



CORE AREA ADVISORY BOARD

March 17, 2022

WELCOME & INTRODUCTIONS



AGENDA

- Public Comment
- Funding Priorities
- Tax Exemption Project Update
- Climate Friendly & Equitable Communities Rulemaking
- Performance Metrics

- Roll Call
- Approval of Minutes

PUBLIC COMMENT

Please use the Raise Hand function and you will be called on.

If you are on the phone:

*9 to raise your hand

*6 to mute/unmute

FUNDING PRIORITIES



- What types of projects (project categories) are most important to CAAB members in the early years?
 - Years 1-5
 - Years 1-10
- Are there specific projects that are extremely important to CAAB?
- Interactive project map:
<https://bendoregon.maps.arcgis.com/apps/dashboards/709776045649480c991feac7cd9a4043>

HOW CAN \$\$ BE SPENT?



Requirements:

- Capital only (no O&M)
 - Can include administration, project management
- Must be in the boundary
- Spending on city-wide projects must be proportional

Best practices:

- Informed by stakeholder priorities
- Support economic development and tax growth

PROJECT CATEGORIES



Transportation, Streetscape, and Utility Infrastructure

Project Type/Name	URAB Proposed Allocation
Transportation	52%
Streetscape	
Utility Infrastructure	



PROJECT CATEGORIES



Affordable Housing Re/Development Assistance, Partnership, and Support

Project Type/Name	URAB Proposed Allocation
Re/Development Support	18%



Putnam Pointe Apartments in Downtown Bend

PROJECT CATEGORIES



Business and Re/Development Assistance, Partnership, and Support

Project Type/Name	URAB Proposed Allocation
Re/Development Support	15%
Existing Business/Building Support & Enhancement	



4th Main Mixed-use Development – Hillsboro, OR

PROJECT CATEGORIES



Public/Open Space, Facilities, Amenities, and Installations

Project Type/Name	URAB Proposed Allocation
Parks/Trails/Open Space	10%
Wayfinding & Signage	
Private Art Installations	



Gateway Regional Center – URA – Portland, OR

PROJECT CATEGORIES



Project Category	URAB Recommended Allocations	Project Allocations	Funding Capacity (\$2020)
Transportation, Streetscape, & Utility Infrastructure	52%	\$100.5 Million	\$58 Million
Affordable Housing Re/Development Assistance, Partnership, & Support	18%	\$36.4 Million	\$20 Million
Business & Re/Development Assistance, Partnership, & Support	15%	\$28.6 Million	\$17 Million
Public/Open Space, Plazas, Facilities, Amenities, & Installations	10%	\$18.8 Million	\$11 Million
Plan Administration, Implementation, Reporting, & Support	5%	\$9.7 Million	\$5.5 Million
	100%	\$195 Million	~\$111.5 Million

Recommended Third Priority

- Connects emerging district (Division) to Downtown/ BCD
- Supports both North- South connectivity & East-West connectivity

