



CITY OF BEND

Minutes

Affordable Housing Advisory Committee

3:00 PM, Wednesday, September 11, 2019

Staff Liaisons: Lynne McConnell and Racheal Baker

Roll Call: Cindy King, Keith Wooden, Kathy Austin, Adam Bledsoe, Richard Bonebrake, Priscilla Buck, David Haines, Matt Martino, Ian Schmidt
Councilor Livingston

- **Public comment**

Geoff Harris, Regional Director for Hayden Homes, provided feedback on cottage code. Supports changes to code with recommendations. Likes density incentives. Planning Commission recommended up to 400 sf - .25, 401-800 sf - .5, 801 sf and up - .75. Thinks too detailed/complex. Should be 401-1,200 sf at .5. Recommends 6'x8' for porches instead of 80 sf. Start with more being built and go back if need be. Density factor is critical. Also scaling SDCs to match unit density.

- **Approve August meeting minutes – (postponed until next meeting)**

- **SDC Exemption – James Dr.**

Habitat – changed from 4 affordable units to 5 affordable units. Already approved exemptions for 4 units. Need to approve updated numbers.

I move to exempt Habitat's 176 James Drive from pending current City of Bend Systems Development Charges of \$17,776, and to authorize staff to take all actions necessary to complete such exemptions, including signing loan agreements and related documents, without further approval. Additionally, I move to recommend to the Bend Park and Recreation District Executive Director or designee that Habitat's 176 James Drive is exempted from pending current Bend Park and Recreation District System Development Charges of \$8,300.

If exemptions are not exercised before the expected increase on December 31, 2019, the increase will be added to the total exemption.

Kathy Austin made motion. Matt Martino seconded. All in favor.

Keith Wooden asked if Parks is on board. Lynne said they have not yet signed IGA but good will is there. Parks asked City to move forward.

- **Cottage/Shared Court Code see presentation.**

Sharing information on code updates. To Planning Commission on 9/23. Paula said if committee wants to comment, she suggests an email or attend the Planning Commission meeting.

Cottage Housing: Some changes to what was previously presented. Increase maximum unit size to 1,200 sf not including garages. Density is based on size of unit and broken out into 400 sf increments. Setbacks – reduce perimeter to 5'. Private open space - simplify to 400 sf. Covered entry requirement - don't have to provide porch could be patio, minimum of 80 sf.

Shared courts only in RM, RH, and in mixed-use zoning districts. Parent property - 1 acre maximum. No lot size, no FAR and coverage. Narrow private drive. Flexible setbacks for garages. Front door and street façade changed.

Neighborhood commercial: in code since 2006. Commercial uses in residential zoning districts. There are restrictions that make it hard to find places that will work. Types of services allowed: child care, food and beverage services less than 2,000 sf, laundries, retail goods sales and service, personal services, repair services, offices and clinics, mixed use building. Maximum site 1/2 acre. Must be 1/4 mile away from another commercial with specific street classifications. Proposing flexibility to open up locations. RM & RZ okay to be across street. If not on corner, then on arterial and collector. Some standards: ground floor windows, front door must face street, 10' setback max, some building elevation, landscape buffer, height limits, mechanical equipment and trash receptacles screened. No live music outside now. Parking requirements dependent on use and site designation.

Two other amendments: ADU required parking change due to state law. Eliminated size requirements for manufactured homes ADU.

Kathy Austin asked if there was any flexibility as is seems planning is mandating design, Pauline said would have to apply for variances (3 types). Kathy suggested change in density levels to 401 – 1,200 sf. She also mentioned that 80 sf for a porch is huge and makes porches look the same. Suggested 48 sf instead.

Adam Bledsoe – looked at cottage code and density calculations. Relax what we can. HB2001 is more restrictive than our code. He also mentioned that upfront savings equates to more on the backside for home lot (sale price). Should do as much as we can.

Cindy King asked committee to review and give list of recommendations by the 23rd. She asked about fencing requirements because fences are expensive. Response: only required to separate open space if do a patio rather than a porch.

Richard Bonebrake– 1,200 sf is a lot of home. Thinks should restrict footprint. Ian Schmidt – any analysis of commercial sites? How would it pencil out. Pauline: Have to do commercial and housing units.

- **Urban Renewal update**
No meeting since last update. Expect boundary to be defined at next meeting.
- **Subcommittee debrief:**
 - **Council Building Subcommittee** – desire of Council to go to 150% AMI. Mayor Russell, Councilors Livingston and Campbell-Goodman make up subcommittee. Discussion on 4.7. Comp Plan designation and zone changes. RFP/RFI. Short term rentals in plexes. Got impression also interested in looking at policy impediments.
 - **Loan subcommittee** – policy code change. Current loan terms are not to exceed 3%. Want to increase to 5%. Will need another meeting regarding land leases.
- **Planning appeals**

Colin Stephens asked if anyone had questions on how appeals work on land use decisions. Kathy Austin stated that if a design doesn't meet all guidelines, can't move forward. Colin said this is often faced with since easy building sites gone. Code is a rule book, must be clear and

have objective standards. Planning is willing to help redesign by going through code that builder/architect may not know of. Variances, some are minor and can be easily tacked on. Is there a path? Colin - Have ability for central business district but not residential. Can have a prescriptive path and a discretionary path but need to catch up with new laws. Cindy asked if there is any additional fee or cost if file an appeal. Colin replied yes, is a percentage of original, depends on type of application and path for appeal. Appeals are rare. Colin stated volumes have remained steady. Staffing up. Review times have remained steady.

