



## **Attachment B: COO recommended funding conditions in addition to Grants Screening Committee recommendations**

### Funding conditions recommended for all projects:

- *Engagement:* Within the negotiation of IGAs, it is important to distinguish outreach for site-specific elements of projects from outreach for policy projects. Outreach for site-specific projects or milestones should be focused on property owners (both of the site and its surroundings) and surrounding residents, as well as any development partners and potential target populations that would be served by a site. Outreach and engagement to inform broader policy outcomes should, on the other hand, be more expansive, and should also include specific efforts to reach underrepresented populations and communities of color.
- *Application of “equity lens”:* The screening committee recommended that each project should describe, as a condition for funding, how an equity lens will be applied throughout the project. I would like to propose some more specific guidance regarding equity in light of Metro’s recently adopted Equity Strategy—namely, that all grantees address the following question within their scope of work: *Do we have barriers in our current code that create impediments to housing for communities of color?* Jurisdictions may address this question in a way that makes sense for them. Metro staff will be available to provide technical assistance and, as available, research and data. In addition, grantee jurisdictions within Clackamas County may benefit from the County’s recent Fair Housing Assessment, which is the first assessment of its kind completed in our region under the new federal guidelines for Affirmatively Furthering Fair Housing.

### Funding conditions recommended for specific projects:

- *Milwaukie / Cottage Cluster Feasibility Analysis:* The scope needs to be refined to ensure that the code audit happens before any site-specific feasibility analysis. The scope should include robust outreach to ensure that property owner support is secured prior to undertaking any site-specific work.
- *City of Portland / Equitable Housing Strategy for the Southwest Corridor:* The project should be closely coordinated with the recently awarded FTA TOD Grant for the Southwest Corridor Equitable Development Strategy.
- *Wilsonville / Equitable Housing Strategy:* The scope needs to be refined to be more specific and more targeted to reflect different market contexts in the Downtown and Frog Pond areas. The refined scope should lay out 3-5 specific policy strategies focused on multifamily infill development that will be explored for the Downtown area, and 3-5 specific policy strategies to be explored with the aim of increasing affordable homeownership options and “missing middle” housing in the Frog Pond area. Further, the City should commit to implementing a specific number of policies as an outcome of the grant.

## **Attachment C: Equitable Housing Grants Screening Committee Recommendations to COO**

**Date:** October 13, 2016  
**To:** Martha Bennett, Metro Chief Operating Officer  
**From:** Alisa Pyszka and Leila Aman, Co-Chairs, Equitable Housing Planning and Development Grants Screening Committee  
**Subject:** Equitable Housing Grants Screening Committee Recommendations

As co-chairs of the Equitable Housing Planning and Development Grants Screening Committee, we are pleased to present our recommendations for the 2016-17 Equitable Housing Planning and Development Grants awards.

Before we present the recommendations, we think it important to give you an overview of our committee's work. You appointed our committee in July 2016. Our discussions were guided by the overarching direction in the Administrative Rules for the Construction Excise Tax Funding for Community Planning and Development Grants (CPDG), which includes the Equitable Housing Grants program. Additional guidance for the committee was provided in the Equitable Housing Grants Application Handbook, including:

- the program's goal to fund projects that will remove barriers to equitable housing development
- planning activities supported by the grant
- criteria for evaluating the applications

Our committee met two times between September and October to review the eight applications submitted by seven local governments. Staff had previously reviewed and provided feedback on letters of interest.

We were impressed with the diversity of proposals and with the range of communities that applied, and we believe this round of grants will yield important lessons for how the region responds to the current housing crisis. Some of the proposed projects will support planning activities focused on eliminating barriers to development on a specific site, leading to formal development commitments and development agreements that will result in near term on-the-ground development. Others focus on policy development and strategic planning that will eventually lead to development.

The diverse backgrounds of the committee members created very lively and thorough discussions of the strengths and weaknesses of each of the applications. Although we did not come to consensus in every case, committee members generally agreed about which projects should be recommended for funding, and how much.

## Attachment C: Equitable Housing Grants Screening Committee Recommendations to COO

### Funding Recommendations:

The total funding requested for the eight projects was \$680,936. Staff advised the committee that Metro Council had previously discussed making \$500,000 available for the project, but that the COO also planned to recommend allocating an additional \$75,000 in funding from an approved Cycle 4 Community Planning and Development Grant (CPDG) project that did not move forward to the funding allocation for the Equitable Housing Grants 2016-17 allocation. For that reason, the committee developed two sets of recommendations: one for a \$500,000 total funding package, and one for a \$575,000 total funding package, summarized below.

Our committee recommends funding for all but one of the projects: the City of Portland’s Terminal One proposal. In order to develop recommendations for a \$500,000 funding recommendation package, the committee recommended an across-the-board 13.8% cut to the seven projects recommended for funding. This approach reflects the importance and the merit of the all the projects that were recommended for funding. For the \$575,000 funding recommendations package, the committee recommended slight cuts to two of the projects: Washington County and Wilsonville.

