



Minutes

Affordable Housing Advisory Committee

3:00 PM, Wednesday, January 27, 2021

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

Go to [Affordable Housing Advisory Committee Page](#) for more information.

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

Councilor Campbell

- **Public Comment**

None.

- **Conflict of Interest Statements**

Priscilla Buck – none. Husband does volunteer at VIM.

Matt Martino – potential, he works with homebuyers of previous Kor project

Joanna Gardner - potential, works for Saving Grace. Her position is funded by a grant not related here.

Heather Simmons - none. Serves on NeighborImpact Board of Directors

Kathy Austin - none. Donates to many.

Keith Wooden – potential, he is an employee of Housing Works. They have partnered with Kor in past. His employment or salary is not basis on decision.

Alison Hohengarten – potential, her law firm represents Kor. No direct benefit.

Ian Schmidt – none.

Cindy King – none.

- **Spend Down/Timeliness Update**

Racheal gave overview of CDBG 2020-2021. Awarded funds used should be at least half year point (50%).

Bethlehem Inn is on track. Council on Aging is on track. FHCO is potentially giving us another training in next quarter. They are working on hiring someone. They should reach goal. FUSE is a bit behind. Expect will catch up next quarter. J Bar J is on track. NeighborImpact is on track. Saving Grace is on track. Shepherd's House Winter Warming Shelter just opened. Will spend as stay open. Has 3 years to expend as it CARES Act related. Thrive is on track. Rental assistance is via CARES Act. VIM is on track. Habitat is not on track. Had to reconfigure model due to Covid. Volunteers are on hold. NW Cottages will be ready as early as March or April, so last quarter. Council on Aging is on track. KOR Hurita downpayment is just getting started but should be on track.

Cindy – can you include numbers on chart in future? Others agree. Racheal said that is fine. Racheal indicated she has no concerns about spend down. Projects are stopped for specific reasons. No timeliness issues.

- **Deliberations – AHF and CDBG program (and CDBG services if time permits)**

Lynne provided an overview. \$1.3 million in AHF. CDBG numbers are guesses based on past and best estimates. We do contingencies. Will not do another RFP if receive more money. Expecting \$275,000 for programs and \$155,000 for services. Consider contingencies as you are discussing, can be \$ or %. CDBG limits money that can go to services. 15% of program income and money paid back in prior year. Think about programs first.

Hoping to get through AHF awards today so applicants can get state applications in. Encourage you to try to get through programs as there are only two. Building Partners withdrew. Railroad Avenue withdrew. Bend Church withdrew.

Scoring sheets sent out earlier. Scoring is a starting place for discussion. Comments are to highlight discrepancies or outliers. Will do a debrief after this funding cycle. Think about what works for you and what doesn't. Want to improve process.

AHAC to present recommendations to Council. Let Lynne know if you are interested. Ian commented that Council is receptive.

Racheal pulled up spreadsheet of applicants so can look at numbers as discussed.

Kathy – Since Kor pulled out of CDBG. Award CDBG to Housing Works so AHF will be less. Greatest impact would be Housing Works and Related NW in terms of numbers. Bend Heroes will make it work.

Ian – same points as Kathy. Guiding light is to help lay path for Council to maximize resources to address lack of affordable housing issue. Housing Works and Related Northwest on a dollar per doors basis are way ahead of others.

Matt – agree with these points. Matt notes that Kor would like \$50,000 for downpayment assistance. NW Revere does not fit with what we are trying to do. Less units and only 5 year affordability period. Bend Heroes has community support.

Priscilla – does want to support dollars for doors. Timing and how quickly can be delivered are also important. Housing Works and Related Northwest have favorable time lines. She likes to look at how dependent these organizations are on our funding or do they have a mix of sources. Should use our dollars as leverage. Housing Works, Related Northwest and Bend Heroes are her top 3.

Keith – agrees with Priscilla and Matt on Kinetic Resources. Likes efforts of Bend Heroes. Would like to see them get something. Related Northwest – worried that they don't have site control. Don't have an agreement in place unless has changed after their application. Kor – money per unit is higher. Cindy asked Lynne if there were any updates from Related Northwest. Lynne has no updates from them.

Joanna said she is throwing support in for Veterans Village.

Heather – agrees with other comments. Agrees with Veterans Village. Seemed readiness of Housing Works might not be quite as high. Cindy said they are under contract. Time lines – this fall to tie with Hayden Homes. Lynne mentioned that HB 4079 pilot is a bit of a streamlined process outside of UGB process. Challenges removed by State for this pilot. Are heading in the right direction. No indication will go south.

Kathy – if for some reason, Mary Rose Place disappears and we awarded funds, do we get the funds back and can they be reallocated? Response by Lynne: They would be given a certain amount of time. If there is a significant change in scope or use or timelines, we would require them to come back. Could create a contingency if near a year or other time frame has passed, the funds would slot back into next year's process.

Matt - question for staff about flexibility of funds? Response: AHF is flexible as long as shows units being built. Cannot be used for services.

Cindy – based on discussion do we want to eliminate Kinetic Resources? Response: yes Using Matt's initial numbers to start conversation.