- **CAPER**

Required annual evaluation of how CDBG grants have been fulfilled. Four down payment assistance, lots of public service and funded land acquisitions.

- **Applicant Presentations**

- **COVO**

Thanks for meeting with planning recently.

Kathy Skidmore, J.W. Terry and Jesse Briggs.

Funding needed to replace roof on Home of the Brave, COVO's transitional home.

Have done work to get property fixed up. Need to do roof now. Asking for approximately \$25,000. Will make building useful and safe for years to come.

There are solar panels on roof for hot water heater, removing and replacing them has caused some issues. Getting bids which need to be prevailing wage. Revised bids coming in. Some contractors don't do prevailing wage and only one deals with hot water heater – Bobcat and Sons. Other option is to convert water heater back to gas.

New quotes with prevailing wage are about \$23,480 versus \$18,100. \$3,600 to take off panels and put back on. Care about good roof more than solar hot water.

- **KOR**

Amy Warren, Laura Fritz

Found another piece of property - 2500 NE 8th Street, .5 acre. Purchased back tax lot which is tiny. Want to build 5 cottage homes similar to Hurita. Will have garages instead of carports. Property came with already done surveys (arborist, traffic study, water/sewer analysis). Doing a preapp tomorrow. Would be 1 bd/1ba units.

Approximately 10 individuals would be served. Loan terms – requesting 0% due at end of affordability period.

Laura mentioned that KOR does the work to keep the units affordable if/when they turn over. If not, then can come up with solution. Loan downpayment recycles but city has to do work.

Ian Schmidt asked if they can do without full amount? Amy Warren said they asked for cost of land and work that can be done by May. Cindy King asked about existing home on land. Amy: Getting bid to take apart. Nothing is reclaimable. KOR is paying for and they put \$20,000 in budget. Question asked about what a Cultural resource survey is. It is required by HUD if tribe wants. Racheal Baker wants KOR to be aware of environmental impact study. Can't touch until HUD gives approval. ER needs to be done before close on home. Priscilla asked what percentage of funding has come from City. Response: first project 22%. Landscaping is required by cottage code for right of way and community area. Adam asked why not build condos. Response: too small number of units and too hard to fund.

- **Funding Deliberations**

Conflict of Interest Statements: Potential for Keith Wooden as Housing Works is affiliated with KOR on a different project. Matt Martino mentioned a potential conflict as he funds community land trust homes. Adam Bledsoe mentioned a potential conflict he that he transacts land real estate.

COVO – Adam need is there.

Motion: Adam Bledsoe made motion for COVO for amount requested of \$23,709 plus 10% if bid comes back higher at 0% for 20 years. Staff given discretion to tweak amount when bid come ins. Also if bid comes in lower, amount goes to KOR. Richard Bonebrake seconded. All in favor.

KOR – \$226,291 left. Priscilla Buck is concerned with 0% for affordability period. Acts as a grant. Setting precedent that is challenging. Kathy Austin understands that they are undertaking work/service that city does not have to provide. Richard Bonebrake said money that never comes back when it could go to services. Matt Martino said he has placed 3 families into land trust homes who have leveraged their ownership and moved. He is a strong believer in model. Seeing return in different ways. We are helping multiple families. Cindy King asked if a small amount could come back.

Amy Warren responded that with land lease fee, insurance and KOR's costs, maintaining program, all adds up and reduces purchasing power. Kathy Austin – how does city monitor? Response: Part of loan terms. Kathy thinks we should support. Priscilla Buck said in our hearts we support but still think we have a fiduciary responsibility to have some nominal return. Keith Wooden said City wants but not required. Could look at again and extend. Lynne – we have a grant versus loan policy. Time to revise and there is discretion. We have given grants in past. Forever affordability period, suggest end date or do as grant due to admin considerations.

Discussions over possible methods: 99 years renewable; put a balloon on and revisit and extend. Need to find a mechanism to give them money that is responsible.

Can decide on amount and delegate terms to loan subcommittee. Everyone seems fine with amount.

Matt Martino moved to award \$226,291 with loan terms to be decided later. Kathy Austin seconded. All in favor except Richard Bonebrake. Matt Martino also moved to allow the subcommittee to delegate to the loan subcommittee to determine loan terms in order to meet Council deadline. David Haines seconded. All in favor except Richard Bonebrake was opposed.

- **Staff Notes**

Brown bag lunch meeting with URAB and AHAC next Wednesday. Lynne will send out information.

Habitat dedication (James) on 9/26. Lynne will send out flyer.

Scoring subcommittee – met. Staff will put together ideas to present to committee.

Planning Commission – Cindy and Lynne will coordinate. Lynne will compile letter. Cindy King will sign. Kathy Austin will attend.

- **Adjourned 5:22 pm.**