### *Summary of Funding Requests and Recommendations for \$500,000 and \$575,000 Funding Scenarios*

<b>Project</b>	<b>Funding Request</b>	<b>Rec'd Funding @ \$500,000</b>	<b>Rec'd Funding @ \$575,000</b>
Beaverton Anti-Displacement Housing Strategy	\$100,000	\$86,207	\$100,000
Milwaukie Cottage Cluster Feasibility Analysis	\$65,000	\$56,035	\$65,000
Oregon City Equitable Housing	\$100,936	\$86,207	\$100,000
Portland Terminal One	\$100,000	\$0	\$0
Portland Equitable Housing Strategy for the Southwest Corridor	\$100,000	\$86,207	\$100,000
Tigard Southwest Corridor Affordable Housing Predevelopment Analysis	\$50,000	\$43,104	\$50,000
Washington County Affordable Housing Site Evaluation, Barriers & Solutions	\$100,000	\$86,207	\$97,500
Wilsonville Equitable Housing Strategic Plan	\$65,000	\$56,035	\$62,500
	<b>\$680,936</b>	<b>\$500,001</b>	<b>\$575,000</b>

Committee members expressed mixed reactions to the Terminal One proposal. Some committee members felt the project had strong merits. Although individual committee members did not agree on all of the merits and weaknesses of the Terminal One proposal, the committee did reach consensus on the recommendation not to recommend funding for this project, given that it ranked the lowest in the committee’s evaluation, and given staff direction regarding maximum available resources for the grant program.

*Appendix* contains a summary of committee comments, including positive comments, concerns, and suggestions for how applicants should adjust their scope of work in order to realize the intended outcomes of their projects. Not all committee members agreed with each of the positive comments or

## Attachment C: Equitable Housing Grants Screening Committee Recommendations to COO

concerns in the summary, and in a few cases, comments may reflect an individual committee member's perspective.

### Additional Comments and Suggestions for Future Funding Cycles

Our Committee also recommends the following actions to improve the Equitable Housing Grants program for future funding allocations:

- **Site specific proposals should have potential for impact that is much broader than simply achieving development on a single site.** For example, site-specific projects could be used to identify broader policy or administrative changes that could help to eliminate barriers to development; they could be catalytic in supporting overall goals for achieving the region's 2040 vision; or they could be significant in that they are addressing a critical need, such as affordable housing development.
- **Although the program is focused on "equitable housing," the application requirements and evaluation criteria could provide more specificity about the definition of "equity" in this context, and could elevate the focus on equity within the evaluation criteria.** The current description of "equity" within the evaluation criteria, as described in the Equitable Housing Grant Application Handbook, states that "Equity exists relative to the benefits and burdens of growth and change to the region's communities, and the proposed project will facilitate investments that address the needs of underserved and underrepresented groups. Applicants are encouraged to think about how their project supports efforts to 'Affirmatively Furthering Fair Housing'." However, equity is listed only under the "regional significance" criteria as one of six desired outcomes. Metro should consider making equity a separate criterion and/or providing more guidance regarding how applicants should demonstrate the use of an equity lens both in evaluating the potential outcomes of the project and/or engagement components.
- **Metro's program should encourage local strategies focused on preserving existing affordable housing.** The preservation of existing affordable housing (both regulated and non-regulated) is widely recognized as an important strategy that needs to be expanded to address our region's housing needs. Preservation is generally more cost effective than new development, and if we aren't able to preserve existing affordable housing, many affordable housing experts believe we will never be able to "build" our way out of the affordable housing crisis. The City of Beaverton's Equitable Housing Grant proposal included (along with elements focused on eliminating barriers to new development of equitable housing) a component focused on exploring strategies for the preservation of "naturally occurring" or non-regulated affordable housing—something we saw as an innovative and regionally significant approach and therefore recommended for funding. Given that Metro code states that the construction excise tax should be used "to provide funding for regional and local planning that is required to make land ready for development after its inclusion in the Urban Growth Boundary," it may be helpful for Metro to consider whether this language is still relevant for achieving the original intent of the program. From our perspective, supporting the preservation of existing affordable housing is compatible with the overall goal of achieving the six desired outcomes for the 2040 Growth Vision adopted by Metro Council.

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- **The lessons learned from projects approved for funding through the 2016-17 Equitable Housing Grant program should be used to help provide more direction for future funding cycles.** The eight applications we reviewed represent a wide range of approaches, presenting an opportunity for learning about what kinds of approaches are most effective in yielding significant policy outcomes and on-the-ground development. One thing Metro could explore in future modifications of the program would be to develop a checklist of the different kinds of planning efforts (i.e., housing needs analysis, code audit, opportunity site inventory, funding/incentive analysis, etc.) local jurisdictions should undertake to identify problem statements and develop approaches to addressing them. Staff could also consider developing more prescriptive templates for effective scopes of work that would meet the funding criteria, as well as case study examples of successful projects based on the 2016-17 funding cycle. This could help eliminate some of the barriers smaller jurisdictions may face in completing the application process, which is fairly involved. Additionally, it would help ensure that the applications Metro receives encompass the kinds of activities necessary to achieve the desired outcomes of the program.
- **Require applicants to provide more specific information about deliverables and how they will be shared with Metro and other stakeholders across the region.**

We will be happy to join you in presenting all of these recommendations to the Metro Council on November 1 if you so desire.

