



CITY OF BEND

Minutes

Affordable Housing Advisory Committee

3:01 PM, Wednesday, February 12, 2020

Council Chambers

Staff Liaisons: Lynne McConnell and Racheal Baker

Roll Call: Cindy King, Keith Wooden, Kathy Austin, Richard Bonebrake, Priscilla Buck, David Haines, Matt Martino, Ian Schmidt, Alison Hohengarten

Councilor Campbell

- **Public comment**

None.

- **Approval of January meeting minutes**

Approved. Alison Hohengarten abstained as she was not present January meeting.

- **Coyner Hollow update**

John Gilbert of Pacific Crest gave an update on Coyner Hollow which is just east of 9th Street and is a very complex parcel. Should have had a pre-app on it before RFP. Awarded in 2016. Complications were discovered - easement not reported, two right-of-ways need to be vacated and encroachment issues. Pacific Crest arranged for land swap with church. They have been focusing on Canal Commons rather than Coyner Hollow

Original concept was for 18 cottages on south parcel to be developed by Pacific Crest and 8 cottages on north parcel to be developed by Habitat for a total of 26.

They have gone through pre-app with City and new challenges appeared. South parcel: need to widen 10th Street by 6 feet which will make site narrower. Carports would have to be turned and footprint will be bigger. Offsite infrastructure requirements will add \$300,000-\$400,000. Seems too challenging. Doing with private investment dollars and project must pencil.

Where does that leave us?

Possible ways forward

- Develop land and then sell lots to non-profit such as Habitat.
- Change concept to rowhouses to increase density. +/- 18 homes (down from 26)
- City, or CDBG, pays for offsite improvement costs
- Or, develop, one apartment building on City land south of Church parking. (Habitat row house concept in south parcel.)

Proposal

Either:

- Return the development opportunity to City AHAC.
- Hold onto it through July/August to see if Canal Commons, phase 2 gets funded. If not, take a closer look at Coyner. During that time the City tees it up for us, or

another development. This includes vacation of right-of-ways, rezoning the City's land, and cleaning up existing easement as needed.

Approach is meant to be collaborative. Not do land swap and do one apartment on city land. Feels needs to be development ready. Clean up easements, right-of-way vacations and zoning. City can do work while Pacific Crest is working on Canal Commons phase 2. Look at again in 6 months.

Lynne mentioned that this parcel changed Lynne's view of how City parcels out land. Now will do as much as possible before putting out for surplus. Will also require pre-apps for complex parcels. City is committed to work with Pacific Crest but is very complicated. Currently zone RS. Needs to be RM.

This update was requested by committee. Cindy asked if Committee wants to continue with original plan or vote on modification to proposal. We can give Pacific Crest a window of time or can have them return to City.

Ian Schmidt would like to see timelines for land and for money awarded. Can we use \$450,000 elsewhere? Do work we need to do to get this going. We should have a sunset on land and money. Lynne suggested possibly combining surplus with funding awards all upfront. Now they are completely separately processes.

Pacific Crest would ideally like to wait 6-12 months and see what happens.

Priscilla Buck suggested a window until July 1 to make a decision about returning funds. John Gilbert suggested August 1 instead as would know about OHCS funding. Do at our August meeting. Russ Grayson mentioned that the ball is in Pacific Crest's court in that time frame.

Lynne said if City had a workable site plan from Pacific Crest, would then know what might need to vacate. If can't get to that point, then look at pulling back funding. Racheal mentioned that public process of vacation must be transparent and include what will happen.

Keith Wooden asked if church is willing to sell and go forward with smaller plan. John Gilbert will update pastor tomorrow about this meeting.

Richard Bonebrake said Pacific Crest should give us an update in August or indicate that their plates are too full. Lynne asked if the Committee wanted a thumbs up or thumbs down from Pacific Crest or something more. Matt Martino added if thumbs up, list conditions and what needs to be done. If down, provide reasons as to why cannot proceed so will know what needs to be done for others.

- **Habitat change of use**

Mellissa Kamanya. \$364,000 from Affordable Housing Fee funding was awarded last year for infrastructure expenses for NW Cottages and Watercress developments. Ventured into OHCS LIFT funding and land leases. She mentioned that Habitat subsidizes an average of \$114,000 per house. Habitat wants to change use to land acquisition instead of infrastructure expenses. They have verbal agreement for land for 3 lots. Will not be a land lease.

