

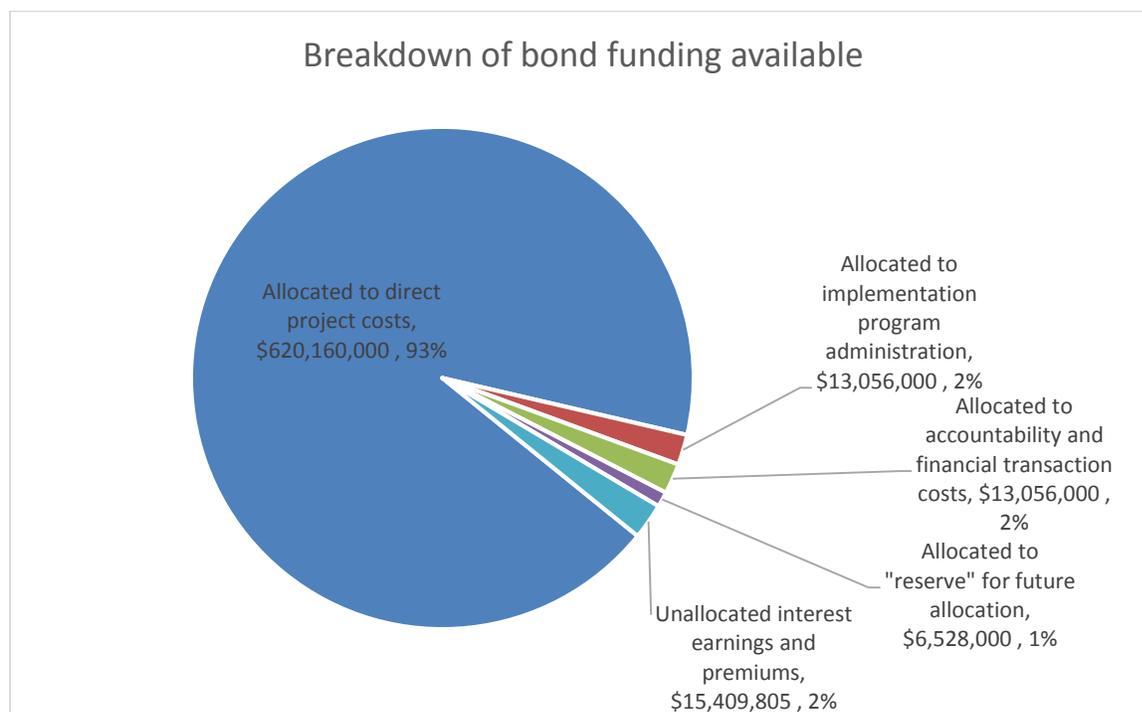
Housing Bond Program funding availability and expenditures through March 2020

At the February 1 Oversight Committee meeting, Committee members requested an update on financial expenditures to date. This report summarizes Housing Bond revenues and expenditures through March 2020, including how these expenditures track to the 5% administrative funding cap described in the bond measure and the funding distribution prescribed in Metro's Affordable Housing Bond Program Work Plan. For context, it also provides additional information regarding anticipated expenditures based on known administrative funding disbursement schedules, preliminary project funding commitments, and active/upcoming solicitations. A full breakdown of Housing Bond revenues and expenditures is provided in Exhibit A.

TOTAL BOND FUNDING AVAILABILITY

As of March 2020, housing bond revenues totaled \$668,209,804 and expenditures totaled \$6,459,679, with \$661,750,125 in remaining funds available.

The bonds were sold on May 1, 2019. The entire issuance was sold on a taxable basis and in a single sale, which was determined through financial analysis to be the best approach to maximize value for taxpayers. The issuance was sold at a 3.3% interest rate over 20 years and achieved a \$2.6 million premium, which is unusual for bonds issued on a taxable basis. The projected levy rate for the bonds is 20 cents, which is lower than the 24 cents communicated to voters. Since the issuance, a total of \$12,779,469 has been earned in interest on the bond proceeds.



Allocated bond funds

Metro's Affordable Housing Bond Program Work Plan allocated a total of \$652,800,000 in funding eligibility, as summarized below.

Jurisdiction/category	Project funding eligibility allocated	Administrative funding eligibility allocated	Total funding allocated
Beaverton	\$31,140,595	\$655,591	\$31,796,186
Clackamas County	\$116,188,094	\$2,446,065	\$118,634,159
Gresham	\$26,756,995	\$563,305	\$27,320,300
Hillsboro	\$40,657,081	\$855,939	\$41,513,020
Home Forward (balance of Multnomah County)	\$15,879,123	\$334,297	\$16,213,420
Portland	\$211,056,579	\$4,443,296	\$215,499,875
Washington County	\$116,465,532	\$2,451,906	\$118,917,438
Metro Site Acquisition Program	\$62,016,000	\$1,305,600	\$63,321,600
Metro accountability and financial transaction costs	n/a	\$13,056,000	\$13,056,000
Reserved for future allocation as determined necessary to achieve targets	n/a	\$6,528,000	\$6,528,000
Total	\$620,160,000	\$32,640,000	\$652,800,000

Funding for future allocation

In addition to the above described \$6,528,000 in funding identified in the Work Plan as "reserved for future allocation as determined necessary to achieve targets," housing bond revenues currently exceed the amount allocated in the Work Plan by \$15,409,805. This additional revenue consists of one-time premiums on the bond sales and interest earnings through March 2020. Metro will continue to track and report on interest earnings, which are subject to the same requirements as bond proceeds. Allocation of this revenue is subject to the future direction of Metro Council as determined necessary to achieve the goals and outcomes committed to voters, and will be informed by annual program reports from the Community Oversight Committee.