On behalf of the members of our Equitable Housing Grants Screening Committee, we want to thank you for giving us the opportunity to participate in this process and assist Metro in funding projects that eliminate barriers to equitable housing development.

**APPENDIX (Co-Chairs Aman and Pyszka Recommendations to COO)**

**COMBINED SCREENING COMMITTEE COMMENT SUMMARY AND CONCERNS FOR 2016-17 EQUITABLE HOUSING  
GRANT APPLICATIONS**  
**Oct. 12, 2016**

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**2016-17 EQUITABLE HOUSING PLANNING AND GRANT APPLICATIONS**  
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**APPENDIX (Co-Chairs Aman and Pyszka memo to COO)**

**COMBINED SCREENING COMMITTEE COMMENT SUMMARY AND CONCERNS FOR EQUITABLE HOUSING GRANTS**

**October 12, 2016**

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<b>Applicant/Project</b> City of Beaverton / Anti Displacement Strategy	
<b>Requested Grant</b> \$100,000	<b>Recommendation options:</b> If \$575,000 in total funding: \$100,000 If \$500,000 in total funding: \$86,207
<b>Total Project Cost</b> \$116,832	<b>Financial Match:</b> n/a <b>In-kind Match:</b> \$16,832
<b>Project Description</b>	The City of Beaverton requests \$100,000 to create an Anti-Displacement Housing Strategy. The City will hire a consultant to work with the city to a) map all current unregulated affordable housing (below 80% AMI) and developable properties, and b) identify strategies the city and the housing partners can implement to preserve and/or develop new affordable housing going forward.
<b>Project Location</b>	City of Beaverton (citywide)
<b>Partners</b>	Community Housing Fund, Network for Oregon Affordable Housing (NOAH), Washington County Housing Authority

**Positive Comments**

- High regional significance due to potential to generate lessons learned; focus on preserving “naturally occurring” affordable housing is innovative
- Strong potential for partnerships with interested funders
- Strong commitment for action; city has already allocated funding for acquisition of “naturally occurring” affordable housing
- Explicit focus on anti-displacement reflects commitment to equity

**Concerns**

- Community engagement component is not as strong as other applications
- Some questions as to the project team’s capacity to manage the project; specific staff were not noted because the city was in the process of hiring for the project manager position

**Conditions for Funding**

- Verify planning staff capacity.
- Engagement strategy should specifically identify target participants, including income levels/types of residents to be engaged.
- Scope of work should include how the city will share best practices and lessons learned with interested stakeholders, including Metro, Metro Technical Advisory Committee (MTAC), peer jurisdiction staff, and other identified stakeholders.
- Scope of work should include how the city will communicate information about projects more broadly with interested regional stakeholders (e.g., project website, etc.).
- Clarify how equity lens will be applied to shape the project.

**APPENDIX (Co-Chairs Aman and Pyszka memo to COO)**

**COMBINED SCREENING COMMITTEE COMMENT SUMMARY AND CONCERNS FOR EQUITABLE HOUSING GRANTS**

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<b>Applicant/Project</b> City of Milwaukie / Cottage Cluster Feasibility Analysis	
<b>Requested Grant</b> \$65,000	<b>Recommendation options:</b> If \$575,000 in total funding: \$65,000 If \$500,000 in total funding: \$56,035
<b>Total Project Cost</b> \$77,000	<b>Financial Match:</b> n/a <b>In-kind Match:</b> \$12,500
<b>Project Description</b>	The City of Milwaukie requests \$65,000 to conduct a feasibility analysis and preliminary site design work for four sites to examine their potential for a cottage cluster development that can provide equitable housing opportunities to a variety of groups identified by community partners, including affordable housing, workforce housing, senior housing, and special needs housing.
<b>Project Location</b>	Four sites located within the City of Milwaukie's medium density residential zones (r-2, R-2.5, and R-3). Exact sites to be determined as part of the proposal.
<b>Partners</b>	Northwest Housing Alternatives, Providence Milwaukie Hospital, and Clackamas County Health, Housing and Human Services

**Positive Comments**

- Potential for regional significance given ability to generate lessons learned regarding cottage clusters
- Strong potential for partnerships

**Concerns**

- Code barriers to cottage clusters need to be addressed before development could move forward.
- The city notes in their application that their initial outreach was not successful in identifying any interested property owners.
- The scope is more narrow than some other projects.

**Conditions for Funding**

- City should confirm property owner interest before moving forward with a feasibility analysis on any site.
- Engagement strategy should specifically identify target participants, including income levels/types of residents to be engaged.
- Scope of work should include how the city will share best practices and lessons learned with interested stakeholders, including Metro, Metro Technical Advisory Committee, staff of other jurisdiction, and other identified stakeholders.
- Scope of work should include for how the city will communicate information about projects more broadly with interested regional stakeholders (e.g., project website, etc.).
- Clarify how equity lens will be applied to shape the project.

