



CITY OF BEND

## **Minutes**

### **Affordable Housing Advisory Committee**

### **Wednesday, February 28, 2018**

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**1. Roll Call:** Kristin Chatfield, Richard Bonebrake, Keith Wooden, Kerri Standerwick, Kathy Austin

**Staff:** Lynne McConnell, Kathy Montgomery

#### **2. Funding report – Lynne McConnell**

Affordable Housing Funding available to award: \$445,000. Lynne explained the RFP date was moved up to align with state RFP/NOFA. Last City RFP was in May so are only accumulating money for a portion of the year. Less than anticipated. Options: 1) Make recommendations today based on \$445,000. Recommendations will go to Council on March 21st. 2) Wait on awards while funds grow. 3) Build in contingencies. Adjust awards based on contingencies.

Kristin Chatfield wanted to clarify that if moved funding of awards to April, would not align with state funding tax credit deadline. Kerri Standerwick asked if \$445,000 includes Housing Works payback funds. Keith Wooden said no, the sale fell through.

Lynne McConnell said could do a contingency option of \$180,000 from Housing Works. Regular funding defined and build in a contingency if \$180,000 returned within specified time, then could award.

Kristin Chatfield asked if Committee wanted to award now or wait. All wanted to award now. Purpose is to leverage funds.

CDBG: revolved funds coming back in. Anticipate: if federal funding remains flat. \$500,000 for projects, \$70,000 for social services. Nothing final until Congress passes budget. Then HUD does their process. Lynne suggests building in contingency. Maybe awards raised or lowered based on % or maybe a different award is funded. Up to Committee.

Kristin Chatfield asked for clarification. Social service is a percent - 15% of total entitlement. Lynne responded 15% of previous year. Includes recaptured amounts. Could still allocate entire \$70,000 even if we didn't allocate \$500,000. Question asked if could over allocate from asks. Would need to substantiate. May 2<sup>nd</sup> date is set. Can't have more than a certain amount on that date. Best case scenario of when funds will go out is August. Public comment period of two months. These awards must be spent by May 2019.

### 3. Deliberations: Affordable Housing Fee and CDBG RFP responses

#### **CDBG: Program dollars:**

Kristin Chatfield suggested beginning with CDBG as will be easier to choose and to then move onto AHF. Eliminate Epikos Church due to not obtaining property. Question was asked about timing of Habitat and spending. Habitat response: Should easily make. Kerri Standerwick: Mission Church ask was not high. \$169,000 total modification budget. City had a pre-app with them. Hope to open in fall.

**All funded at 100% or higher with exception of no funding for Epikos.**

**Habitat: \$200k (160,000 ask + additional for additional mortgage buydown)**

**COVO: \$30k**

**KOR 27 \$185k**

**Mission Church: \$85k (50,000 + additional per budget documents)**

**All in favor.**

#### **CDBG Social Services:**

For Kristin Chatfield said that for her all scored high, however, Volunteers in Medicine (VIM) did not get all the bonus points. She came up with VIM shaved a bit, 62% for others.

NeighborImpact 31k, Saving Grace 16k, Thrive 17k, VIM, 6K.

Kathy Austin asked if others are scalable. Had at first taken all from NeighborImpact. Answer: yes.

Richard Bonebrake mentioned that are giving close to what they want and haven't been able to do in past.

Kerri Standerwick said she was along lines of Kristin with 62% of ask across the board.

Kathy Austin asked: how do we work contingencies. Lynne McConnell: make assumptions or scale by equal proportion.

Kathy Austin recommended to go with Kristine's numbers. Seconded. **All in favor.**

**NeighborImpact: \$31,000**

**Saving Grace: \$16,000**

**Thrive: \$17,000**

**Volunteers in Medicine: \$6,000**

#### **AHF \$445k:**

Eliminate Epikos since they did not obtain property.

Kathy Austin asked questions regarding stage of projects and if ones were further along than others and what would happen with less funding. Wants to make sure something happens. Doesn't want to divvy up to everyone if no one can do anything. She specifically asked about the two Pacific Crest proposals.

Rob Roy: both projects are same stage. Still need some info from City regarding off site infrastructure. Will do best to do both no matter what happens.

Kristin Chatfield suggested they talk about each project. Scoring comparisons hard because many have some type of relationship and conflict of interest. Go through each one: Scoring comparisons hard because many COI. Review matrix in future.

Do we fund or dilute?

**Bethlehem Inn:**

Richard: BI important. Kerri: BI: thinking could tie to later date and maybe tie to money coming back. Kristin: Giving Bi the least harsh cut.

