



CITY OF BEND

Meeting Summary Affordable Housing Advisory Committee

Wednesday, March 22, 2017, 3:00 pm

1. **Roll Call:** Kristin Chatfield, Kerri Standerwick, Jim Landin, Richard Bonebrake
Staff: Jim Long, Kathy Montgomery

2. **AHF 2017 Presentations**

a. **Bethlehem Inn**

Gwenn Wysling, Transforming Lives Project – Funding that will serve as a bridge loan. Some funding is pledged over 5 year so need additional funding earlier. Definitely going to build. 5 year note.

b. **Habitat for Humanity (Bend Area)**

Scott Rohrer: 1.4 out of every hundred houses built or repaired is by Habitat. Habitat trying to build more. Need more land quicker than thought they would. 9 houses this fiscal year. Following year 10. Need land and construction assistance. Need to build simultaneously instead of waiting for money to be available from current construction. \$300k over a period of 5-10 years. Jim Landin: is triplex unique for you? First foray into attached homes. Asked if cost per square foot is going down. Jury is still out. Had planned out more multifamily. Partitioning costs very high per unit. Washed out savings for land. Might have to go to bigger scale to see savings.

Jim Long: UGB change. Duplexes are allowed on any lot in town. Is Habitat aware? Partition costs still exist. Working on fourplex. That would work with more of a condo model.

c. **Killian Pacific (Go Box)**

Jeremy McPherson – very small 2nd generation family firm based out of Vancouver WA. Just got started on concepts. Timing: Drake lift station needs to be replaced. Is funded and in queue. Looks like 2 years out. Matches last 2018 early 2019 delivery. 180 units. Has been executed on elsewhere. Very confident in ability to deliver. Underwriting in town like Bend is difficult. Low costs. Have shown that can execute. Solving for a yield. 850k ask out of a 28 million budget total. If don't get money, won't get construction loan. Goes back to yield. Need to underwrite costs.

In response to various comments, Jeremy McPherson said maybe could do a graduated scale. Jim Long: 50% and above would be more realistic.

Jim Long asked if the 30 units are floating. Do they move around? Jeremy indicated there is no differentiation; that they are not set units.

Kristin Chatfield asked if there are partners or people on staff who do this. Jeremy responded that would rely on expertise of property management division. Gray Star, Pinnacle, Coast come to mind.

Jim Landin asked what happens if lift station falls back in timing. Jeremy said they have thought about it and are working with Engineering staff. Hope that occupancy would be permitted when bypass is in.

Kerri Standerwick asked how long they are asking for funding. Jeremy: Path to permanent financing. Jim Long would have a deed restriction. Spring 2018 construction would break ground. 10 month construction. Studying parking. Jim Landin is what you can park.

d. KOR Community Land Trust

Amy Warren, Brook Criazzo, Jason Offutt. 12 homes using cottage code. Franklin property is hoped for. \$250k for infrastructure, design engineering and subdividing. 3 year payback from start of project. Learned from past concerns and challenges and found a well fit partner with Housing Works. Will benefit both. Experience to KOR, more portfolios to Housing Works.

Richard Bonebrake asked about the cost per square work and the cost to build. Includes infrastructure and incidentals. Jim Landin: How big is site. Jim Long: Currently is half acre. Has permission from city to carve off a bit of cemetery behind. Needs to survey. Need to get permission from feds. Also need to vacate street behind. Trying to get up to an acre. Cottage code requires 1 acre.

Kristin Chatfield said she appreciates the mixed income model.

Jim Landin asked about time line. Jim Long said will be this summer when all is packaged. Which is why did not want to wait until next years cycle.

Code questions. Jim Landin asked what are odds of planning department taking density bonus with cottage code? Jim Long: good question to ask. If looking at land costs, if can get a duplex on single family lot or triplex on site for duplex, then might make sense.

e. Pfeifer & Associates

Sally Pfeifer. Have done one fourplex with affordable housing funding in past. Triplex on southeast 6th. Work with families in recovery from drug and alcohol issues. 103 in transitional, supportive, and permanent housing in Bend Redmond and La Pine. Trying to get more permanent housing. Hoping to partner with state and other funding. This is for permanent.

Kristin Chatfield mentioned that there are currently tenants on the property. Response was that they would work with tenants. \$550 for 2bd. Have recovery mentors that help with needs of tenants. Services being paid through DCHS, parole, etc. Only have had one individual go to ER in the year. Zero new offences.

Kristin Chatfield asked about payback. Would start payments immediately. 20 years on last. For them to go to 10 years, would depend on other funds coming in.

Kerri Standerwick asked about length of stay. Is permanent housing. Must check in. Many do move out. Housing First model.