**APPENDIX (Co-Chairs Aman and Pyszka memo to COO)**

**COMBINED SCREENING COMMITTEE COMMENT SUMMARY AND CONCERNS FOR EQUITABLE HOUSING GRANTS**

**October 12, 2016**

<b>Applicant/Project</b> City of Oregon City / Equitable Housing	
<b>Requested Grant</b> \$100,936	<b>Recommendation options:</b> \$575,000 in total funding: \$100,000 \$500,000 in total funding: \$86,207
<b>Total Project Cost</b> \$124,650	<b>Financial Match:</b> n/a <b>In-kind Match:</b> \$23,714
<b>Project Description</b>	The City of Oregon City requests \$100,936 to work with a network of local partners to evaluate the process for constructing equitable housing and remove barriers to development as well as implement incentives to facilitate and encourage new equitable housing in Oregon City.
<b>Project Location</b>	The project area is city-wide, although emphasis will be placed on specific development areas and zones through the analysis of site background information and mapping.
<b>Partners</b>	Clackamas County Health, Housing and Human Services; Northwest Housing Alternatives, Citizens Involvement Committee, Main Street Oregon City, Oregon City Chamber of Commerce, Oregon City Business Alliance

**Positive Comments**

- Strong potential for leverage given other economic development initiatives underway in Oregon City.
- Good combination of breadth and specificity.
- Proposed project addresses a very real need to eliminate code barriers to development, so potential for tangible impact is high.

**Concerns**

- Description of equity components of the grant is vague.
- Proposed “partners” and public involvement plan consists mostly of technical advisors; not enough outreach to disadvantaged groups or collaboration with community-based organizations.
- Important to have clearly defined outcomes; unclear whether and how the proposed scope would lead to ongoing activity.

**Conditions for Funding**

- Clarify roles of partner organizations beyond serving in a technical advisory capacity.
- Engagement strategy should specifically identify target participants, including income levels/types of residents to be engaged.
- Scope of work should include how the city will share best practices and lessons learned with interested stakeholders, including Metro, Metro Technical Advisory Committee, staff of other jurisdiction, and other identified stakeholders.
- Scope of work should include how the city will communicate information about projects more broadly with interested regional stakeholders (e.g., project website, etc.).
- Clarify how equity lens will be applied to shape the project.

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**COMBINED SCREENING COMMITTEE COMMENT SUMMARY AND CONCERNS FOR EQUITABLE HOUSING GRANTS**  
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- Specify income-based performance measures related to number of units envisioned to be created.

**APPENDIX (Co-Chairs Aman and Pyszka memo to COO)**

**COMBINED SCREENING COMMITTEE COMMENT SUMMARY AND CONCERNS FOR EQUITABLE HOUSING GRANTS**

**October 12, 2016**

<b>Applicant/Project</b> City of Portland / Terminal One	
<b>Requested Grant</b> \$100,000	<b>Recommendation options:</b> \$575,000 in total funding: \$0 \$500,000 in total funding: \$0
<b>Total Project Cost</b> \$265,000	<b>Financial Match:</b> n/a <b>In-kind Match:</b> \$165,000
<b>Project Description</b>	PHB requests \$100,000 for a feasibility assessment of Terminal 1 related to the proposed Oregon Trail of Hope concept, a multi-service center providing shelter, services, and housing for people experiencing homelessness. The 12-month project will fund a consultant to conduct analysis of the site and produce outcomes in phases of: Visioning, Feasibility Analysis, and Master Plan development.
<b>Project Location</b>	Terminal 1 (2400 NW Front Avenue, Portland, OR 97209) is 14.48 acres with a 96,000 sq. foot warehouse in downtown Portland on the Willamette River.
<b>Partners</b>	Joint Office of Homeless Services (Multnomah County), Oregon Trail of Hope (nonprofit)

*Note: Individual committee members had very different opinions about this proposal. Many of the comments summarized below do not reflect a majority perspective, and some may reflect individual committee members' perspectives.*

**Positive Comments**

- Homelessness is a region-wide issue, and Portland has taken on a disproportionate burden. There is potential for this concept to relieve pressure on other parts of the region by siting a shelter in a location with higher real estate values rather than in an area with lower income areas (e.g., East Portland).
- There is a huge shortage of shelter beds and the overall concept is worthy of studying.
- Project includes strong matching funds and partner support.
- The proposal is innovative in that it seeks to use an integrated, comprehensive approach, modeled on a national best practice.

**Concerns**

- Concerns about the legal and political viability of the site, due to recent state land use decisions clearly prohibiting use of industrial land for mass shelters and anticipated political challenges of a zoning change on the Terminal One site.
- Studying a homeless shelter does not fit with the grant program criteria or program goals.
- Concept could equate to “warehousing” approach; placing people on an industrial site that isn’t integrated into communities and neighborhoods.

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- Unclear how this proposal fits with Metro's role of shaping a long-term vision of integrated land use and transportation.

