



CITY OF BEND

## Meeting Summary Affordable Housing Advisory Committee

Wednesday, July 12, 2017

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1. **Roll Call** Julie Nash, Kerri Standerwick, Richard Bonebrake, Jim Landin, Kathy Austin, and Cindy King

Staff: Jim Long, Kathy Montgomery

Councilor Livingston

2. **Introduction of new committee members**

Keith Wooden – Housing Works – developer of Affordable Housing, couldn't attend.

Kathy Austin – architect specializing in Affordable Housing.

Cindy King, real estate broker.

6 designated seats with 3 at large.

3. **RFP for SDC exemptions discussion**

Two years ago, Council authorized \$1 million for biennium. We have \$1 million for next biennium. What do we want to say is available in RFP? All dollars at once or split or leave open. Timing: rumor that state will do in January. We would like SDC exemption RFP to go out at same time as Affordable Housing Fee RFP. October/ November, due in January and award in February.

Richard suggest \$500k but can fund if exceptional. Kerri likes splitting up into two years. Kathy asked if the amount of funding gives entity more points at state level. Application will score higher if shows community has skin in game. Thinks should say \$1million up front. Jim Landin explained that have much more asks than money. He said we have saved some for next year. \$1 million, but may not be awarded in first year. Explained scoring is based on consolidated plan. Plan needs to be updated shortly (start process in November).

Jim Landin mentioned 2 have not started process but are underway. Do we have any limitations on time? We say a year but can get an extension.

Councilor Livingston wanted Committee to know that there are discussions with a couple of Councilors about a blanket exemption for affordable housing SDCs.

Kathy asked if SDCs exemptions are only for 100% affordable. Jim Long replied they can be split.

**Kerri Standerwick moved to proceed with RFP for SDC exemptions for half the amount (\$500k) and coincide with the Affordable Housing Fee RFP in advance of state. Richard Bonebrake seconded. All agreed. Motion passed.**

Julie mentioned we can still award more if warranted.

**4. RFP for supplemental CDBG (NSP Program Income) funds discussion**

Jim Long – NSP program income exists, about \$508k at moment. We signed agreement. Can keep as CDBG program income. However, have not been told when we can officially put in system. If sitting on 1.5 times allocation of funds in May, Feds will do a take back. Will need to spend quickly. Would like to do a supplemental RFP for funding but limit timing tightly (maybe 3 months). Or other option, could take money and do land acquisition somewhere and do RFP for land. May be good for Central Area. Or do a standard RFP and have the land acquisition be a good fall back position.

Cindy asked if state has any timeline. No, but Jim's suspicion is next couple of months. Jim Landin asked how City would go about buying land. Could not be a land bank. Need to show how helping. Kathy asked if City could do a parking lot and lease out as in lieu. Jim Long: No direct benefit. CDBG can't be used for new construction. Approximately 600k. Kerri mentioned high cost of property in the Central Area. Seed idea is great but don't have enough time. 3<sup>rd</sup> caveat: 108 Loan Guarantee Program. Can borrow up to 4 times annual allocation at libor rate. Pledging CDBG to pay if project can't pay. Could be used as seed money to fund urban renewal district.

Julie mentioned that last time CDBG only granted 30 cents on the dollar of total requests. Could also be acquisition of existing units.

Want out and awarded sooner than other two. August/September timeline.

Jim Long wants backing from Committee that needs to spend quickly. Would include in RFP.

**Kathy Austin moved to issue RFP in August. Kerri Standerwick and Jim Landin seconded. Passed.**

**5. SDC exemption discussion – next steps**

Push by Councilor Livingston and some other Councilors to extend a blanket exemption for affordable housing. Carolyn suggested looking back over last five years to see what impact would be.

Councilor Livingston mentioned the July 19<sup>th</sup> work session. He is hoping for package to be presented. Anything deed restricted.

Getting funding though city, state, or feds would qualify. Councilor Livingston said exemption would be water and sewer at 100%, 75% for transportation.

Jim Landin asked about code changes: what else is out there? Jim Long – had meeting this morning. Discussed density bonus with planning. Could it be made more attractive

to developers. Cover affordable and cover a couple of market rate units. Jim Long- Need a discussion with a subcommittee and some developers to discuss. Jim Landin, Kathy Austin, and Kerri Standerwick agreed to work on.

Kathy – feels would make a big difference in making projects work. Would encourage Council to move forward when looking at actual numbers and impact.

Jim Landin asked if Council would be looking at for only a certain time. Councilor Livingston said there were no plans other than getting it passed. Would be known upfront to developer which would be an incentive especially to smaller developers. Eliminating RFP process would save time/money for developers and also city staff time.

Question about city/state/fed funding. Habitat may not have.

Jim Landin – deed restriction. Smaller projects may not have government funding. What kind of deed restriction? Always there in perpetuity. Trackable via title.

Councilor Livingston will discuss on 19<sup>th</sup> and direct Eric to bring number to Affordable Housing Committee to discuss and draft policy.

## **6. Council Update on HB 4079**

Jim Long gave background. Passed in 2016. Demonstration project. Bring land into UGB without going through UGB project. 30% affordable. Bend would qualify for 50 acres. Pre-app due by September 5<sup>th</sup>.

It was suggested that possibly have pre meeting with State to see if even feasible that we might obtain. Worried about spending time if no chance.

We would need direction from Council to look into and also do RFP looking for property owners and commit staff time.

Look at transportation and land need. Carolyn: okay RFP, borrow time from GMD.

Density Bonus: Jim Long wants commitment that Committee agrees.

## **7. Public Comment**

Terry Luelling: Rental owners were sold properties in fear of bill HB 2004 that did not pass. Units left the market. Encourage Committee to be investor friendly. Educate members on how process works. Jim Long asked if Terry would be willing to sit on a committee. Maybe one on development code. Terry said yes.

Public Central Oregon Land Watch asked: Is there any data on what AMI is served. 80% is 1,100 and under. No overall data.

Amy Warren – KOR, question on CDBG – 80% AMI or less. If put towards property, is it still required. Yes. Federal requirement.

Rachael Baker: Could tenants purchase mobile home park. Yes, if over 50% of tenants qualify.

Audrey Allen, Allen Contracting. Regarding CDBG, can money be used toward doing paperwork. 80% homeowners. 60% rental. Is anything else being considered that look at higher levels. Hard to hit 80-100% to pencil out.

Cindy: BEND 2030 is looking at that. Audrey: yes but still a financial piece that limits.

Kerri – density helps. Cottage Code is great. Also need to look at duplexes and fourplexes. Affordable standalone housing is a problem. Audrey still a problem if own vs rent.

Jim Landin educating at what could do. Jim said like a transformer house. As family size lessens, close off and rent out one side. Could add to. Infill without affecting neighbors. Big housing developers have no interest.

City of Springfield. SDCs exempt for ADUs if put permit is done in next year.

Jim Landin– no conditional use fee but have to improve curbs and sidewalks if not existing and costs more. Council has asked staff to come up with other options.

**8. Adjourned at 4:25p**