- Indigo Lane, 3rd Habitat home in neighborhood. \$95,000
- NW Cottages, \$60,000 for sliver of land to be added to existing. Will develop 10

- o cottages by 2021. Would provide one additional cottage.
- o Logan Ave near Boyd and Empire. \$105,000. To be completed in 2021.

Keith Wooden asked why they didn't need/use money. Response: Could use because repayment terms of loan would tack onto land in original proposal. With land lease model, could not transfer to families. There will no land lease for properties proposed today.

Richard Bonebrake asked about Logan property. Why single family? Response: CC&Rs don't allow anything else.

Matt Martino – \$364,000 would have been for NW Cottages. Keith Wooden: Loan committee worked it for land acquisition. \$102 more per month for original project to homeowner for long term debt. Keith Wooden mentioned that Habitat is moving forward with original 9 cottages. Asking for change of use/repurpose.

Kathy Austin is for flexibility. Funds have been allocated. Remaining funds would go back out. Will have to go to Council. Habitat has verbal contracts and is willing to wait for Council hopefully by end of March.

Cindy King asked what would ramifications be if fell through. Committee needs to decide what to do if fell through and specify time range. Matt Martino said they can't use as is. Opportunity to put more units on ground. Create a safeguard of taking funds back and reusing. Keith Wooden mentioned his concern is that is not going through process of scoring/vetting. What were other asks at time? Response: Kor was awarded \$100,000. Richard Bonebrake said that future land acquisitions should be dealt with by committee. Priscilla Buck mentioned that intended project is continuing without funds so is reassuring. Kathy Austin leans toward flexibility. Prefers to go ahead and let them keep money if falls through. Others disagreed. Priscilla Buck suggested use by time frame of original RFP.

Matt Martino moved to allow reallocation of funds in the amount of \$260,000 to allow acquisitions at Indigo Lane, NW Cottages and Logan Avenue in the amounts disclosed and if sales fall through the money comes back to the City. The additional \$104,000 already allocated comes back. Timeline: maintain deadline in original RFP. Richard Bonebrake seconded. All in favor.

Richard asked about land surplus near Franklin. Lynne has no control. Could make recommendation to Council to move up.

- **Developer survey results – tabled until later.**
- **Funding survey discussion**
6 responses. Most of process given high marks, however, want scoring criteria to be more understandable. Will create a subcommittee to discuss and move forward.
- **CDBG spend down status**
2019. Benchmarks were but in. Showed graph.
 - o Bethlehem Inn at 60% now. On track.
 - o Fair Housing Council will do 2 presentations in April
 - o Inspire has spent funding.
 - o JBarJ is about 50%
 - o NeighborImpact is on track.
 - o St Vincent de Paul is on track

- Thrive is close to spending all.
- VIM not starting until Feb 1st. Will have spent by deadline.
- Habitat is about 40%. NW Cottages after July 1st but part of ask.
- KOR downpayment assistance. LIFT funding just came through. End of 2020.
- KOR land acquisition – able to purchase land on 8th Street. More funding for site set up.

Overall on track. Accounting glitch was discovered. Can adjust after July 1st. Next RFP will be a bit smaller. RFP will not go out until know amount from HUD. May – July for RFP. NSP money may be coming available for next RFP will know more then.

- **Election advocacy rules overview**

Elizabeth Oshel gave information on memo regarding election advocacy. Committee members are considered public employees when they are doing work of Committee. When acting in official capacity in meeting of AHAC, can't talk about ballot. Anticipate filing February 21 and then restrictions would go into effect. Can only talk about in neutral way if part of agenda. You can say you support and even mention you are on a committee but you cannot act as representative of whole committee. As an individual can do whatever want. Also applies to candidates.

- **Staff report**

- Richard Bonebrake terms out in June. Recruitment will be posted in near future. Prioritizing resident of affordable housing. Racheal and Lynne are putting word out. Would like your help in spreading word.
- Bond on ballot – workshop tonight for all committee members (all committees). Go to www.bendoregon.gov/safe-travel
- Subcommittee 2/26 at 1:30 pm. Tabled developer survey so subcommittee will direct staff and committees.
- Central Area at Council meeting on February 19th. Letter from AHAC was well received by Planning Commission.
- Core Area Open House on February 20th, 5-7pm at Trinity Episcopal Brooks Hall.
- Possible tax exemptions work session on March 4th. Looking at MUPTE and vertical and single family.
- CDBG to Council on April 1st.

Richard asked about state bill on affordable housing funding and if comes back to local area. Lynne will see if any one local knows about it and can share information.

- **Adjourned at 4:50 pm.**