**COVO:**

Kristin: COVO low leverage. Got 350K last year. There are potential ways for them to get money. Kerri:COVO if funded, would it be 100% of project. Think yes, pretty close.

Richard could take a long time to build on other half.

Kristin comfortable not funding on this cycle. Can't fund 100% of project.

Audrey Allen spoke up and said not full amount. Just short of being able to be able to develop both. Could build as funds available.

Richard worried about paying property taxes might bring them down.

Kathy would like some money to go to COVO.

**Habitat:**

Kristin: half to Habitat.

Keith: can Habitat get by with half. Answer yes can still do.

**KOR 27:**

Kathy: KOR did not score well for her. Richard: need to see what KOR can do.

KOR -Land Trust model interesting. Have improved. Have a good partner.

Richard asked more about plans for actually. 950-1000sf, 2bd/2ba or 2b/1.5 bath. One bd on first level. Do not have property so have designed yet. Does want to see KOR complete a project. Kristin: Quick repayment period.

**Pacific Crest:**

Keith: looked at funding for need. Eliminated Canal Commons.

Kathy: ownership rather than rental. Cooperation innovative. Gave money last year.

Asked Rob Roy regarding pricing. Thinks 230/235k with 90\$/month HOA.

Question of affordability. Kathy: was a question brought up with loan subcommittee.

Kathy: Coyner Hollow scored highest for her.

Kristin: funded before 450k for Coyner. None for Canal. Hoping to use for community support.

Keith: public funds. What is it going to take to get projects to go. Feels that \$25k for Canal Commons is not going to help it go. Already substantial fee.

Kerri: did have mortgage person send her numbers for Coyner. 1515 PITI with HOA of 90. If backed into a 30% maximum load would put at 64,040 for minimum income for qualifier (family of 4). Which is 100% AMI for family. Doesn't think it will pencil at 80%.

Lynne: loan will not be written for more than 80% AMI. But won't know sales price till later.

Kerri: worried about using resources meant to be at affordable levels and may not be. Yes, can be used up to 100% AMI but proposal stated 80% AMI but maybe would have to repay immediately.

Kerri: we need to revisit. Property from city must be deed restricted. Must work.

Kristin: wants to show support for Canal Commons.

Keith: public subsidy. Still has 800k fee cash before public money. Asking for subsidy for project that already works. Money ask translates into fee.

Richard: PCH has good projects in past.

Kerri: the reason we have different seats – different perspectives.

Keith: is support for local developer more important than paying their fees.

Kathy: does amount city gives make a difference in calculating tax credit? Kristin: is more of a beauty contest.

Could see cutting out Coyner because of affordability question.

Richard: worries him if not feasible.

Rob Roy: For-profit vs non-profit. For profit is taxed. Feels it is an affront to not fund. Lynne stated there is a comment period starting. Submit directly to Lynne.

### **Final discussions:**

Kristin: wants to get back to funding decisions.

Kristin: 450k funded before for Coyner. None for Canal. Hoping to use to show community support. Giving BI the least harsh cut. \$175. Half to Habitat. Half to KOR. Canal \$110k.

Kerri: plan B delay until April. Go to COVO and ask. Ask BI about timing. Feasible that get money back from Housing Works. Need to know feasibility of pricing for Coyner. Hates to make decisions that down the road are wrong.

Keith: mixed feelings. If agree, Canal Commons 50k today.

Lynne: next meeting is stacked. Could move back. May need applicants to resubmit. Numbers may go stale. If we grant and loan in May, next year would be limited funding.

Kristin: 180K coming in next few months from Housing Works. Create allocation now. Create contingency for 180k.

Kristin: wants to be in situation that next year will fund full amounts. How do much do we need to know from BI? Do we feel comfortable funding now. Wants to move forward awarding with contingency. COVO ripe for contingency.

Kerri: has a problem giving a 100% funding to any project when we have so little money. Looking at deals that will or won't go.

Recommends: as written 50/50 COVO and Canal Commons. Contingency: more to BI and

Canal Commons. Kathy Austin seconded motion. All in favor.

**AHF:**

**Habitat: \$100,000**

**Bethlehem Inn: \$175,000**

**COVO: \$50,000**

**Kor 27: \$70,000**

**Pacific Crest Canal Common: \$50,000**

**Contingency: Award \$180,000 from Housing Works sale when comes back in based on these applications.\*\***

\*\*Lynne will check into whether can do and timing limitations.

#### **4. Public Comment**

None at this time.

#### **5. Adjourned 4:04 pm**