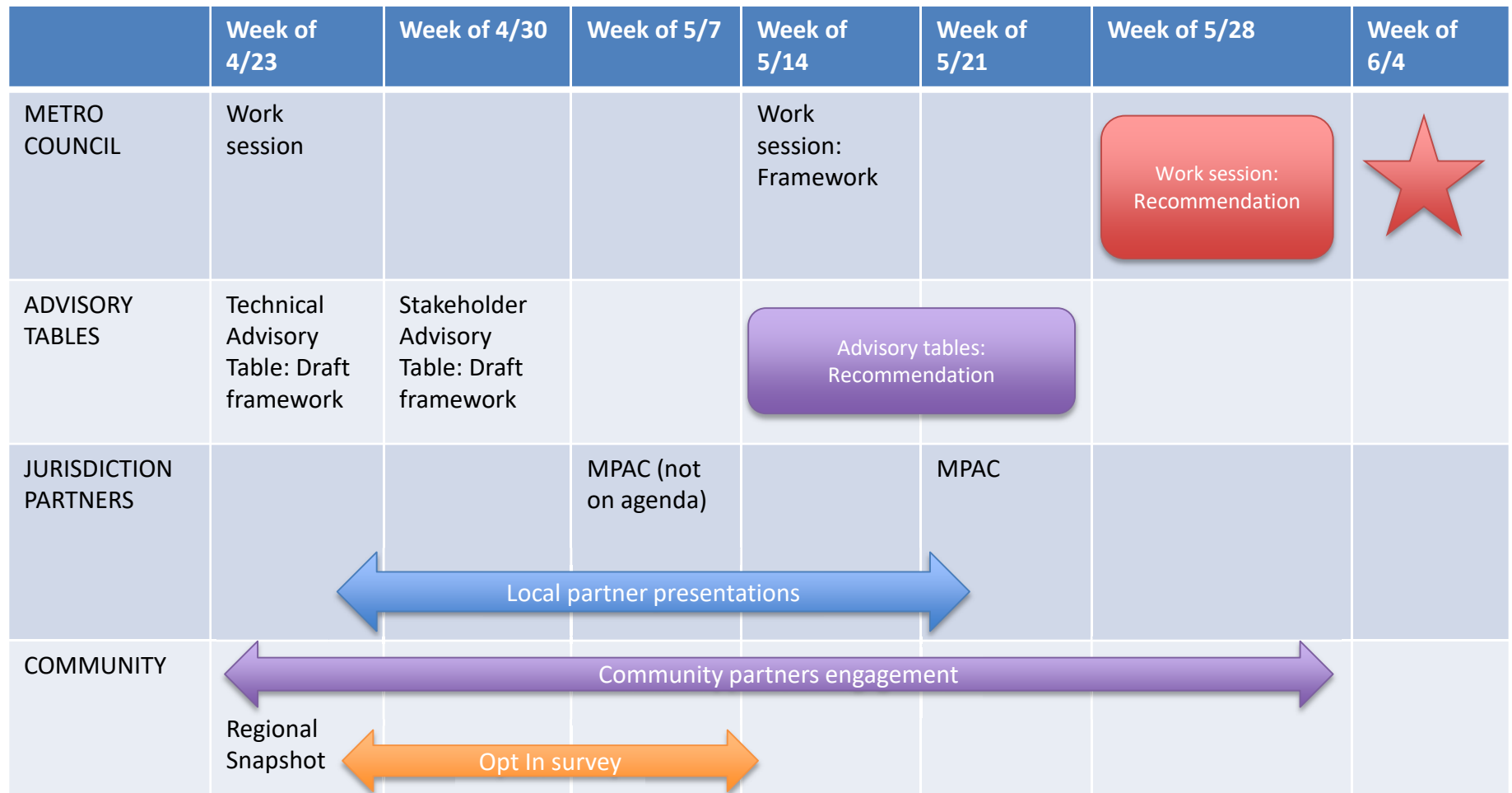
7% cap for program administration,
including oversight, compliance,
transaction costs



Next Steps: implementation considerations



Referral Decision Timeline



Questions?



Visit **oregonmetro.gov/housing**
to learn more and subscribe

oregonmetro.gov





600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

DATE: May 8, 2018

TO: Commissioner Chloe Eudaly
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Dan Saltzman
Auditor Mary Hull Caballero

FROM: Andy Shaw, Director of Government Affairs
Jes Larson, Regional Affairs Manager
Emily Lieb, Equitable Housing Program Manager

SUBJECT: Presentation by Metro staff on a potential regional affordable housing
measure

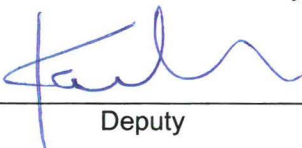
Portland City Council,

Please accept this update on work toward a potential 2018 affordable housing
funding measure, including presenting a draft measure framework.

Agenda No.
PRESENTATION

Title

Presentation by Metro staff on a potential regional affordable housing measure (Presentation)

INTRODUCED BY Commissioner/Auditor: Mayor Ted Wheeler	CLERK USE: DATE FILED <u>MAY 08 2018</u>
COMMISSIONER APPROVAL Mayor—Finance & Administration - Wheeler <i>W</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland  By: _____ Deputy
BUREAU APPROVAL Bureau: Mayor's Office Bureau Head: Mayor Prepared by: Michelle Plambeck Date Prepared: 5/8/2018 Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> City Auditor Office Approval: required for Code Ordinances City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan Council Meeting Date: May 16, 2018	ACTION TAKEN: MAY 16 2018 PLACED ON FILE

AGENDA TIME CERTAIN <input checked="" type="checkbox"/> Start time: 3:30 Total amount of time needed: 30 mins (for presentation, testimony and discussion) CONSENT <input type="checkbox"/> REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)	<table border="1"> <tr> <th>FOUR-FIFTHS AGENDA</th> <th colspan="2">COMMISSIONERS VOTED AS FOLLOWS:</th> </tr> <tr> <th></th> <th>YEAS</th> <th>NAYS</th> </tr> <tr> <td>1. Fritz</td> <td></td> <td></td> </tr> <tr> <td>2. Fish</td> <td></td> <td></td> </tr> <tr> <td>3. Saltzman</td> <td></td> <td></td> </tr> <tr> <td>4. Eudaly</td> <td></td> <td></td> </tr> <tr> <td>Wheeler</td> <td></td> <td></td> </tr> </table>	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:			YEAS	NAYS	1. Fritz			2. Fish			3. Saltzman			4. Eudaly			Wheeler		
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