



Minutes

Affordable Housing Advisory Committee

3:00 PM, Wednesday, December 9, 2020

Meeting will be convened online via Zoom due to COVID-19 concerns.

Staff Liaisons: Lynne McConnell and Racheal Baker

Roll Call: Cindy King, Keith Wooden, Kathy Austin, Priscilla Buck, Matt Martino, Ian Schmidt, Alison Hohengarten, Joanna Gardner, Heather Simmons
Councilors Campbell and Livingston

- **Public Comment**

None.

- **Approval of October minutes**

Approved.

- **Affordable Housing Fund Proposals**

COI: Alison Hohengarten mentioned potential conflict with Kor as her firm does work for them. Matt Martino mentioned a potential conflict if homebuyers choose financing with him. Keith Wooden mentioned a potential conflict with Kor as they are a partner in a development and Keith works for Housing Works.

Estimated number \$1.2 million. Most likely to Council second meeting of February or first meeting in March. Trying to line up with State financing before applications are due to state.

Scoring is not due until after we hear CDBG applicants. But complete at least as a starting basis.

- 1) Bend Heroes Foundation - Central Oregon Veterans Village – Erik Tobiason/Kathy Skidmore/Peggy Carey

They are building a tiny shelter community. 15 shelters and a community building. Joint with County, City and private foundations (Bend Heroes, COVO).

COVO will be service partner providing case management. Average veteran would stay a year but allow 2 years. Agreement with County for land - 10 years no dollars. Building permit has been approved for site work. About 150 square feet each with toilet, sink, bed, closet and porch. Community building will have kitchen, dining room, great room, 3 case management offices, laundry, restroom and showers.

Construction budget is \$735,000. 100% raised from private sector. Deschutes County has provided \$150,000 for construction and 10 year lease of land at \$0. Ready to break ground in next week. Hopefully begin in month of January. Community building in spring. Completely done May 1st.

Heather – how would City would be repaid? Response: intent is not to repay. Forgivable loan.

Councilor Campbell asked about community building and if case management offices would only serve for Vets Village. Response: would consider others using.

Keith had a land use question. Have you gone through entitlement process? Lynne helped

answer: HB 4212 mitigated issues. Emergency Shelter siting application approved by City. Do need to go through building permits for each shelter. As long as meet building code project is approved. Must adhere to public health and safety so comply with building codes.

Kathy – are these composting toilets? What about sinks? Response - Tied to sewer. On piers. Every unit is ADA compliant. Permanent for 10 years.

Priscilla – if unable to fund full ask, then what? Response – they are going to do it. Too far along to not see through. Will find funding elsewhere.

What is Bend lacking? Response: funding sources, solutions, designated people on staff. Rest stops, micro sites.

2) Related Northwest - Mary Rose Place Apartments
Stef Kondor/Tai Dunson-Strane/Daniela Chancy

National developer. Started as Affordable Housing developers. Four projects currently under way in Portland area.

220 units of affordable housing, 4 story new construction. Two buildings: one for seniors and one for workforce. Demographics: 30-60% AMI. 50 set aside for seniors. 2 phases. Engaged senior services provider involved. Have had initial conversations with City. Unit mix of studio to 3 bedroom.

Going after 9% for senior family and 4% for other. Timeline: March 21 submit for state funding. June or July State makes awards. August 2022 closing. Construction complete June 2024. Lease Up October 2024.

Kathy – can you reduce amount of parking? If don't get full ask, what is impact? Response: Current plan is first pass. Will be additional conversations with City. Parking can be stepped down for senior community. Less funding makes them less competitive at state round. Would not necessarily derail.

Alison asked about readiness to proceed, property loan terms and statement that there is the possibility of converting to grant to be determined by non-profit project partner. Response – in negotiations with seller. Loan terms – can do soft debt and pay back City. Usually bring on a non-profit partner so can obtain property tax exemptions. Will look into Bend area organizations. If a grant, needs to go to non-profit. Bring as GP equity or GP loan. Open minded on how City wants to do.

Ian said he doesn't see 9% in application. Question regarding development fees in initial costs. Response: \$1 million ask is for 4% and workforce housing. Not what they are getting. Nothing during pre-development. Will be at COO, at cost certification, at lease up stabilization. Bolstering developer fee is a practiced tool.

Matt mentioned this is a hefty undertaking and asked about building contractors. Response - will use local.

Keith asked if they don't get one of these competitive awards, will deal go away. Do you plan to take down land before get funding. Response – split land costs between 2 deals. No land until construction loan. Have been successful being funded. Do they need both? If get one and not the other, makes more challenging. Maybe phase in.

3) Kôr Community Land Trust - Riverwalk Townhomes
Amy Warren/Laurie Hoyle

2 parcel shared town home lot. Have a purchase sale agreement contingent on this funding award. Each townhome will be 1,900 sf, hopefully 4 bedroom. Larger than other projects. Would be for 2 families with 10-12 individuals total. Build ready. Estimated completion time 18 months. One time ask with exception of down payment assistance. Will be Community Land Trust model. Always affordable housing. Have a Board of Directors. Stewards the land and program in perpetuity. Will apply for State LIFT funding.

Kathy – \$219,000 is cost of lot. If can't give you full ask, what will happen? Response: Requesting up to \$420,000. No go is the \$219,000 for land.

Ian – 2 lots with 2 townhomes on each lot? Response: No, 1 townhome on each with shared wall.