Tracking the 5% administrative cap

Housing bond funds are being allocated and tracked in two categories to ensure compliance with the 5% cap on administrative costs specified in the Housing Bond Measure:

1. Direct project costs: Costs of acquiring, developing, and/or rehabilitating property to create new affordable housing, including due diligence and project planning/design.
2. Program administration costs (subject to 5% administrative cap): Program costs that are not direct project costs, including:
 - *Metro oversight and accountability costs*: Includes Oversight Committee facilitation and staffing, project review and evaluation, program evaluation and reporting
 - *Metro financial transaction costs*: Includes bond issuance, bond management, and financial disbursement
 - *Implementation program costs for Metro's Site Acquisition program*: Includes planning and evaluation, development and management of competitive solicitations and project selection, community engagement, and coordination with partner jurisdictions
 - *Local implementation partners' implementation program costs*: Includes planning and evaluation, development and management of competitive solicitations and project selection processes, community engagement, and site acquisition or project due diligence costs not covered through direct project costs.

BOND EXPENDITURES THROUGH MARCH 2020

As of March, \$2,638,557 had been expended on direct project costs and \$3,540,396 had been expended on administrative costs.

Project funding expenditures

Project funding expenditures of \$2,638,557 represent 0.43% of project funding allocated in the Work Plan¹. These include \$2.6 million in funding for Clackamas County's acquisition of an existing building at 18000 Webster Rd. in Gladstone, which will be rehabilitated into 45 units of housing, with additional bond funds anticipated to be committed toward rehabilitation of the building later this year. They also include \$29,224 in due diligence costs for potential acquisitions under consideration by Metro's Site Acquisition Program.

Administrative expenditures

Expenditures on administrative costs included \$2,345,262 in total Metro expenditures and \$861,801 disbursed to partner agencies to support their program administration costs.

Bond funds utilized by Metro for accountability and financial costs include \$1,867,934 in one-time financial costs associated with the issuance of the bonds, as well as \$141,082 in ongoing financial

¹ The percentage of project funding committed is based on the project funding allocated in the Work Plan and does not reflect additional revenues designated for future allocation.

management costs, and \$601,155 in accountability and oversight costs covered by the bond. Combined, these expenditures represent 20% of Metro's allocated funding for accountability and financial transaction costs. However, it is important to note that the majority of these costs were one-time costs.

Housing Bond Funds utilized by Metro's Site Acquisition Program total \$68,424. These expenditures supported personnel costs and represent 5.24% of funding allocated for the Site Acquisition Program's administrative costs available for the duration of implementation.

Implementation partners' combined administrative funding disbursements to date total \$861,801, which represents 6.6% of total funding allocated across the eight implementation partner programs (including Metro's Site Acquisition Program). In addition to Metro's Site Acquisition Program, two jurisdictions opted to utilize administrative funding that was made available in FY 2018-19 to support planning and early project evaluation and development, and two jurisdictions have received FY 2019-20 administrative funding disbursements so far, with additional FY 2019-20 administrative funding scheduled to be disbursed to the City of Hillsboro and Washington County this spring. End of fiscal year reports, including a summary of expenditures, will be provided by each partner in September 2020.

Beginning in FY 2020-21, it is anticipated that most partners will receive their administrative funding disbursement in July of each year, in accordance with a schedule described in the Implementation Intergovernmental Agreement (IGA) with each partner and aligning with the funding allocation described in the Metro Housing Bond Program Work Plan. A likely exception is the City of Portland, where it is anticipated that administrative funding disbursements will be coordinated with project funding disbursements.

CURRENT AND ANTICIPATED PROJECT FUNDING COMMITMENTS

Project funding commitments and solicitations

As of March, \$41.5 million (7% of project funding allocated in the Work Plan) had been preliminarily committed to four projects. These projects are in active predevelopment and expected to close between spring 2020 and spring 2021.

In addition, \$167 million has been made available in local solicitations processes to select additional projects this spring/summer. Collectively, these solicitations represent approximately 26-27% of eligible project funding allocated in the Work Plan, in addition to the 7% of funding preliminarily committed to projects.

Administrative funding commitments

Administrative funding schedules and estimates are described below for jurisdictions with completed IGAs.

