



CITY OF BEND

Minutes

Affordable Housing Advisory Committee

3:00 PM, Wednesday, January 8, 2020

Municipal Court

Staff Liaisons: Lynne McConnell and Racheal Baker

3:00 pm. Roll Call: Cindy King, Keith Wooden, Kathy Austin, Richard Bonebrake, Priscilla Buck, Matt Martino, Ian Schmidt

- **Public comment**

None.

Conflict of Interest (COI) statements: Keith Wooden: is employee of Housing Works which is an applicant; however, does not have bearing on his employment. Housing Works is a quasi- governmental agency so there is no COI per the law. Ian Schmidt works in real estate development so there might be potential conflict. Cindy King is a Real Estate agent; however, does not foresee any conflicts.

- **SDC Exemptions – Forbes and Conners**

Housing Works – Conners I

Commercial ground floor space TBD (NOT exempted), 47 affordable units

Water: \$54,850.00

Sewer: \$183,901.60

Transportation: \$231,099.00

Parks: \$265,268

Total: \$735,118.60

Per unit: \$15,640.82

City only: \$469,850.60

Housing Works – Forbes

Commercial ground floor TBD (NOT exempted), 24 affordable units

Water: \$93,907.20

Sewer: \$29,070.50

Transportation: \$118,008.00

Parks: \$135,456.00

Total: \$376,441.70

Per unit: \$15,685.07

City only: \$240,985.70

I move to exempt Housing Works' Conners I and Forbes properties from pending current City of Bend Systems Development Charges of \$469,822.10 and \$240,985.70 respectively, 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 Housing Works' Conners I and Forbes properties are exempted from pending current Bend Park and Recreation District System Development Charges of \$265,268 and \$135,456, respectively. If exemptions are not exercised before the expected increase on June 30, 2020, the increase will be added to the total exemption.

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

- **Change of beneficiary – Canal Commons 2 – PCAH**

Intend to exercise option for second phase. They originally intended this to be a work force project; however, would like to change to seniors instead.

Phase 1 broke ground October 1st. Footings and utilities and street underway. 14 month project. Scheduled to be completed. November 30, 2020 - 48 apartments.

Phase 2, 44 more hopefully.

Senior project more likely to be funded according to their consultants. In addition, they don't want to compete with Phase 1. Demand is there. Waiting lists are full for senior housing in area. Also it is good to mix families with seniors (Phases 1 and 2).

Comment: Happy to see increase in units and mix of seniors and family.

I move to approve the change of beneficiary to seniors for Phase 2 of the Canal Commons development. Matt Martino moved. Richard Bonebrake seconded. All in favor.

- **Funding Deliberations**

COI: Keith Wooden: employee of an applicant. Does not have bearing on his employment. Housing Works is a quasi-governmental agency so no COI. Ian Schmidt works in real estate development so potential conflict. Matt Martino does home lending so potentially might work with a client. Cindy King is Real Estate agent and could possibly have a conflict, however, does not foresee.

Staff: Close to \$1.25 million in Affordable Housing Fees and \$360,000 in CDBG funding for program funds and \$83,000 for services. Staff recommends allocation of all CDBG as city needs to meet timeliness for CDBG. If CDBG is not expended, will have to another RFP. Affordable Housing Fees could roll over. Environmental Review for Housing Works will be easier than for Bethlehem Inn. Can fund for greater than expectation. CDBG funds are projections. Will award proportionally unless directed otherwise.

Matt Martino asked for clarification. Response: Bethlehem Inn could move faster if not CDBG funding. Affordable Housing Fee funds do not have timeliness requirements. Can switch from CDBG to Affordable Housing Fee funds.

Keith Wooden mentioned that there are issues with CDBG funding. Could negatively impact if funding comes from CDBG. Would prefer Affordable Housing Fee funds but Keith realizes could negatively impact other projects too.

Staff: Anything out of CDBG requires an Environmental Review (ER). ER is easier on Conners II because I has been done for Conners I. Don't have to go with staff recommendation. It is great that we have money to cover all program asks.

Discussion:

Originally suggested to expend all CDBG funds on Conners and fund remainder from Affordable Housing Fee funds due to importance of spending down. However, there was hesitation to impose additional burden on Housing Works. Goal is to provide more units. True but Bethlehem Inn is also important. Questions about RFP process if don't expend CDBG. Response: process is around five months.

