



CITY OF BEND

Minutes

Affordable Housing Advisory Committee

Wednesday, April 11, 2018

Staff Liaisons: Lynne McConnell and Racheal Baker

12:00 pm

1. **Roll Call:** Andy High, Kathy Austin, Richard Bonebrake, Jim Landin, Keith Wooden
Councilors Livingston and Campbell.

2. **Public Comment**

Moey Newbold, Central Oregon Landwatch. Tiered SDCs are important. Supports tiered SDCs based on size of house. Pipe sizes are same but roads are different.

3. **Staff Update**

Lynne introduced Racheal Baker as new Affordable Housing Coordinator.

One App: have been in close communication with Housing Works. Pushing discussion back due to Housing Work having other priorities so don't have time to vet now.

There will be no May meeting.

Next Council worksession: UGB matrix. Council looking for feedback on bringing in areas. Weigh in on listening session. If AHAC wants a voice, can write a letter.

Councilor Moseley: housing goal. Available housing. Started on 200% AMI, lowered to 150% AMI and lower. Council looking for feedback. Feel free to come and comment.

Worksession starts at 3 pm next Wednesday. Lynne can share agenda.

4. **SDC Exemptions** – Canal Commons, Kayak Loop 1 & 2

All meet exemption criteria. Figures are current numbers. Will go up in July. Council delegated full authority to AHAC. Staff recommends all three should be approved.

COI: Jim Landin for one project.

Keith Wooden asked if anyone gets if meets criteria. Answer: Yes.

Kathy Austin: Motion: I move to exempt Canal Commons and Kayak Loop lot 1 and 2 from pending current City of Bend Systems Development Charges of \$362,322 and \$25,186 respectively, and to authorize staff to take all actions necessary to complete such exemptions, including signing loan agreements and related documents, without further approval. If exemptions are not exercised before the expected increase on July 1, 2018, the increase will be added to the total exemption. Keith Wooden seconded. All in favor.

5. Density bonus clarification – Pauline Hardie

Update is a clean up. Moving all incentives into one section of code to make it easier to find. Proposing reduction in lot size and dimensions. In past committee had said for duplex – fourplex. Wants committees feedback.

Code confusing for density bonus. Make easier to understand. Have to base on maximum number of units. Would add a corresponding market rate density bonus.

Councilor Campbell asked specifics. Pauline shared example. Get a density bonus to add more units.

Jim asked rounding up on fractional unit in past. Pauline, round up for affordable and density. Round down for code.

Pauline talked to other communities and AHAC. Then will take back to builders for their input. Kathy doesn't think the bonus is high enough. Doesn't think is feasible. Suggests builder input.

Andy 50% put in for targeted multifamily – apartment complex to look at 4 stories.

Pauline maybe missing 5% to get one additional until. Wants this to work. Wants to see it used.

Councilor Campbell: to clarify. Have done similar things with additional story and cottage code.

Kathy: re lot areas. Make sense to reduce lot areas for all. Apply to duplex and fourplexes. Andy said stormwater wouldn't allow. Russ: having discussions on that. Way code is written, retain codewater on site. Jim: dual system - one for streets and one for property. On multifamily site.

Lynne: sounds like a good topic to bring back.

Keith does it shrink set backs? Answer: no. Kathy is that something that can be done? Andy in his opinion is a no win situation. Has not won that fight before. Gets into firecode. Could look at but don't spend a ton of energy.

Pauline: Will update and bring back with comments.

6. SDC Tiered Discussion – Tom Hickmann, Nick Arnis

Lynne giving context. Wants some background and framework. Very complex topic. Likely no recommendation by group today. Not something that even could be implemented immediately. Perhaps best motion would be to ask Council to allow staff time to look at. Or if want further information. Council has indicated some general support. No vote yet. Part of 2030.

Kathy explained why brought forward. To begin discussion. Does it make sense to do at all as an incentive to get more smaller homes? Dealing with middle market/workforce market crisis.

Trying to address. Allow staff time to look into. Ask stakeholders if it would make a difference.
Tom Hickmann – EIPD. CIP.

Part 1: What is currently in CIP? Part 2: SDCs 101.

Most projects come from master planning documents. 5 year CIP in budget and 20 year models. Always updating.

2018-22: 83 projects currently in queue. \$283 million. Largest amount ever. 5 year is \$164 million. This fiscal \$64 million. Water reclamation is bulk of work. Majority is for SE interceptor. Ending up being almost \$72 million. Just finished north area sewer capacity. North Interceptor Phase 1: Funded contract coming to Council. East Interceptor: delayed right now. Possibly not needed for 10 years or beyond.

Transportation 29 projects. \$67 million. \$21 million this year. Dollars are a challenge here. Empire is a priority. Currently under contract. Start in September and completing before end of year. Funded to do roundabout only at this time.

14th Street: is under construction. Additional funding found. Galveston is under design. Funding only to final design.

ADA continue to do. Have a team now.

Water projects very small part. 12 projects. Tied specifically to measurable demand (flow measurements in system. Trigger flows.)

Master Planning. Water Master Plan update and SDC methodology study update. Also Egypt waterline. Redundant water source for Juniper Ridge.

Stormwater: 5 projects. \$7 million. \$1 million this year. Due to geology water disappates nicely in most cases. Small area of community has a pipe system. No regional facility in planning. Have to be cautious.

SDC 101: Presentation given to Council in 2015.

Governed by ORS 223.297-223.314. SDCs are one time charges. Used for CIP only. Sewer, water, street, parks respectively.

Reimbursement fee: fair share of existing capacity; any related capital facilities.

Improvement fee: fair share of future planned capacity; capacity increases facility only.

