

ORDINANCE NO. NS-2345

AN ORDINANCE DELETING BEND CODE SECTION 9.40.050

Findings

- A. The City of Bend has an Affordable Housing Fee program that imposes a fee of one-third of one percent of the permit valuation on all building permits.
- B. Proceeds from the Affordable Housing Fee have been used to loan over \$9 million for affordable housing projects, which has provided, preserved or created over 600 affordable housing units.
- C. The Affordable Housing Fee had a sunset date when originally established because of the lack of experience with this type of program. The City Council has concluded based on the experience with the program to extend the program indefinitely, without a sunset date, and the deletion of Bend Code Section 9.40.050 has the effect of removing the sunset date for the Affordable Housing Fee. Staff will continue to present reports on the Affordable Housing Program, including reports on the finances of the program, to Council in connection with the City's budget process. Council retains the authority to terminate the Affordable Housing Fee by ordinance.

NOW, THEREFORE,

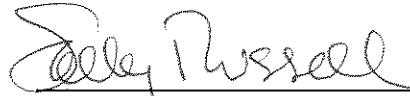
THE CITY OF BEND ORDAINS AS FOLLOWS:

- Section 1. Bend Code Chapter 9.40 Affordable Housing Fee is amended by deleting Section 9.40.050, as shown on the attached Exhibit A.
- Section 2. All other portions of the Bend Code, including all other portions of Chapter 9.40, remain in effect.

First Reading: May 1, 2019

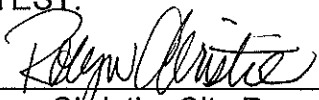
Second reading and adoption by roll call vote: May 15, 2019

YES: Sally Russell, Mayor NO: none
Bruce Abernethy
Barb Campbell
Bill Moseley
Justin Livingston
Gena Goodman-Campbell



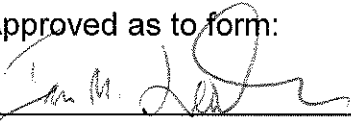
Sally Russell, Mayor

ATTEST:



Robyn Christie, City Recorder

Approved as to form:



City Attorney's Office

EXHIBIT A

Chapter 9.40

AFFORDABLE HOUSING FEE

Sections:

- 9.40.010 Affordable Housing Fee Imposed.
- 9.40.020 Special Revenue Fund.
- 9.40.030 Permitted Expenditures.
- 9.40.040 Median Income Requirement.
- 9.40.050 Expiration.

9.40.010 Affordable Housing Fee Imposed.

A fee of one-third of one percent of permit valuation, for all building permits, shall be assessed at time of building permit application. [Ord. NS-2255, 2015; Ord. NS-2179, 2012; Ord. NS-2167, 2011]

9.40.020 Special Revenue Fund.

Funding received from this source shall be deposited in special revenue fund and only be spent for affordable housing programs and projects evaluated pursuant to the priorities established through the City of Bend Consolidated Plan and administration of the affordable housing programs and projects. Any loan proceeds from this source shall be returned to the fund. In years where fee collections are sufficient so that less than 10 percent of the total fee covers permitted administrative expenses as defined in BC 9.40.030, that excess amount, not to exceed 10 percent of total collected, shall be placed in a reserve account to cover future permitted administrative costs with the long-term goal of annual administrative costs not to exceed 10 percent of total annual collected fees. Repaid loan amounts shall not be included assessing administrative cap expenses. Applications for and awarding of this funding shall be done on an annual basis by the City Council and will utilize the City of Bend's Affordable Housing Advisory Committee's recommendations. The fund shall not be used to pay for General Fund programs or other programs not related to the provision of affordable housing and the administration of the City's affordable housing program. [Ord. NS-2179, 2012]

9.40.030 Permitted Expenditures.

Permitted expenditures shall include:

A. One full-time equivalent (FTE) employee shall be authorized for purposes of administration of this program and the Department of Housing and Urban Development Community Development Block Grant Program (CDBG). This employee shall be primarily funded by the administrative allowance of the CDBG program. If the Federal allocation is not sufficient to meet the entire FTE cost, the remainder shall be provided for by the City of Bend affordable housing fee funds.

B. In addition to the employee specified in subsection (A) of this section, the following administrative purposes may be paid for from the Affordable Housing Fund:

1. General Management, Oversight and Coordination. Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not necessarily limited to, necessary expenditures for the following:

a. Salaries, wages, and related costs of staff for program administration. This may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any

program administration assignments. Program administration includes the following types of assignments:

- i. Providing local officials and citizens with information about the program;
 - ii. Preparing program budgets and schedules, and amendments thereto;
 - iii. Developing systems for assuring compliance with program requirements;
 - iv. Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;
 - v. Monitoring program activities for progress and compliance with program requirements;
 - vi. Preparing issue summaries, reports and other documents related to the program;
 - vii. Coordinating the resolution of audit and monitoring findings;
 - viii. Evaluating program results against stated objectives;
 - ix. Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described above; and
 - x. Payment of reasonable administrative costs and carrying charges related to the planning and execution of activities assisted in whole or in part with affordable housing fee funding.
- b. Travel costs incurred for official business in carrying out the program;
 - c. Administrative services performed under third party contracts or agreements, including such services as general legal services related to projects funded through this program, accounting services, and audit services; and
 - d. Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance of office space.
2. Public Information. The provisions of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with affordable housing fee funds.
 3. Indirect Costs. Indirect costs may be charged to the affordable housing fee program under the City of Bend Cost Allocation program. Indirect costs may not exceed three percent of the balance of unobligated funds on hand at the beginning of the fiscal year.

C. Project Costs. Costs related to completion of specific projects shall be allocated to the specific project. [Ord. NS-2179, 2012; Ord. NS-2167, 2011]

9.40.040 Median Income Requirement.

Affordable housing fee proceeds may be targeted for housing opportunities for residents at or below 100 percent of area median income. [Ord. NS-2179, 2012; Ord. NS-2167, 2011]

9.40.050 — Expiration.

~~This chapter shall expire on June 30, 2019, unless renewed by the Bend City Council. [Ord. NS-2220, 2014; Ord. NS-2179, 2012; Ord. NS-2167, 2011]~~