**Conditions for Funding**

- Funding not recommended

**Additional Comments:**

- The committee recommends that the applicant consider the following potential changes to the scope for future grant cycles:
  - Conduct a broader analysis of zoning barriers to shelter siting
  - Conduct a broader analysis of the proposed homeless campus concept, including criteria for identifying appropriate sites

**APPENDIX (Co-Chairs Aman and Pyszka memo to COO)**

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<b>Applicant/Project</b> City of Portland / Equitable Housing Strategy for the Southwest Corridor	
<b>Requested Grant</b> \$100,000	<b>Recommendation options:</b> \$575,000 in total funding: \$100,000 \$500,000 in total funding: \$86,207
<b>Total Project Cost</b> \$120,000	<b>Financial Match:</b> n/a <b>In-kind Match:</b> \$20,000
<b>Project Description</b>	The City of Portland requests \$100,000 to set a target for affordable housing preservation and production as part of the Southwest Corridor transit project, estimate potential funding sources and funding gap to meet targets and build a community coalition to support inclusion of affordable housing as part of Southwest Corridor transit investment.
<b>Project Location</b>	One-half mile buffer around Barbur Blvd from the Barbur/Naito South Portland District to downtown Tigard via the Tigard Triangle
<b>Partners</b>	City of Tigard will serve as primary project partner. Additional collaborators include: Community Housing Fund, Community Partners for Affordable Housing (CPAH), Organizing People/Activating Leaders (OPAL), and the Washington County Housing Authority

**Positive Comments**

- Creating an affordable housing strategy in advance of a major regional infrastructure investment is an innovative approach with the potential to generate valuable lessons for the rest of the region
- Strong regional significance, including inter-jurisdictional collaboration (partnership with Tigard)
- Strong public involvement and partnerships with nonprofits

**Concerns**

- Unclear from the proposal what income levels would be served by the project
- Unclear from the proposal what kinds of implementation tools and tangible outcomes are most likely

**Conditions for Funding**

- Engagement strategy should specifically identify target participants, including income levels/types of residents to be engaged.
- Scope of work should include how the city will share best practices and lessons learned with interested stakeholders, including Metro, Metro Technical Advisory Committee, staff of other jurisdiction, and other identified stakeholders.
- Scope of work should include how the city will communicate information about projects more broadly with interested regional stakeholders (e.g., project website, etc.).

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- Clarify how equity lens will be applied to shape the project.
- Specify income-based performance measures related to number of units envisioned to be created or preserved.

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**October 12, 2016**

<b>Applicant/Project</b> City of Tigard / SW Corridor Affordable Housing Predevelopment Project	
<b>Requested Grant</b> \$50,000	<b>Recommendation options:</b> \$575,000 in total funding: \$50,000 \$500,000 in total funding: \$43,104
<b>Total Project Cost</b> \$73,080	<b>Financial Match:</b> n/a <b>In-kind Match:</b> \$23,080
<b>Project Description</b>	The City of Tigard requests \$50,000 for the SW Corridor Affordable Housing Predevelopment project, which will mitigate the effects of potential market displacement of affordable housing residents in Tigard's Town Center by: identifying opportunity sites for housing relocation and preservation; developing a funding analysis to support an anti-displacement strategy; and engaging with affordable housing residents on equitable solutions.
<b>Project Location</b>	Tigard Town Center (Downtown Tigard and Tigard Triangle)
<b>Partners</b>	Community Partners for Affordable Housing (CPAH), 1,000 Friends of Oregon, Community Housing Fund, Unite Oregon, City of Portland

**Positive Comments**

- Creating an affordable housing strategy in advance of a major regional infrastructure investment is an innovative approach with the potential to generate valuable lessons for the rest of the region
- Strong regional significance, including inter-jurisdictional collaboration (partnership with Portland)
- Strong nonprofit partners

**Concerns**

- Unclear from the proposal what income levels would be served by the project

**Conditions for Funding**

- Engagement strategy should specifically identify target participants, including income levels/types of residents to be engaged.
- Scope of work should include how the city will share best practices and lessons learned with interested stakeholders, including Metro, Metro Technical Advisory Committee, staff of other jurisdiction, and other identified stakeholders.
- Scope of work should include how the city will communicate information about projects more broadly with interested regional stakeholders (e.g., project website, etc.).
- Performance measures should specify income-based performance measures related to number of units created or preserved.
- Clarify how equity lens will be applied to shape the project.

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**October 12, 2016**

<b>Applicant/Project</b> City of Wilsonville / Equitable Housing Strategic Plan	
<b>Requested Grant</b> \$65,000	<b>Recommendation options:</b> \$575,000 in total funding: \$63,500 \$500,000 in total funding: \$56,035
<b>Total Project Cost</b> \$76,235	<b>Financial Match: n/a</b> <b>In-kind Match: \$11,235</b>
<b>Project Description</b>	Wilsonville is proposing to research, develop, adopt, and begin implementation of an Equitable Housing Strategic Plan that identifies and prioritizes policies and programs for the City to implement that address current needs and gaps in Wilsonville's housing market.
<b>Project Location</b>	This project encompasses all of the City of Wilsonville with a special focus on the Frog Pond and Town Center areas.
<b>Partners</b>	n/a

**Positive Comments**

- High opportunity area with strong potential for regionally significant impact.

**Concerns**

- Some of the research components seem duplicative of Metro's Equitable Housing report, Metro's housing needs analysis, and the City's 2013 housing needs analysis.
- Value of the proposed housing summit and resource fair is unclear; engaging employers might be a more impactful approach.
- Description of equity components of the grant is vague; proposal indicates openness to different housing options, but they are not necessarily affordable.

