



CITY OF BEND

Minutes

Affordable Housing Advisory Committee

3:00 PM, Wednesday, August 11, 2021

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

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

Staff Liaisons: Lynne McConnell

Roll Call: Kathy Austin, Matt Martino, Ian Schmidt, Alison Hohengarten, Heather Simmons
Councilor Barb Campbell

- **Public Comment**

None.

- **Approval of July Minutes**

Approved.

- **Timeliness update**– (Racheal Baker to intro)

Timeliness = HUD requests that we timely spend down to receive additional funds. Requires % of awards spent down by May 2nd of each year. HW is using only AHF, so the CDBG funds need to be awarded immediately to be spent down by May 2, 2021.

Refer to Presentation Slide summary of 2021 spending.

Majority of awards have been spent down.

FUSE ran into issues starting project, due to not accessing funds until January 2021. Contract has been extended to spend 2020-21 funds.

Consequence of not spending timely.

HUD can pull back awards.

Internal accounting gets more complicated due to loan repayments creating Program Income that must be used before CDBG awards.

Program Income continuing to come in higher than anticipated due to home refinancing, may need to continue to re-award CDBG funds as original awards are replaced with Program Income.

- **CDBG proposal presentations**

The Council on Aging of Central Oregon
Presentation (5 minutes) – Susan Rotella

Eligible activity, will require Davis Bacon Act prevailing wages and environmental study, as well as, additional reporting requirements, may be able to award additional funds to support additional requirements.

Q: How long does environmental review take?

A: Not too long in this case, some staff time involved.

Matt asked, how quickly do you think construction could take place?

A: Design contract, permitting already completed, working to start construction October 1.

Matt-If EA is required, is October 1 start date feasible?

A: Typically, it takes 5 months, will need to dig in deeper, must be done by City staff.

Ian-Given ongoing staffing issues, do you believe that you can keep level of staffing or will labor market impact you and operations?

A: Everyone will be impacted to a degree, some retirements already, recruiting now, no problem attracting good quality talent.

Kathy- Is there enough funding to give both applicants their requested amount?

A: Requests match what is available, might be just a little more and will ask you to assign contingency if it's available.

Heather- When will the prevailing wage impacts be known?

A: Racheal will get to COA asap, will be included in September Action Plan.

Matt-Is there a way around prevailing wage?

A: No

Susan Rotella-What is prevailing wage?

Ian's comment - Set industry wages by state, higher than normal industry, requires more reporting for contractor and subrecipient.

Kathy- Does getting funds from HUD affect whole project?

A: Yes, must be done accurately up front. Will follow up directly with COA.

- **KOR Community Land Trust**

Presentation— Jackie Keogh and Amy Warren

Kathy- Will you be changing your model to more like 4 townhouses, or two below/two above as a co-op ownership?

A: Prefer to have shared walls as opposed to stacked, but will defer to civil engineer.

Ian- What lessons have you learned from previous projects that you would apply to this one?

A: Learned to adjust timeline off of funding and permitting timelines; have learned that with buyers we need realtor mentors in addition to lawyer mentors to provide buyer with more access to information; have increased staff from 1 FTE to 2.5 FTE.

- **Potential or real conflict of interest declaration**

- Alison – potential conflict, firm represents KOR, do not work on KOR projects, compensation is not based on anything to do with today's decision
- Kathy – potential conflict as local architect, but not current conflict, no contracts or negotiated contracts in place
- Matt – potential conflict if proposed buyers use me for lending services, but not currently in discussions with any potential buyers
- Heather – no conflicts or potential conflicts aware of
- Ian – no real or actual conflicts

- **CDBG Deliberations**

- Discussion on impact of prevailing wage on COA of CO
- Matt-Recommendation: give what has been asked, split any excess equally, fund KOR up to \$100k if COA declines award

Matt Martino made motion. Heather Simmons seconded. Kathy Austin aye, Matt Martino aye, Ian Schmidt aye, Alison Hohengarten aye, Heather Simmons aye.

I move to recommend to CC an award of \$100k to COA and \$250k to KOR with contingencies to COA if additional funds received and contingency to KOR, up to \$100k, if COA denies award.

- **Staff Report**

Introduced Amy Fraley

Standards and Specifications update available on City website.

Oregon Housing and Community Services plan update – allocation of federal funding in Oregon, lengthy survey, Lynne will send to committee, voluntary completion.

Council committee check in update. Alison– Reviewed budget, city has made a lot of investment in housing and homelessness, new staff hires, thanked Council from AHAC, reminded them of AHAC support and assistance as needed.

Councilor Campbell-Thanked AHAC for working so hard to get funds out and spent.

Councilor Campbell-Will there be a discussion about dollars per door or dollars for housing that is for sale or dollars for housing, that is low barrier homeless?

A: Yes, this was done at last meeting, Lynne will send link to Councilor Campbell

Councilor Schenkelberg -Thank you to AHAC.

Racheal will contact Heather and Joanna to pull together community members to provide feedback on fair housing experiences in Bend; survey will continue to be collected from many areas even after survey closes, next 6 weeks; Amy and Racheal will be conducting

focus groups, presentation, interactive meetings. If you want to participate, please contact Racheal.

Solid pool of applicants for vacant AHAC position. Mayor Russell, Councilors Campbell and Schenkelberg to interview.

HB2001 at Planning Commission – general support, short discussion around parking, public comment a few key issues: short term rentals and parking; conclusion – moved items on with recommendation to approve to City Council with no significant changes.

HB2001 next steps – Council WS September 1, Council Regular Session Public Hearing September 15 – Please consider tuning in, if you cannot make it, recordings are available on the City's website or contact Lynne.

AHAC Volunteer for public hearing in September – Kathy Austin, Ian Schmidt to coordinate w/ Lynne.

Racheal has final reports from all subrecipients that have spent down 2020-21 awards, and their accomplishments, will email after meeting.

- **FUSE update** – Colleen Sinsky

\$55,000 awarded to support those experiencing homelessness, leveraging \$107,000 of HUD rental assistant.

Currently working with 12 folks, two households have now ended their homeless experience, amazing, optimistic stories.

Units are not available, so haven't been able to house as many people as they want to be able to house.

Want to work towards brick and mortar site that FUSE is property managing \$19k of \$55k spent down, due to HUD COVID delays, housing shortage and Deschutes County is invoicing less for supported services than originally planned, also awarded grant from PacificSource.

Kathy- Many awards are for brick and mortar, not personnel, could some of those funds be used for personnel?

A: AHF cannot be used for service provision just for units; only 15% of CDBG can be used towards services; 50% of new CET can be dedicated to services. More information to come on CET. Services funding is very competitive and very limited.

Kathy- Can CARES or ARPA funding be used?

A: CDBG CARES funding removed services cap, so significant amount went out; yes, ARPA funds will make significant funding towards services, but ARPA cannot go to problems existing before COVID (overgeneralization), so challenging to fund services to solve problems that were so prevalent prior to the pandemic. Council and Stewardship Committee are working through allocations, more information may be

provided. These funds are still short term, not long-term sustainable funding stream for services.

Councilor Campbell-Is there any opportunity to overlap with project turnkey acquisition?

Colleen Sinsky, Yes, in short, it's possible. Great idea. But there are required renovations needed.

Heather-Does the FUSE funding need to extend beyond September?

A: Staff can make the extension if needed.

Ian requested, before next meeting, to send over document noting what impacts of delay in spending on services funds are.

- **Adjourn 4:50pm**