- Full \$275,000 to Housing Works for CDBG. \$625,000 of their ask left over and awarded from AHF

- Bend Heroes is a moving number – \$300,000
- Kor for land acquisition only.
- Related Northwest – contingency give back. \$375,000 and start discussion.

Cindy – lots ready to go for Kor. Bend Heroes is going to proceed. Maybe some of that goes to Kor.

Kathy – likes Kor and likes what they do but not worth funding this time as is only two units this time. She suggests a \$100,000 to Heroes, none to Kor, full ask to Housing Works, balance to Related Northwest.

Priscilla – Kor: cost per door is too high and time line and dependence on us for their funding. No funding this time. Bend Heroes – \$150-200,000. Related Northwest, Housing Works \$625,000.

Ian – Kor ask is too much money for 2 units, however, does believe in what they stand for. Another option Related Northwest \$475,000, Bend Heroes \$200,000. Concerns with Related Northwest about site control. This amount is still significant.

Alison – Kor no based on dollars for doors. Same for Kinetic Resources. Do want to make Housing Works work due to unique pilot. Put contingency language on Related Northwest. Feels strongly for Bend Heroes.

Matt – numbers from this discussion were his option number 3 He fully agrees. CDBG fully fund Housing Works.

Cindy are these numbers good? Tie contingency language to Related Northwest. Create contingency for CDBG – additional funding could go to other applicants. Lynne asked what time frame would be for contingency for Related Northwest.

Cindy – 9 months, provide update .

Keith – 90 days. Asking for site control, not if they get funding from State.

Matt – agrees with Keith. No contingency on funding only site control. Agrees with 90 days.

Alison – LOI in place. Secure a sale agreement in 90 days. Prefers to leave CDBG open – no contingencies.

Cindy – contingencies would allow us not to do another RFP.

Ian – 90 days or 120 days.

Kathy – happy with numbers. Leave up to 90 or 120 days for contingency to lock up property. CDBG do need to have a contingency. Kor – if more funds, go to KOR up to \$50k.

Priscilla – Supports contingency. 90 days sounds short but conveys a sense of urgency. Bring back to Committee at 90 days. Make presentation at 90 days to AHAC if don't have site control, review decision potential to lose funding.

Discussion on how to word contingencies if additional funds for CDBG are received. Lynne threw out a possible number of \$500,000. In past, contingencies indicated up to x amount for this organization but we don't have services information yet. Depends if it is CARES Act related. Lynne suggested to focus on program funding today. Once we discuss services, could do a new motion on program if needed.

Discussion of \$50,000 to KOR for financial assistance and additional funds remaining could be allocated. Racheal said she is concerned about timeliness with Kor as the 8th Street development will likely not be ready. Cindy suggested to not allocation dollar amounts for any additional CDBG funding,

however, don't want to do an additional RFP. Instead agree to allocate any additional funds at that time based on current applicants. Racheal mentioned that if award additional to Housing Works, would change the AHF number. Cindy – committee okay with numbers. Kathy – to services if can unless they are restricted to programs. Racheal does not think will be flexible. Kathy – should we receive more funds, goes to Housing Works but fully use services funds. Matt – create a contingency to AHF if Housing Works got more CDBG funding. Any additional funds other than estimated \$275,000 CDBG would go to Housing Works and in turn would reduce accordingly AHF funding to Housing Works.

Motion (AHF): I move to recommend to Bend City Council Affordable Housing Funds awards in the following amounts:

Housing Works \$625,000, Related Northwest \$475,000 and Veterans Village \$200,000.

And if the Related Northwest proposal does not have a fully executed real property sales agreement within 90 days, the proposal must return to the Affordable Housing Advisory Committee for reevaluation. If a sales agreement has not been executed to the Committee's satisfaction, the Committee may grant an extension, reallocate those funds to other proposals received, or include those funds in future RFPs, or take other steps deemed appropriate to the Committee at that time. Housing Works Affordable Housing Fund Award shall be relocated to other proposals received subject to further Committee deliberation.

Kathy Austin made motion. Heather Simmons seconded. Matt Martino - aye, Heather Simmons - aye, Kathy Austin - aye, Priscilla Buck – aye, Ian Schmidt - aye, Keith Wooden - aye, Alison Hohengarten - aye, Joanna Gardner – aye, Cindy King - aye. All in favor.

Motion: I move to recommend to Bend City Council CDBG program awards in the following amounts: Housing Works \$275,000. With any CDBG program funds received this year being allocated in contingency to Housing Works, which will proportionally reduce the Affordable Housing Fund award proportionately.

Matt Martino made the motion. Alison Hohengarten seconded. Priscilla Buck – aye, Matt Martino – aye, Heather Simmons - aye, Kathy Austin - aye, Ian Schmidt - aye, Keith Wooden - aye, Alison Hohengarten – aye, Joanna Gardner – aye, Cindy King - aye. All in favor.

- **Staff Report**

- AHF to Council on February 17th. Is currently on consent may change. Matt and Ian volunteered to present.
- HB 3450 - residential development in commercial zones. Pilot approved on Friday by Department of Land Conservation and Development.
- Council goals surrounding housing.
- Next meeting CDBG service awards and SDC Exemption as well.
- What can we do differently surrounding RFPs?

- **Adjourned at 5:12 pm.**