**Conditions for Funding**

- Engagement strategy should specifically identify collaborators, including nonprofits and employers.
- Engagement strategy should specifically identify target participants, including income levels/types of residents to be engaged.
- Scope of work should include how the city will share best practices and lessons learned with interested stakeholders, including Metro, Metro Technical Advisory Committee, staff of other jurisdiction, and other identified stakeholders.
- Scope of work should include how the city will communicate information about projects more broadly with interested regional stakeholders (e.g., project website, etc.).
- Clarify how equity lens will be applied to shape the project.
- Clarify how market research will build on previous analyses, and how it will be targeted toward evaluating feasibility and impact of specific investment and policy tools.

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**COMBINED SCREENING COMMITTEE COMMENT SUMMARY AND CONCERNS FOR EQUITABLE HOUSING GRANTS**

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<b>Applicant/Project</b> Washington County / Equitable Housing Barriers and Solutions	
<b>Requested Grant</b> \$100,000	<b>Recommendation options:</b> \$575,000 in total funding: \$97,500 \$500,000 in total funding: \$86,207
<b>Total Project Cost</b> \$150,000	<b>Financial Match:</b> n/a <b>In-kind Match:</b> \$50,000
<b>Project Description</b>	Washington County requests \$100,000 to identify 3-5 potential affordable housing development (AHD) sites, evaluate AHD site suitability and key barriers through code and financial feasibility analysis, and then draft and evaluate potential solutions. It is expected to lead to community plan and/or code amendments, and pre-development work on at least one site.
<b>Project Location</b>	Potential affordable housing development sites within Washington County's Metro-designated Corridors, Centers, State Areas or Main Streets, including County-owned property at Cornell Road and Murray Boulevard.
<b>Partners</b>	Community Partners for Affordable Housing (selected developer for the County-owned Cornell-Murray property)

**Positive Comments**

- Strong partnerships with nonprofits
- Strong potential to link site-specific projects to more flexible regulations that eliminate barriers to equitable housing development

**Concerns**

- Proposed budget allocation for staff is higher than other applications
- Description of equity components of the grant is vague, and the proposal does not include a plan for how to reach out to disadvantaged populations.
- Only one of five sites is identified.
- Application does not describe the project team.
- Application does not provide examples of potential implementation strategies.

**Conditions for Funding**

- Clarify who serve on the project team.
- Clarify potential implementation strategies to be explored and how the scope will address them.
- Engagement strategy should specifically identify target participants, including income levels/types of residents to be engaged.
- Scope of work should include how the city will share best practices and lessons learned with interested stakeholders, including Metro, Metro Technical Advisory Committee, staff of other jurisdiction, and other identified stakeholders.
- Scope of work should include how the city will communicate information about projects more broadly with interested regional stakeholders (e.g., project website, etc.).
- Clarify how equity lens will be applied to shape the project.

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- Specify income-based performance measures related to number of units envisioned to be created or preserved.

STAFF REPORT  
IN CONSIDERATION OF RESOLUTION NO. 16-4753  
FOR THE PURPOSE OF APPROVING FY 2016-17 FUNDING FOR EQUITABLE HOUSING PLANNING AND  
DEVELOPMENT GRANTS FUNDED WITH CONSTRUCTION EXCISE TAX

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**BACKGROUND**

In September 2015, Metro’s Chief Operating Officer (COO) presented her recommendations for Cycle 4 of the Community Planning and Development Grants (CPDG). The recommendations included information about the proposed Cycle 4 award left an excess of \$230,000 for the COO and Metro Council to utilize as they see fit.

At the January 7, 2016 Council work session, the Council expressed interest in further understanding how to expend the unallocated CPDG Cycle 4 fund. After consultation with the Office of the Metro Attorney and guidance from the Equitable Housing Initiative Work Group, the COO proposed at the February 16, 2016 Council work session that the unallocated Cycle 4 CPDG fund for use in creating housing planning and development grants. The COO also informed Council that additional construction excise collections could be used to boost funding for housing planning and development grants to ensure that the program is able to generate benefits across the region. She recommended an initial budget of \$500,000.

The Metro Council decided to create the Equitable Housing Planning and Development Grants (“Equitable Housing Grants”) program as a subset of the CPDG program to use additional, unallocated funds to inspire and foster innovative local planning projects that support the creation of equitable housing – defined as *diverse, quality, physically accessible, affordable housing choices with access to opportunities, services, and amenities*.

The Equitable Housing Grants are intended to specifically support local governments and their partners in eliminating barriers to equitable housing development—while also helping to build a body of housing-related projects that support regional innovation and knowledge sharing.

In 2015, Metro’s Equitable Housing Initiative led a yearlong research and engagement process that culminated in the creation of a collaborative framework for equitable housing and the convening of a regional equitable housing leadership summit. More information is available at [oregonmetro.gov/equitable-housing](http://oregonmetro.gov/equitable-housing).

**ADMINISTRATIVE RULES**

Per Council direction, staff developed the Equitable Housing Grants program to conform to the revised Administrative Rules for Construction Excise Tax for CPDG adopted by Metro Council in March 2015 (Resolution 15-4615) and implemented in Cycle 4 of the Community Planning and Development Grants. The 2015 update to the Administrative Rules adjusted the goal of the CPDG program, defined types of eligible projects, and revised the criteria for evaluating grant applications, reflecting recommendations

developed by Metro Technical Advisory Committee (MTAC) and recommended by Metro Policy Advisory Committee (MPAC) to Metro Council.

