

ORDINANCE NO. 2417

AN ORDINANCE AMENDING BEND MUNICIPAL CODE CHAPTER 9.40, AFFORDABLE HOUSING FEE

Findings:

- A. Bend Municipal Code chapter 9.40 governs the City's Affordable Housing Fee of 1/3 of 1% of permit valuation to fund affordable housing programs and projects. The City first adopted this fee by Ordinance No. NS-2012 in 2006.
- B. Chapter 9.40 presently restricts the use of the Affordable Housing Fee to one full-time-equivalent employee. The City wishes to allow the Affordable Housing Fee to be used to fund additional employees to administer the Affordable Housing and Community Development Block Grant programs, and to edit the language in the existing code for clarity.
- C. Additional employees are needed to support and implement the Bend City Council's goals of increasing the supply of affordable housing within the City of Bend.
- D. The State of Oregon has prohibited new fees imposed on construction, except in conformance with a new statutory scheme, but fees in existence prior to 2007 may be continued or extended so long as the rate of the fee does not increase.
- E. This ordinance does not increase or in any way affect the rate of the Affordable Housing Fee that has been in existence prior to 2007.

Based on these findings, THE CITY OF BEND ORDAINS AS FOLLOWS:

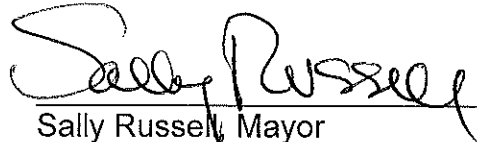
Section 1. The Bend Municipal Code Chapter 9.40 is amended as shown on the attached Exhibit A.

First reading: August 4, 2021

Second reading and adoption by roll call vote: August 18, 2021

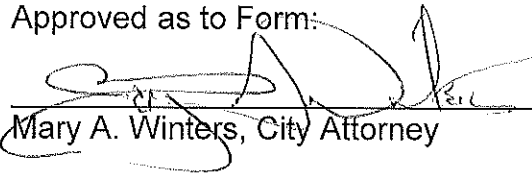
YES: Mayor Sally Russell
Mayor Pro Tem Gena Goodman Campbell
Councilor Barb Campbell
Councilor Melanie Kebler
Councilor Anthony Broadman
Councilor Megan Perkins
Councilor Rita Schenkelberg

NO: none


Sally Russell, Mayor

ATTEST:


Robyn Christie, City Recorder

Approved as to Form:

Mary A. Winters, City Attorney

Chapter 9.40

AFFORDABLE HOUSING FEE

Sections:

- 9.40.010 Affordable Housing Fee Imposed.
- 9.40.020 Special Revenue Fund.
- 9.40.030 Permitted Expenditures.
- 9.40.040 Median Income Requirement.
- 9.40.050 *Repealed.*

9.40.010 Affordable Housing Fee Imposed.

A fee of one-third of one percent of permit valuation, for all building permits, shall be assessed at time of building permit application. [Ord. NS-2255, 2015; Ord. NS-2179, 2012; Ord. NS-2167, 2011]

9.40.020 Special Revenue Fund.

Funding received from this source ~~shall~~ must be deposited in a special revenue fund and only be spent for affordable housing programs and projects evaluated pursuant to the priorities established through the City of Bend Consolidated Plan and administration of the affordable housing programs and projects. Any loan proceeds from this source ~~shall~~ must be returned to the fund. In years where fee collections are sufficient so that less than 10 percent of the total fee covers permitted administrative expenses as defined in BC 9.40.030, that excess amount, ~~not to exceed 10 percent of total collected,~~ shall must be placed in a reserve account to cover future permitted administrative costs with the long-term goal of annual administrative costs not to exceed 10 percent of total annual collected fees. Repaid loan amounts ~~shall~~ will ~~not~~ be included in assessing administrative cap expenses. ~~Applications for and awarding of this funding shall be done on an annual basis by the City Council~~ will award funding on an annual basis and will utilize. The City of Bend's Affordable Housing Advisory Committee's will receive applications and make recommendations on funding awards to the City Council. The fund ~~shall~~ may not be used to pay for General Fund programs or other programs not related to the provision of affordable housing and the administration of the City's affordable housing program. [Ord. NS-2179, 2012]

9.40.030 Permitted Expenditures.

Permitted expenditures ~~shall~~ include:

- A. ~~One full-time equivalent (FTE) Eemployees shall may be authorized for purposes of administration of to administer this program and the Department of Housing and Urban Development Community Development Block Grant Program (CDBG) program.~~ These is employees shall be primarily funded by the administrative allowance of the CDBG program. If the Federal allocation is not sufficient to meet the entire FTE cost, the remainder shall may be provided for by the City of Bend affordable housing fee funds.

B. In addition to the employees specified in subsection (A) of this section, the following administrative purposes may be paid for from the Affordable Housing Fund:

1. General Management, Oversight and Coordination. Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not necessarily limited to, necessary expenditures for the following:

- a. Salaries, wages, and related costs of staff for program administration. This may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. Program administration includes the following types of assignments:
 - i. Providing local officials and citizens with information about the program;
 - ii. Preparing program budgets and schedules, and amendments thereto;
 - iii. Developing systems for assuring compliance with program requirements;
 - iv. Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;
 - v. Monitoring program activities for progress and compliance with program requirements;
 - vi. Preparing issue summaries, reports and other documents related to the program;
 - vii. Coordinating the resolution of audit and monitoring findings;
 - viii. Evaluating program results against stated objectives;
 - ix. Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described above; and
 - x. Payment of reasonable administrative costs and carrying charges related to the planning and execution of activities assisted in whole or in part with affordable housing fee funding.
- b. Travel costs incurred for official business in carrying out the program;
- c. Administrative services performed under third party contracts or agreements, including such services as general legal services related to projects funded through this program, accounting services, and audit services; and

d. Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance of office space.

2. Public Information. The provisions of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with affordable housing fee funds.

3. Indirect Costs. Indirect costs may be charged to the affordable housing fee program under the City of Bend Cost Allocation program. Indirect costs may not exceed three percent of the balance of unobligated funds on hand at the beginning of the fiscal year.

C. Project Costs. Costs related to completion of specific projects shall be allocated to the specific project. [Ord. NS-2179, 2012; Ord. NS-2167, 2011]

9.40.040 Median Income Requirement.

Affordable housing fee proceeds may be targeted for housing opportunities for residents at or below 100 percent of area median income. [Ord. NS-2179, 2012; Ord. NS-2167, 2011]

9.40.050 Expiration.

Repealed by Ord. NS-2345. [Ord. NS-2220, 2014; Ord. NS-2179, 2012; Ord. NS-2167, 2011]