Fiscal Year	Beaverton	Clackamas Co.	Gresham	Hillsboro	Home Forward	Portland	Washington Co.
FY18-19	\$80,000	--	--	--	--	--	\$148,690
FY19-20	\$143,898	\$489,213	--	\$171,188	--	--	\$460,000
FY20-21	\$115,118	\$489,213	\$140,826	\$171,188	TBD	TBD	\$460,000
FY21-22	\$115,118	\$489,213	\$168,991	\$171,188	TBD	TBD	\$345,450
FY22-23	\$115,118	\$244,607	\$140,826	\$171,188	TBD	TBD	\$345,450
FY23-24	\$56,330	\$244,607	\$56,330	\$171,188	TBD	TBD	\$230,000
FY24-25	\$28,780	\$244,607	\$28,166	--	TBD	TBD	\$230,000
FY25-26	\$0	\$244,607	\$28,166	--	TBD	TBD	\$232,316
Total	\$655,591	\$2,446,067	\$563,305	\$855,940	\$334,297	\$4,432,188	\$2,303,216

Jurisdictions are required to submit end of fiscal year reports summarizing administrative expenditures, anticipated carry over, and interest earnings on administrative funds. Reports for FY 2019 and FY 2020 will be provided to the Committee in Fall 2020 along with an updated summary of expenditures.

METRO AFFORDABLE HOUSING BOND

Revenue and Expenditure Report Through March 2020

HOUSING BOND SUMMARY THROUGH MARCH 2020

TOTAL HOUSING BOND REVENUES:	\$668,209,804
TOTAL HOUSING BOND EXPENDITURES:	\$6,459,679
TOTAL HOUSING BOND REMAINING:	\$661,750,125

HOUSING BOND REVENUES THROUGH MARCH 2020

REVENUE	FY 2018 - 2019	FY 2019 - 2020	TOTAL REVENUE
Bond Proceeds	\$652,800,000		\$652,800,000
Premiums on Bonds	\$2,630,335		\$2,630,335
Interest Earnings (5/29/2019 - 06/30/2019)	\$250,129		\$250,129
Interest Earnings (07/01/2019 - 03/31/2020)		\$12,529,340	\$12,529,340
TOTAL HOUSING BOND REVENUE:	\$655,680,464	\$12,529,340	\$668,209,804

**HOUSING BOND EXPENDITURES
THROUGH MARCH 2020**

PROJECT EXPENDITURES*	FY 2018 - 2019	FY 2019 - 2020	TOTAL EXPENDITURES	TOTAL WORK PLAN FUNDING	PERCENT OF FUNDING SPENT
Jurisdiction:					
Beaverton	\$0	\$0	\$0	\$ 31,140,595	0.00%
Clackamas County	\$2,609,333	\$0	\$2,609,333	\$ 116,188,094	2.25%
Gresham	\$0	\$0	\$0	\$ 26,756,995	0.00%
Hillsboro	\$0	\$0	\$0	\$ 40,657,081	0.00%
Home Forward (Multnomah County)	\$0	\$0	\$0	\$ 15,879,123	0.00%
Portland	\$0	\$0	\$0	\$ 211,056,579	0.00%
Washington County	\$0	\$0	\$0	\$ 116,465,532	0.00%
Metro Site Acquisition Program	\$0	\$29,224	\$29,224	\$ 62,016,000	0.05%
TOTAL HOUSING BOND PROJECT EXPENDITURES:	\$2,609,333	\$29,224	\$2,638,557	\$ 620,159,999	0.43%

*Project expenditures do not reflect project funding commitments. As of March 2020, \$16,407,533 had been preliminarily committed to projects. An additional \$167 million is being made available through several local solicitations this spring. This will result in several new preliminary project funding commitments (concept endorsements) in the summer and fall of 2020.

ADMINISTRATIVE EXPENDITURES	FY 2018 - 2019	FY 2019 - 2020	TOTAL EXPENDITURES	TOTAL WORK PLAN FUNDING	PERCENT OF FUNDING SPENT
Jurisdiction:					
Beaverton	\$80,000	\$143,898	\$223,898	\$655,591	34.15%
Clackamas County	\$0	\$489,213	\$489,213	\$2,446,065	20.00%
Gresham	\$0	\$0	\$0	\$563,305	0.00%
Hillsboro	\$0	\$171,188	\$171,188	\$855,939	20.00%
Home Forward (Multnomah County)	\$0	\$0	\$0	\$334,297	0.00%
Portland	\$0	\$0	\$0	\$4,443,296	0.00%
Washington County	\$148,690	\$0	\$148,690	\$2,451,906	6.06%
Metro Site Acquisition Program	\$3,869	\$70,168	\$74,037	\$1,305,600	5.67%
Metro Accountability and Financial Transaction Costs					
One-Time Financial Issuance	\$1,867,934	\$0	\$1,867,934	\$13,056,000	20.79%
Ongoing Financial Management Costs	\$26,048	\$123,699	\$149,747		
Accountability and Oversight	\$26,695	\$669,720	\$696,415		
Reserved for Future Allocations	\$0	\$0	\$0	\$6,528,000	0.00%
TOTAL ADMINISTRATIVE HOUSING BOND EXPENDITURES:	\$2,153,236	\$1,667,886	\$3,821,122	\$32,640,000	11.71%