### **Eligible Projects**

Based on the CPDG Administrative Rules and with input from CPDG staff and former CPDG screening committee members, staff identified two categories of projects that would be eligible for funding:

- 1) Opportunity site identification and analysis: Conduct predevelopment work on potential affordable or mixed-income housing development sites in centers and corridors (as identified in Title 6 of Metro's Urban Growth Management Functional Plan).

Examples of potential projects:

- Site identification
- Environmental analysis and brownfield site assessments
- Financial feasibility analysis and funding strategy development
- Parking analysis
- Schematic design

- 2) Policy evaluation and implementation: Conduct evaluation and develop tools to support modification of local code, zoning or permitting processes, or create incentives that eliminate barriers to equitable housing development.

Examples of potential projects:

- Zoning/code changes to eliminate barriers to and/or create incentives for the development of "missing middle" housing and creative infill housing, such as accessory dwelling units or cottage clusters
- Evaluation and implementation of a regulatory or incentive program, such as Vertical Housing Tax Credits, tax exemptions for affordable units, or inclusionary zoning
- Implementation of streamlined permitting for affordable housing projects

### **Evaluation Criteria**

Consistent with previous recommendations from evaluations of applications for the CPDG program, Equitable Housing Grants applications were evaluated on their ability to achieve the goals of the Regional Framework Plan, which identifies regional policies to implement the 2040 Growth Concept.

Specifically, projects were evaluated on the following criteria:

- Expected development outcome
- Regional significance, including how well the project addresses the needs of underrepresented or underserved groups (equity)
- Ability to support vibrant Centers, Corridors, and Main Streets
- Use of best practices
- Leveraging past or future public and private investments, such as transit projects
- Available matching funds
- Potential to absorb projected growth
- Public involvement

- Commitment for action by a governing body
- Capacity of applicant

## **SOLICITATION AND EVALUATION OF APPLICATIONS**

### **Pre-Application Meeting**

On May 13, 2016, Metro held a pre-application meeting to explain the grant process and answer questions from local government representatives and interested community partners. The meeting notice went out to Metro's Equitable Housing Initiative interested parties list, which includes over 600 people spanning government, developers, financial institutions, advocacy groups, community-based organizations, and more.

Approximately 35 people attended the pre-application meeting, including several nonprofit and community-based organizations interested in partnering with a local government on a proposal. The meeting including time for attendees to ask staff questions about the process, as well as time for networking for applicants to connect with non-governmental attendees interested in exploring partnerships.

### **Letters of Interest**

Seven local governments submitted eight letters of interest (LOI) by the June 8 deadline. Metro staff reviewed the proposals and provided comments intended to ensure that projects met the criteria necessary to be eligible for funding, and to help strengthen the competitiveness of full applications. In the case of one LOI, which was focused on equitable leasing practices, staff provided feedback that the project did not meet the eligibility of the program as set forth by Metro's code and the Administrative Rules for the CPDG program, because it did not include any components related to "planning that is required to make land ready for development."

### **Applications**

Seven local governments submitted eight applications by the Aug. 12 deadline. In total, the eight applications requested \$680,936 ([Attachment 1](#)).

The proposed projects will support planning activities that will lead to such outcomes as eliminating barriers to housing development on a specific site and changes to zoning, permitting, and incentives to support equitable housing at the jurisdiction scale. Applications were required to address:

- Locations of proposed projects
- Role of partnerships
- Potential for innovation/best practices
- Range of different types of projects
- Regional significance – especially equity
- Total financial and in-kind matches

### **Grants Screening Committee**

As directed in the Administrative Rules (**Attachment 2**), Metro's Chief Operating Officer appointed six individuals with experience in a variety of fields relating to economic development and planning to the Equitable Housing Grants Screening Committee. In September and October, the Screening Committee met two times to evaluate the applications and develop funding recommendations. In addition, members were invited to an optional meeting to provide feedback on the criteria and evaluation process to inform program evaluation and future grant cycles.

As the Screening Committee was evaluating the applications, Multnomah County relinquished its \$75,000 CPDG grant for "Moving to Permanent Housing" planning project. Staff informed the Screening Committee that the COO has directed them to present recommendations for two funding options, one for \$500,000 and the second for \$575,000.

## **RECOMMENDATIONS**

The Screening Committee submitted its recommendations to the Metro COO on Oct. 13, 2016.

Description of recommendations:

- Recommended funding package at \$500,000
- Recommended funding package at \$575,000
- Recommended funding conditions and performance measures

Additional committee recommendations

- Recommendations for ongoing program modifications

The COO sent her own recommendations to the Metro Council along with the recommendations of the Screening Committee. The COO's recommendations reflect the Screening Committee recommendations with a few exceptions.

The COO's recommendations include some additional funding conditions to be fulfilled by grant recipients, shown in **Exhibit A** to this resolution. These conditions are intended to ensure that the projects are successful and meet the objectives of the grant program.