Kristin Chatfield asked if they have an agreement on the property. Are holding for them.

f. Housing Works

Kelly Fisher. Awarded Forbes Road. Also half of the funds. Asking 215k. Have found way to fund with 4% tax credit. Meyer Memorial Trust. Central Oregon House Council. Federal Home Loan Bank. Feel confident have sources identified and can move forward.

24 units above commercial space. Would sell commercial space. Survivors from Savings Grace. Oregon Housing Opportunity. 8 project based voucher application. Extremely low income. Some set aside for Pfeifer client. Saving Grace interested.

Kristin Chatfield said she is worried about COHC funding. Response: CEO has been attending their meetings. Serious on affordable housing. Kristin also asked about payback period. Usually 31 year note with refinance at year 15. Year off.

g. Pacific Crest Affordable Housing

John Gilbert and Rob Rory. \$500k what happens if not full \$500. If none, then close to a deal killer. If less, they would try to make work.

Jim Landin: does \$500k get you through site cost? Once drawn down then would go to construction loan. Worst case - out and back in two years.

3. City Owned Property Presentations (Glenwood/Alden)

a. Pacific Crest Affordable Housing

Big picture - Land and Right Of Ways. Church possibly interested in land swap. Upper and lower level. Also working with Habitat. 3 way community partnership - Church, Habitat and Pacific Crest. ½ plus ROW pieces – 1 for 1 land swap. Reconfigured site that is same size. One that Pacific Crest would develop. One that Habitat would develop.

Habitat – 8 cottages. Pacific Crest - 18 cottages. Calling Coyner Hollow because of adjacent trail. Neighborhood connector. Less car travel.

Use new cottage code. 810sf. \$220k. 80%. For sale. Construction loan. Rotate through and then repay within two years. Using best practices from housing authority in Colorado. Use Cascade Management. Sale price will only escalate based on area median income. 30 year affordability period. Deed restricted.

Direct access to 10th Street in response to Richard Bonebrake's question. Sewer, water already exist to both. Might need fire hydrants. Doing swap so more like a neighborhood. Put cottages at one end due to fire access. Maybe future community garden (with agreements with school district and Bend Parks and Rec).

Habitat: believe can get 2 additional units for a total of 10. Doesn't require any zone changes.

Jim Landin: 10 units on site over an acre. Meets cottage code. Can we get more units on site? Jim Long: needs code interpretation. Habitat: rock outcropping limits site.

Memorandum Of Understanding with Habitat on paying for site prep. 35-50% discount talked about. Richard Bonebrake asked if Habitat is coming to City for funding. Rob Roy: neither could do alone. Pacific Crest needs financials from land. Habitat needs cheap land. Habitat: lots at discount, site construction also low. Great deal for them.

Repayment - 12 to 24 months. Rolling construction loan. If market strong, then will be quicker. Will have deed restrictions. 1st time homeowners will receive preferential treatment. Habitat same time line.

b. Housing Works (CORHA)

Doug Alley, Pinnacle Architecture. Kelly Fisher, Housing Works. 800 affordable housing units in Central Oregon. Own property management company. Epic Management. Own staff resident services manager. Annual survey of what tenants want. 60 year affordability period. OHCS – 7 years in securing funding. Plan to apply for 9% tax credit. Secure loan. Will not be coming back for more money or waivers. 40 units proposed. Townhome in ones, twos and threes. Limit to 50% AMI. 8 project based vouchers. 10% set aside for homeless population. Supportive service for tenants. Maintain path. Not to develop behind existing single family housing. Possible swapping of land with church to maximize their parking. Maybe a unit for intern of church. Zone change ask. Best use from land.

Doug: said is similar to a land trust. .74 acre swap on north with church. South side is access point. Units pushed to west side. Townhouses on the north. Transition from single family. Apartments on west side. 34 units on south lot with 6 above. Community room, playground and gardens.

Kristin Chatfield mentioned 9% tax credit is a big ask. Do you foresee trouble? Kelly Fisher thinks there is a plan in place and why they didn't put one out this year. She feels they will put out and have good possibility of obtaining.

Kerri Standerwick asked if anyone has talked to City about zone change. Answer is yes.

4. Discussion of ADU Loan Program

Jim Long: regarding funding that is obligated but won't be used for a year. Maybe can use during that waiting period. Julie Nash feels that she has found a product to use. Use same money twice. Kerri Standerwick would be concerned about risk. Jim Long would be on title. Kerri: look at what we are talking about and start small. Maybe talk about next time when Julie is here.

Not making decisions today. Need to digest and deliberate.

5. Public Comment

Steven Koski – Lead Pastor First Presbyterian Church. Has a Memorandum Of Understanding with Pacific Crest. Concerns about zoning and building.

6. Adjourned at 3:54 pm.