HOW TO FOCUS INVESTMENT

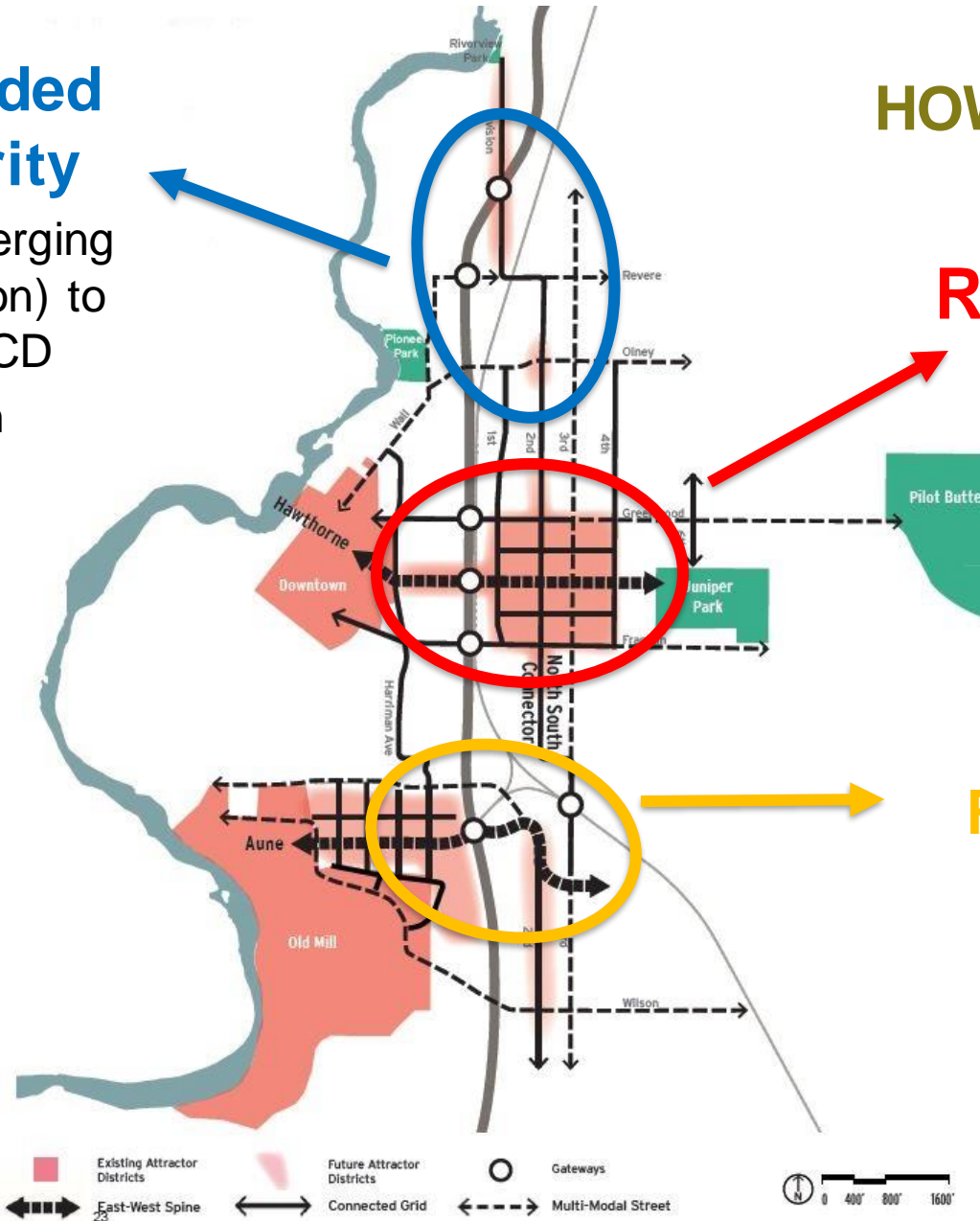


Recommended Priority Area

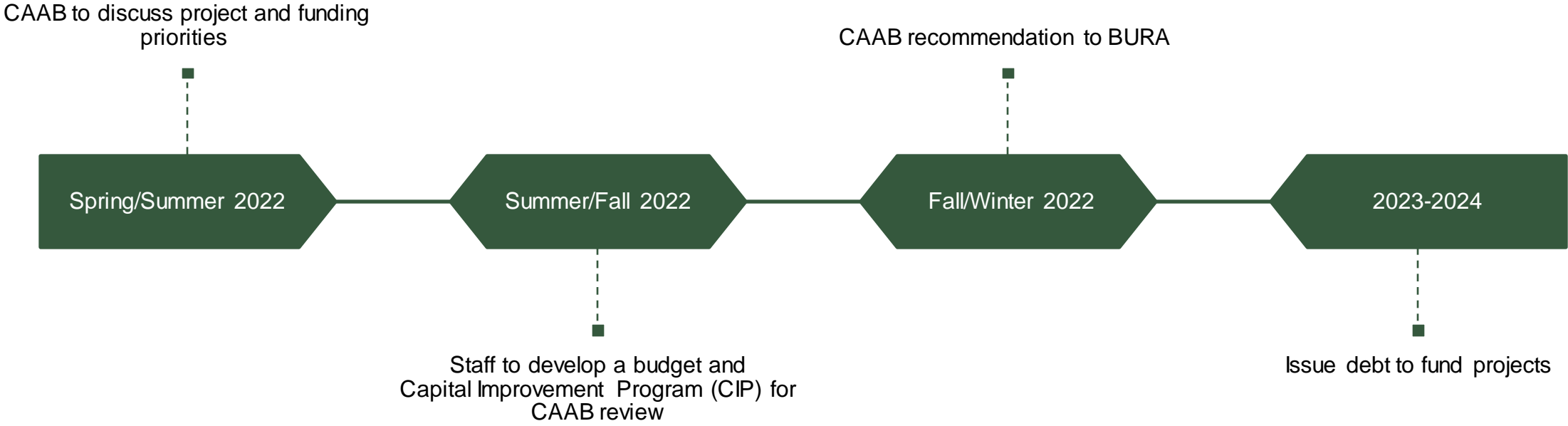
- Connects Bend Central District (BCD) to Downtown and Juniper Park
- "Core" of the Core
- East-West connectivity