Intergovernmental agreements (IGAs) between Metro and grantees will be negotiated by staff after the Metro Council approves the grant awards. Additional conditions related to administration of the grant program may be included in the IGA. These could include:

- grant payment procedures
- eligible expenses
- documentation related to implementation of tasks involved in the projects
- maintenance of project records
- audits, inspections and retention of records
- encouragement to seek out local minority-owned, women-owned and emerging small businesses for professional services.

## **ANALYSIS/INFORMATION**

### **1. Known Opposition**

There is no known opposition to the proposed grant allocation amounts, except potentially from any or all of the grant applicants who will not be receiving 2016-17 Equitable Housing Grant Funding.

**2. Legal Antecedents**

Ordinance 06-1115, "Creating a New Metro Code Chapter 7.04 Establishing a Construction Excise Tax" was adopted on March 23, 2006; Ordinance 09-1220, "Extending the Metro Construction Excise Tax and Amending Metro Code Chapter 7.04" was adopted on June 11, 2009; Ordinance No. 14-1328, "Extending the Metro Construction Excise Tax for Community Planning and Development Grants" was adopted June 19, 2014; Resolution 15-4615, "Approving Amended Construction Excise Tax Administrative Rules proposed by the Chief Operating Officer for the Community Planning and Development Grants Program" was adopted on March 19, 2015.

**3. Anticipated Effects**

This Resolution designates Equitable Housing Grant Awards funded with the construction excise tax subject to receipt of construction excise tax funds.

**4. Budget Impacts**

The Proposed FY 2015-2016 budget includes resources for staff in the Planning and Development Department to work on this project. The budget contains sufficient funds to produce and disseminate progress updates for the grant projects to stakeholders and other residents of the region. These updates will include information about how the grants are supporting local communities and the region to remove barriers to development and put local plans into action.

**RECOMMENDED ACTION**

The Chief Operating Officer recommends adoption of Resolution No. 16-4753.

**ATTACHMENT 1 (to Staff Report)**

**Applications Submitted by Local Governments for Equitable Housing Planning and Development Grants**

<b>Applicant</b>	<b>Project Name</b>	<b>Project Description</b>	<b>Amount Requested</b>	<b>Total Project Cost</b>	<b>Metro District</b>
City of Beaverton	Anti-displacement housing strategy	The City of Beaverton requests \$100,000 to create an Anti-Displacement Housing Strategy. The City will hire a consultant to work with the city to a) map all current unregulated affordable housing (below 80% AMI) and developable properties, and b) identify strategies the city and the housing partners can implement to preserve and/or develop new affordable housing going forward.	\$100,000	\$116,832	3,4
City of Milwaukie	Cottage Cluster Feasibility Analysis	The City of Milwaukie requests \$65,000 to conduct a feasibility analysis and preliminary site design work for four sites to examine their potential for a cottage cluster development that can provide equitable housing opportunities to a variety of groups identified by community partners, including affordable housing, workforce housing, senior housing, and special needs housing.	\$65,000	\$77,500	2
City of Oregon City	Oregon City Equitable Housing	The City of Oregon City requests \$100,936 to work with a network of local partners to evaluate the process for constructing equitable housing and remove barriers to development as well as implement incentives to facilitate and encourage new equitable housing in Oregon City.	\$100,936	\$124,650	2
City of Portland / Portland Housing Bureau	Feasibility Assessment of Terminal 1	PHB requests \$100,000 for a feasibility assessment of Terminal 1 related to the proposed Oregon Trail of Hope concept, a multi-service center providing shelter, services, and housing for people experiencing homelessness. The 12-month project will fund a consultant to conduct analysis of the site and produce outcomes in phases of: Visioning, Feasibility Analysis, and Master Plan development.	\$100,000	\$265,000	5
City of Portland	Equitable housing strategy for the SW Corridor	The City of Portland requests \$100,000 to set a target for affordable housing preservation and production as part of the Southwest Corridor transit project, estimate potential funding sources and funding gap to meet targets and build a community coalition to support inclusion of affordable housing as part of Southwest Corridor transit investment.	\$100,000	\$120,000	5,6
City of Tigard	SW Corridor Affordable Housing Predevelopment Project	The City of Tigard requests \$50,000 for the SW Corridor Affordable Housing Predevelopment project, which will mitigate the effects of potential market displacement of affordable housing residents in Tigard's Town Center by: identifying opportunity sites for housing relocation and preservation; developing a funding analysis to support an anti-displacement strategy; and engaging with affordable housing residents on equitable solutions.	\$50,000	\$73,080	3
City of Wilsonville	Equitable Housing Strategic Plan	The City of Wilsonville requests \$65,000 to research, develop, adopt, and begin implementation of an Equitable Housing Strategic Plan that identifies and prioritizes policies and programs for the City to implement that address current needs and gaps in Wilsonville's housing market.	\$65,000	\$76,235	3
Washington County	Equitable Housing Barriers and Solutions	Washington County requests \$100,000 to identify 3-5 potential affordable housing development (AHD) sites, evaluate AHD site suitability and key barriers through code and financial feasibility analysis, and then draft and evaluate potential solutions. It is expected to lead to community plan and/or code amendments, and pre-development work on at least one site.	\$100,000	\$150,000	3,4
			<b>\$680,936</b>	<b>\$1,003,297</b>	