Concerns posed by several on committee with ask by Bethlehem Inn for solar. Solar would cut operating costs but does not add to more beds or services. Other ask for safety and freezer is fine as are direct needs.

Discussion about going out for another RFP. Committee ultimately decided to expend all of Affordable Housing Fee (AHF) funding and none of CDBG. Want an additional RFP to occur as soon as is possible. Staff indicated they feel comfortable funding with AHF funds even if ask was made for CDBG funds. Also funding additional amounts as long as finance documents showed need. KOR's LIFT funding is held up on Hurita.

AHF:

\$258,700 to KOR for Midtown Cottage Development (funding can also be used for Hurita)

\$50,000 for KOR for Homeownership Assistance

\$900,000 for Housing Works for Land Acquisition for Conners II.

\$35,000 for Bethlehem Inn for Shelter Safety

Matt Martino made motion to recommend above funding to Council to approve. Richard Bonebrake seconded. All in favor.

CDBG:

Program:

Discussion over whether to fund Bethlehem Inn Sustainability request. Consolidated Plan focuses on housing and felt solar panel installation doesn't fit. However, it was mentioned that money saved via solar would be used for services for the homeless. It was mentioned that there will have to be an additional RFP no matter what and that Bethlehem Inn could reapply or could move application forward. Want opportunity for some other project to come forward.

Lynne McConnell mentioned that timeliness test this year will not include these funds. Would come into play a year from May. There is a 5 month timeline for RFP with and an additional 6 months of Environmental Review for a total of 11 months. Also would require an annual action amendment.

Keith Wooden made a motion to put entire \$360,000 of CDBG funding back out in another RFP. Priscilla Buck seconded. All in favor except Kathy Austin who voted against.

Services:

Fair Housing of Central Oregon was discussed. Lynne McConnell and Cindy King gave additional information as to why we fund. Fair Housing training is needed for all. They can structure training for policy makers. City Council should receive training as well as all City Employees and Commissions. They can create a video that can be reused. Important that

there is at least some funding for Fair Housing. If too low, probably would be put toward hot line calls. Analysis of Impediments found that community awareness was non-existent.

Discussion surround scoring – spread is narrow. Comment made that NeighborImpact - Homesource leverages funds more. It was also pointed out that if ask is for funding a position if cut too much might not be able to hire. However, most wanted to use for staffing. J Bar J is going through accreditation which might ultimately help them raise more funding. Priscilla Buck mentioned that Return-on-Investment for a case manager was 300% where she worked previously.

Suggestion made to fund Fair Housing fully. Fund VIM at 9 patients which is 50%. There is 38% of funds remaining. Fund others at 38% with few additional dollars going to J Bar J and Saving Grace.

Motion:

Bethlehem Inn: \$22,800.00

Fair Housing of Central Oregon: \$2,965.00

J Bar J – The LOFT: \$9,592.58

NeighborImpact – HomeSource: \$19,000.00 (any additional funding will be allocated here)

Saving Grace: \$7,692.98

Thrive Central Oregon: \$15,787.00

Volunteers in Medicine: \$5,162.04

Matt Martino made motion to recommend above funding to Council. Kathy Austin seconded. All in favor.

Discussion over how we increase City's funding. Lynne listed out options.

- Award loans so get repaid.
- Lobby Congress.
- Find different funding source. Would need to ask Council. Bring staff presentation with implications back to a meeting.
- Find and work with other community partners.

Ian Schmidt would like to make a staff request: have staff come to committee a couple of times a year with how might engage. Lynne asked what he is looking for. Ian: how to team with other organizations. Wants more conversations about how we can build relationships. How do we get there? All these service groups need even more than what they are asking and we can't even come close to funding asks with CDBG service funds.

- **Staff report**

Monday: Planning Commission discusses Bend Central District code changes. Ian is attending.

Wednesday: quarterly check in with Council. More a listening session.

Feb 5th: Affordable Housing Fee award go to Council. Anyone interested in support role, let Lynne know. In support role. Cindy and possibly Kathy.

- **Adjourned 4:53pm.**