Recommended Secondary Priority

- Connect Old Mill/KorPine to BCD/Wilson
- Supports both North- South connectivity & East-West connectivity
- Connects existing and emerging districts



NEXT STEPS FOR CAAB

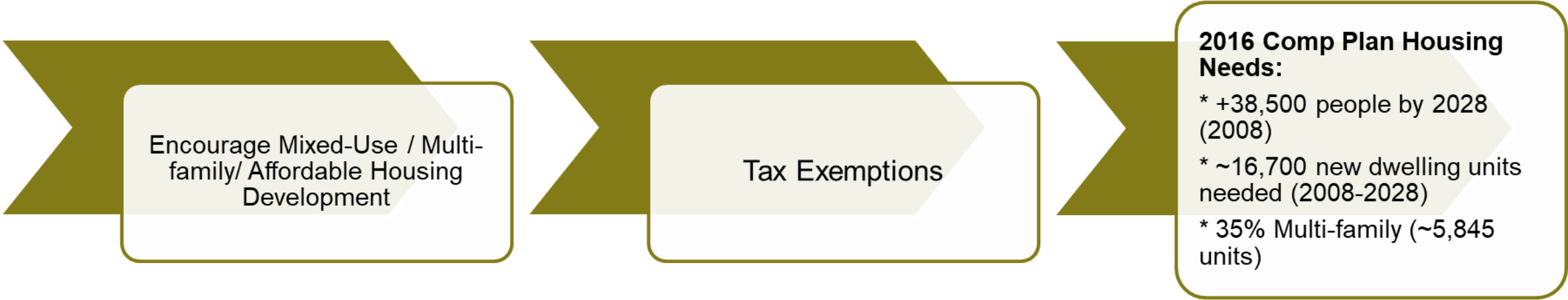


TAX EXEMPTIONS

WHY TAX EXEMPTIONS?



- Basic idea: offer property tax exemptions for a limited time period in order to enable higher density developments or certain aspects of development (ie. Affordable & low-income housing, childcare, etc.) that would not otherwise "pencil"
- Not a new idea





BEND AMI AND HOUSING AFFORDABILITY

MEDIAN HOME PRICE
\$650,000

IF YOUR HOUSEHOLD EARN'S THIS:

...YOU CAN AFFORD THIS*:

150% AMI
\$120,600

RENT
\$3,015

HOME PRICE
\$566,980

120% AMI
\$96,480

Manager
\$98,002

RENT
\$2,412

HOME PRICE
\$452,000

100% AMI
\$80,400

Civil Engineer
\$86,575

RENT
\$2,010

HOME PRICE
\$376,000

80% AMI
\$64,300

System Admin
\$78,362

System Operator
\$70,482

Teacher
\$70,529

Sales Rep
\$77,224

RENT
\$1,608

HOME PRICE
\$299,000

60% AMI
\$48,240

Social Worker
\$52,802

Web Developer
\$58,883

RENT
\$1,206

HOME PRICE
\$222,251

Nursing Assistant
\$33,506

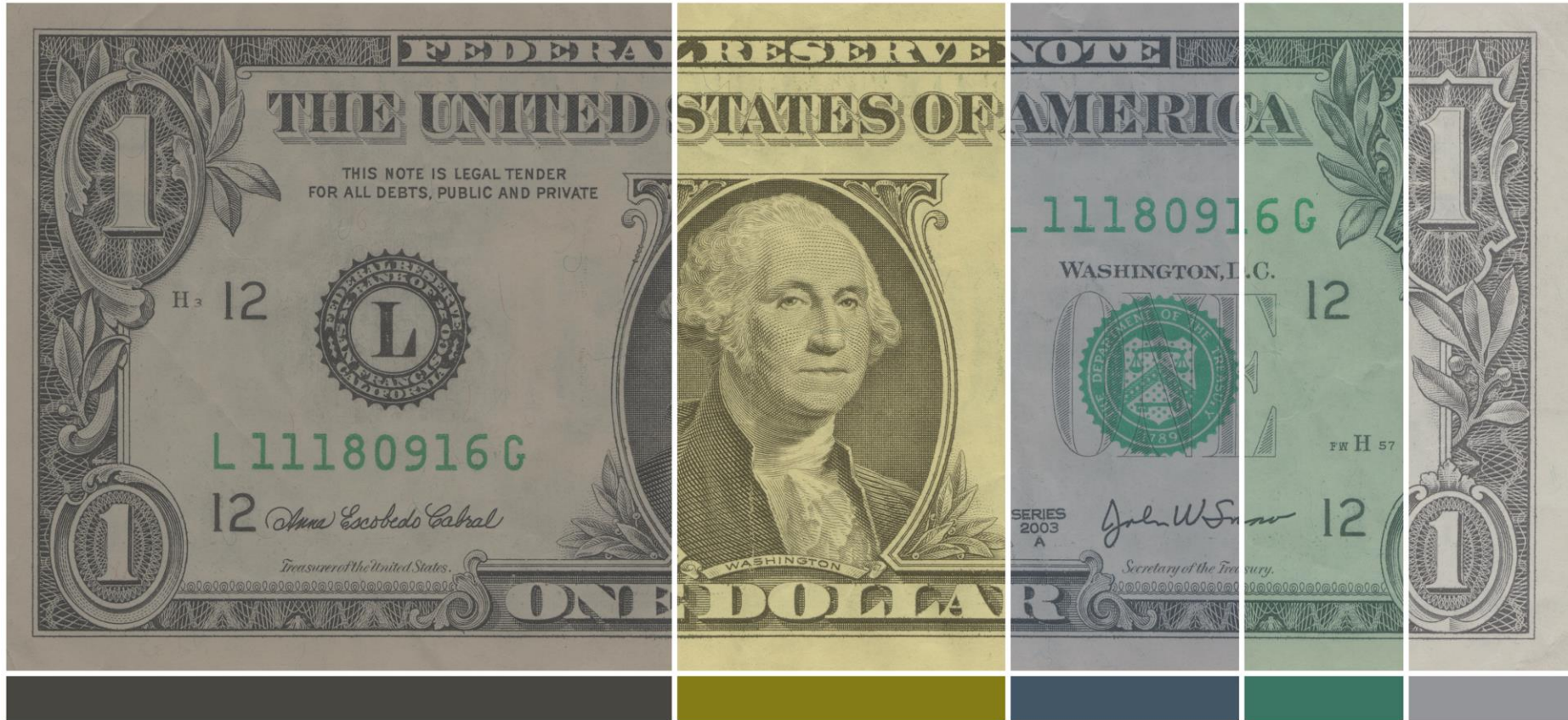
Recreation Worker
\$32,205

Photographer
\$39,263

Salesperson
\$34,122

*Numbers based on 10% down payment, 3.943% interest over 30 years, mortgage insurance, no HOA 630-689 credit score, and no debt.