Cindy – with Korazon being done, what is timing as relates to this project? Response: Korazon should be finished by end of January, move in by end of February.

4) Kinetic Resources - 110 NW Revere Residential Housing and ADU
Steve Rzonka

He is a for profit builder doing affordable housing. Wouldn't work without the help of the City. 2 single family homes with ADUs above garages. 1 home and 1 ADU would be affordable housing. \$300,000 for approximately 30% of cost of project. Total cost: \$1.282 million. Terms payable in five years. Have preliminary plans. ADA compliant.

Cindy: is there currently a home on property? Any environmental issues? Response: Will need lead base and asbestos test, possibly removal. Would not mitigate demolishing home.

Alison – have you talked to neighbors? Question about length of deed restriction. Response: until paid off. Have talked to neighbors. Zoning does allow this type of structure.

Matt – 0% to 5 years. Only affordable housing for 5 years. Response: correct. Would keep at rate but not restricted. Rent at \$1,727. \$986 for ADU. 60% AMI.

Kathy – are there current tenants? Response – tenant leaves next month and has housing.

Joanna – how much is currently be rented for? Response: \$900/mo.

5) Housing Works - HB4079
David Brandt

Housing Works is Regional Housing Authority. Have over 600 units. Approximately 70 are under construction. This is different. Related to HB 4079. Land must be annexed within 2 years, a deadline that is approaching. PacWest Builders initially. Currently controlled by Hayden Homes. Would be a purchase and sale agreement with Hayden for 5 acres. Priced below market. There would be a Head Start facility. NeighborImpact involved. Parks has site in their CIP. Will be family units. As soon as annexed will put into State funding cycle. Likely next round.

Kathy – what model are you looking at? Response: 3 story garden walkup apartments. Question: If don't get funding this time around, will we have opportunity next time. Response: most likely but Hayden is operating under a clock. Must get annexed. May affect annexation if no binding commitment.

Matt – 200-250 units. Considerably larger than other projects in past. Are you handling management internally? Response: Epic would manage. They have 1,300 units under management. Shouldn't be a problem.

Ian – preference for ideal ratio for 2 sources of funding. Response: CDBG timing is more

constrained. Other than timing not a problem.

Alison – asking 100% for land acquisition. Response: 90%.

- 6) Building Partners for Affordable Housing - Woodside Court-Phase I
Mandy Weidman with COBA. A manager for Building Partners.

Have been working on Woodside Court for a while. 60 townhouses for homeownership at or below 80%. Zoned RL. Applying for zone change on Monday when new permitting system is back up. Moving forward. Had second neighborhood meeting last Thursday. Feels went well. Have preliminary traffic study completed. \$185,000 is for submittals. Have approached others to partner if some of the funding doesn't come through. A lot is contingent on this funding.

Cindy – what has changed on budget since July of 2016? What is estimated time frame for zone change approval process? Response: not sure on time for process. Hoping it will be expedited. Budget for development costs – all up a bit but pretty solid. Still estimated at \$2.2 million to complete.

Matt – Ask and repayment. Response: Divide up among all of units and upon resale. If keep affordable housing, don't need to pay back. Matt responded that is not true. Response: Doesn't know answer. Question: How many units. Response: Settling on 60, not 66. Keeping affordable in perpetuity? Doesn't know answer. Will follow model of a partner.

Ian – exciting project but worried about not being able to answer about timelines, budget, and structure. Response: Tim would normally present but he was not available. She can get answers. Ian said he is unaware of projects that have costs hold steady since 2016. Response: ran past their experts. In general will go up. But receiving donations or discounts.

Heather – How would you handle a gap in funding plans? Response: may decide to do phases. Will have to partner with someone else. Conversations have started.

Kathy – what changes did you make in response to neighborhood meetings? Response: parking, noise, road connections. Did make changes. Most recent meeting: main concern was type of person who would be in houses. They responded that this housing is for our communities.

How can public help with project? Support from community to move forward. For the betterment of our community. Get word out is a positive thing.

Alison – total cost \$2.2 million. Secured private funds. Are they still secured? 705k was donation for land. Form does not add up.

Ian of \$185,000 ask, \$110,000 is to pay back HUD? Response: yes, they had an award for proposal but 5 year deadline is approaching.

- **Kor Change of Use**

Kor Community Land Trust will revisit a proposal to modify a recent funding award.

Current use: down payment assistance for subsequent Korazon sales. Requested use: down payment assistance for initial Korazon sales.

Matt had made previous motion at prior meeting. **Matt Martino made a motion to allow for change of use. Kathy Austin seconded. Priscilla Buck – aye; Matt Martino - aye, Keith Wooden – abstained; Kathy Austin – aye; Ian Schmidt – aye; Alison Hohengarten – abstained; Joanna Gardner – aye; Heather Simmons – aye; Cindy King- aye. Motion passes.**

- **Staff Report**

Cindy: This is Councilor Livingston's last meeting. He served on Committee, then as Council Liaison. List of accomplishments that happened while he was on Committee and acting as liaison were mentioned. Huge thank you to work he has done and big impact he has made on community.

Juniper Ridge code changes are going to Planning Commission on Monday.

Human Rights and Equity Commission is recruiting people.

Ongoing trainings for CityView are occurring. Check out City events calendar or CDD page.

- **Adjourned 5:17 pm.**