



CITY OF BEND

Minutes

Affordable Housing Advisory Committee

3:02 PM, Wednesday, March 11, 2020

Council Chambers

Staff Liaisons: Lynne McConnell and Racheal Baker

Roll Call: Keith Wooden, Kathy Austin, David Haines, Ian Schmidt, Alison Hohengarten

Councilor Campbell

- **Public comment**

None.

- **Approval of February meeting minutes**

Minutes approved.

- **Public Hearing on 2020 Annual Action Plan**

This is a HUD required document. Public comment period ends on April 1st, then to Council. HUD must have by mid-May. Every entitlement community must submit.

Next month around \$200,000 to go out via RFP.

- **I move to recommend Bend City Council approve the 2020 CDBG Annual Action Plan as drafted, and authorize staff to take all actions necessary to fund approved activities, including signing loan agreements and related documents, without further approval from Council. Kathy Austin made motion. David Haines seconded. All in favor.**

- **Developer Survey Recap – Ben Hemson & Russ Grayson**

Informational item, no motion unless desired by members. Brief update on development barrier survey a few months ago. Survey came out of discussions surrounding a construction excise tax (supplemental fee). In addition, the new Corporate Activity Tax would add 3-6% of additional cost at every supply layer. Decided to wait to enact. Wanted to define program first. Needed more information. What is prohibiting people from being able to pencil projects? 85-95% of projects that come to pre-app get to permitting. It is the ones that never come to pre-app that we are worried about. Survey targeted multifamily developments (3 or more units).

Fall 2019 – brought in development community and asked if we were using right language. Came up with survey. Used business registration database as mailing list. Not a huge response. 54 responded. There were initial filtering questions surrounding if had attempted or done multifamily project and if moved forward– 24 got through. Ben will send out link with results.

Offset transportation costs are the largest barrier. Construction costs are also very large.

Others mentioned were much lower level and a mix. SDCs, land price, and other offsite infrastructure.

20 of 24 said they would attempt project again if there were changes made that might decrease costs. 4.7 Mobility Standards should help in costs and help make move through quicker. However; frontage improvements are another story they are part of development code. Land market price differential does not account for cost of improvements needed.

Next steps:

4.7 changes: 18 of 24 respondents were building 99 units or less so would be within new threshold. Recommendation has been to sit down and talk through with developers and go over these changes. But what else is different in Bend? Construction costs are higher but why. Concrete costs are higher here. Flesh out current issues and measure impact of 4.7 changes. See what RFP/RFI might look like. Inform people of changes.

Russ said a lot of developers are coming from out-of-state. Construction pricing is 30% higher than Los Angeles. Also timeline in getting trades is an issue. Still not penciling. Interest in Bend and especially the Core Area but projects are on the edge of making them work. Still have customer experience issue in the Core Area, might be able to pencil but will individuals be comfortable walking through underpasses to downtown.

Lot of apartments coming in. 1,500 units in construction right now. Demand is there but can supply fit it? Kathy asked if he thinks developers might hold off to see if bond passes. Russ said discussion that needs to happen with Council is how to handle infrastructure with infill development requirements. Need good rules of engagement.

Certain things they always hear: permit fees, SDCs but understand that CDD must be full cost recovery. SDCs are necessary for infrastructure. We tell developers that we can't fix market problems like land, material and labor costs. We still have to support infrastructure. Where is balance?

Ben: Back to question if developers are waiting. There is an interest in seeing what happens with potential Urban Renewal Area in Central District. Council just directed BEDAB, AHAC and NLA to start looking at property tax exemptions for multifamily developments. Next steps: would like to do an affordable housing focus group with developers. Anyone interested? Kathy Austin is interested. Lynne will speak with BEDAB about code changes on April. Also Council check-in.

Russ said nothing in survey that directly pinpoints one issue. What problem are we trying to solve and how to execute? Can't just give money to developers.

Kathy asked about need for ombudsman in CDD. Russ looking to fund that type of position of out of current funds. An additional FTE was approved related to childcare. Looking at doing another fee study after launch software.

Is issue of resources because we are isolated? Prineville is sucking up trades. Trade availability is months out. Other areas booming so no need to travel here. Working with colleges to create a pipeline for trades. Also land is more expensive and then we have rock.

Next steps: sit down with larger builders to discuss results. Continue to look at code. Get an

understanding of what will happen after mobility standard changes.

Councilor Campbell asked about sewer SDCs - per door cost was the same for multi-family as for single family. Is that correct? Response: There is a slight difference. Looking at HB2001 and with Parks District and asking them to hold looking at tiers so city and parks don't have different methodology.

Kathy - Assuming that look at SDCs will come forward. Response: Yes. Also TSP needs to be approved. Transportation SDCs will be looked at first. Russ wants to get all the base rates done for water, sewer, and transportation first and then work on simplifying categories and classifications. Might to fit under multiple categories.

- **Staff report**

- Upcoming Dates of interest:

- March 18: Council work session on transitional camp(s)
- CDBG AAP (tentative): April 1, 7:00 p.m.
- Fair Housing Trainings: April 7, 4:00-6:00 pm Neighborhood Association meetings, April 8 at AHAC. Send any topics to Lynne.
- Committee – Council check in April 15, 3:00 p.m. Cindy will attend.
- Council subcommittee: April 20, 3:00 p.m.
- Two RFPs – CDBG \$220k and AHF \$500k will go out mid-April, collect mid-May, deliberate in June.
- Lead paint can happen here. Do not have a program up and running but CDBG funds can be used.
- Committee Applicants – 7 received so far. Lynne has not looked at. Member of tenant's organization or resident of affordable housing is priority. Continue to spread the word.
- Next meeting: MUPTTE presentation by Matt Stuart.

- **Public Comment**

Letter received from COBAAC. Jason Kropf. Focused on transportation, sidewalks, etc. Increased need for accessible housing especially affordable. Hope AHAC works with COBAAC to recommend to Council. Put affordable housing near transit routes. Be mindful of need for dial-a-ride busses to have enough room to turn around. Accessible of parking spaces.

Ian Schmidt– development code is subject to minimums. Ian asked if COBAAC is recommending changes to code. Karin Morris received a complaint about affordable housing where paratransit bus couldn't get close to unit. Asking to possibly add loading zones. Understands is tricky especially with surplus sites. Councilor Campbell asked about sharing clustered mail boxes. Might or might not work. Food for thought. We can suggest but each site is different.

Lynne: any additional questions? Pass along. Karin Morris sent out AHAC vacancy notice to her members.

- **Adjourned at 4:08 pm.**