System Development Charge: fair share of existing for future capacity. Depends on fee: track proceeds separately.

There is a very big number that will be tied to SDCs of future needs. North area. Have a rate component to revenue and SDCs. Is difficult to balance. Can't build in certain areas until infrastructure is there.

Known for a long time but delayed work. Systems operating at limits.

Kathy asked if borrow money. Tom: can use rate revenue to back a bond on water and sewer. Much more of a challenge on transportation. No dedicated funding stream.

Keith: make plans related to where think growth will be. How do you keep plans straight? With UGB, etc. Can you juggle projects? Tom, yes that is my job. Working with others on what is going on. Even down to level that developer is ready to go and contribute money.

Councilor Campbell: why does it have to be such a detailed/complex process? Response: to be defensible so can't be challenged. Methodology is per each pipe, etc. Keith. Has it ever been that so much development and SDCs that they should go down. Tom: No. Estimates in Master Plan are conceptual. Do best to estimate. Variance can be large. Costs rising. SDCs aren't capturing 100%. Richard: which areas are looking at? Elbow SE and core.

Andy stated that he needed to leave meeting. He is supportive of Council having staff look into. Would have to do by totally new methodology because against law. Tom: can do but must be defensible. Have to show infrastructure costs more.

Russ: two things. Project list, SDC charge is X. Then apply to types of building uses, etc. Base charges set. Look holistically at variety of uses.

Tom: looked at sewer flow information in neighborhoods. Expecting to see lower flow in smaller houses. Did not see. Citywide on average is low. 65-70 gallons per capita per day. National average must higher. Continues to drop. On water side: larger homes have larger lots etc. so tend to use more water. But water is not where investment is needed. Have to target sewer and transportation. Does a smaller unit impact differently? Keith: could you lower water then. Tom: No, have to make payments for past projects. Would increase rates.

Ideal vs reality. Ideal: Collecting SDCs ahead of needed investments. Reality: Borrow money and front with rates. Water SDCs are paying for payments for past water project. Debt is not on whole project amount.

Kathy: does it matter where we plan to develop? Eg. central core vs elbow. From water and sewer. Yes, makes sense. Transportation not necessarily. SDCs on trip making. Unless have a credit from prior paid SDCs. Also need to look at Oregon statutes. Nick: there is transportation infrastructure needed in all areas. Russ: looking at supplemental SDC. Base for whole City, supplemental for different areas.

Kathy: 2 different scenarios: smaller units or central core. Tom: recommendation to do core. Challenges with core. Stormwater in density. Using pocket parks as stormwater retention and streets as conveyance.

Tom: do have a lot on plate. Can focus on immediate but still investment will be needed in other expansion areas. 10 years before can develop those areas. Don't want to continue to be reactive.

Tom: if can prove through methodology, then could do but would become a political argument.

Actual data to date: surprisingly data not a big difference.

Russ: what is going to turn dial? Big spread to cover to make affordable. No significant turn in SDC methodology causing a small drop. Kathy: no point in going through exercise if not going to encourage builders.

Jim: increase density gets you there too. But need to look at setbacks.

Russ: biggest cost is land cost and building cost. SDCs 10% only. Have to hit every variable.

Councilor Livingston: Needs to leave. Land is biggest cost. Don't want to slow down future land, would drive up cost. Need to look at.

Nick Arnis GMD Director. Emily Eros Transportation Planner.
Updating methodology and master plan. Transportation SDCs. Impact on system is trips you make depending on land use you are in. For single family house: has a scale depending on ADU, townhouse, single family. Location and land use type. Central area less trips. Proximity to retail areas. Have to look at size and type. Have to actually measure trips.

Emily looked at if anyone else doing and what is out there.

Bend has historically kept below funding of full project list (55%).

Appropriateness, single family is 1 trip. So if decreased for smaller home is problematic. Transportation is difficult to fund. Maybe reduce based on location/geography.

Effectiveness- magnitude. Lost revenue could be large but too small to incentivize. Is it enough of a nudge?

Experience in other communities- Lebanon. Sliding scale SDC. Under 1,200 sf. Population: 16,600. Trying to get their feedback.

Methods to incentivize a variety of housing options. Condos townhouses cost a lot. More valuable to create more different types. Jim: asked about calculation for single family vs apartment vs condo. Based on national transportation standards. Condo less than apartment per unit. Russ: need to look at methodology and whether is correct one to use.

Might make more sense: Size of house is not critical. Incentivize on transit corridors. SDC financing is important piece, maybe to incentivize development.

Russ: 1 and 2 FTEs who work on calculations. Already engaged in conversations in when would be right time to look at methodology and specifics.

Russ: after come up with calculations, then have discussion as a whole. With all including parks. More in depth analysis. What is best practice across country? Using consultants. Take a pause and look at. Currently not a project on work plan but are having discussions.

Emily – asking consultants to look at SDCs as a policy tool. Currently developing scope. Bring findings back to AHAC.

Kathy: doesn't want to drop idea but don't want to cause more work. Nick: already doing to an extent. Russ others are tracking. Makes sense when in process. Tom: much more difficult to look at for sewer. More sense when looking at Master Plan for sewer. Set foundation for other groups. Glad that is being thought of and is in back of mind. Tom: Been looking at. Looked at to some level when did flow analysis for planning. What other ways can we get number down? To help affordability is always on their minds. More holistic.

Lynne: Come back with information from transportation. What is timing? Emily: waiting on list of deliverables. Are you comfortable with just checking back in? Not asking for staff time.

7. May 9th meeting canceled. Next meeting: June 13th

8. Adjourned at 5 pm.