42.6%
Bend-La Pine
Schools

21.2%
City of
Bend

14.8%
Deschutes
County

10.3%
Park
& Rec

11.1%
Other*

*COCC 4.7%, Library 3.5%,
911 2.3%, High Desert ESD 0.6%



NON-PROFIT TAX EXEMPTION FOR AFFORDABLE HOUSING DEVELOPMENT



Program Requirements

Adopted by Ordinance

Annual application required for review and approval by local government

Exemption length is determined by City and can be for the length of affordability

Must be leased or owned by a 501(c) (3) or (4) charitable corporation, including tax credit partnerships

Allowed anywhere in City, can be partial, and there is no unit minimum

Limited to persons at 60% AMI or less: local governments may choose to allow eligible income to rise to 80% after first year of occupancy

100% exemption if approved by jurisdictions representing at least 51% (usually city plus school district)



NON-PROFIT TAX EXEMPTION



- ORS 307.540 - 307.548
- Created in 1985 by the Oregon Legislature, this tax exemption is intended to benefit low-income renters by alleviating property tax burden on those agencies that provide this housing opportunity.



PROS

- Local government can add additional criteria if not inconsistent with the other criteria for the exemption
- Can be existing housing or new development; includes land held for development
- No limit on length of exemption if criteria are met

CONS

- Current sunset is 7/1/2027
- Limited to persons at 60 percent AMI or less (year 1)
- Annual application and review required

NOTES

- Currently used by Portland, Beaverton, Forest Grove, Cornelius, Tigard, Wilsonville and others



NON-PROFIT TAX EXEMPTION

Examples:

- Central Oregon Veterans Outreach
- Kor Community Land Trust
- Habitat for Humanity



CENTRAL OR VETERAN & COMM OUTREACH INC
 61510 S HIGHWAY 97 100
 BEND OR 97702

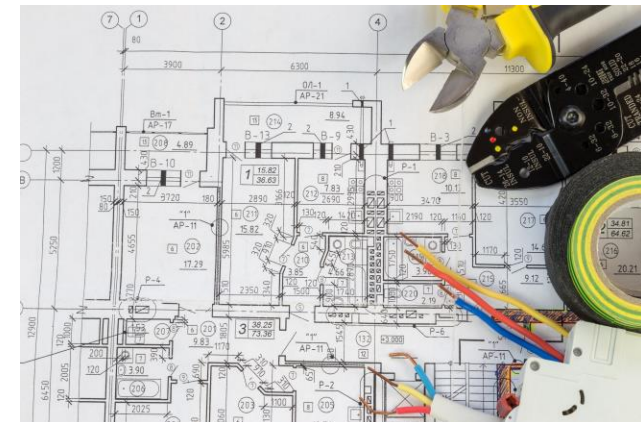
PROPERTY DESCRIPTION

CODE: 1001 MAP: 171233-CC-00601 CLASS: 101

SITUS ADDRESS: 476 NE DEKALB AVE 1 BEND

LEGAL: KEYSTONE TERRACE 3 9

VALUES:	LAST YEAR	THIS YEAR
REAL MARKET (RMV)		
LAND	164,020	213,100
STRUCTURES	0	262,080
TOTAL RMV	164,020	475,180
MAXIMUM ASSESSED VALUE	95,260	229,880
TOTAL ASSESSED VALUE	95,260	229,880
VETERAN'S EXEMPTION	0	0
NET TAXABLE:	95,260	229,880
TOTAL PROPERTY TAX:	1,475.11	3,643.03





**MIDDLE INCOME TAX EXEMPTION
(NEWLY REHABILITATED OR CONSTRUCTED
MULTIUNIT RENTAL HOUSING)**

MIDDLE INCOME TAX EXEMPTION



Program Requirements

Local option, 100% of taxes exempted if 51% of taxing districts agree

Income ranges of future tenants can be defined by local agency, likely up to 120% AMI (currently \$96,480 for 4 person household)

Available for newly constructed or rehabilitated housing only

Can only qualify for the exemption based on rehabilitation once

Length of exemption is tied to a formula created by the local government

Compiled as notes following ORS 307.867, exemption for newly rehabilitated or constructed multiunit rental housing

MIDDLE INCOME TAX EXEMPTION



PROS

- Incentivizing housing that will be restricted to middle income
- City establishes formula for length of exemption

CONS

- Possibility of disincentivizing Affordable Housing
- 51% of Taxing District Levy must support
- Length of deed restriction tied to length of exemption
- Must be for rent

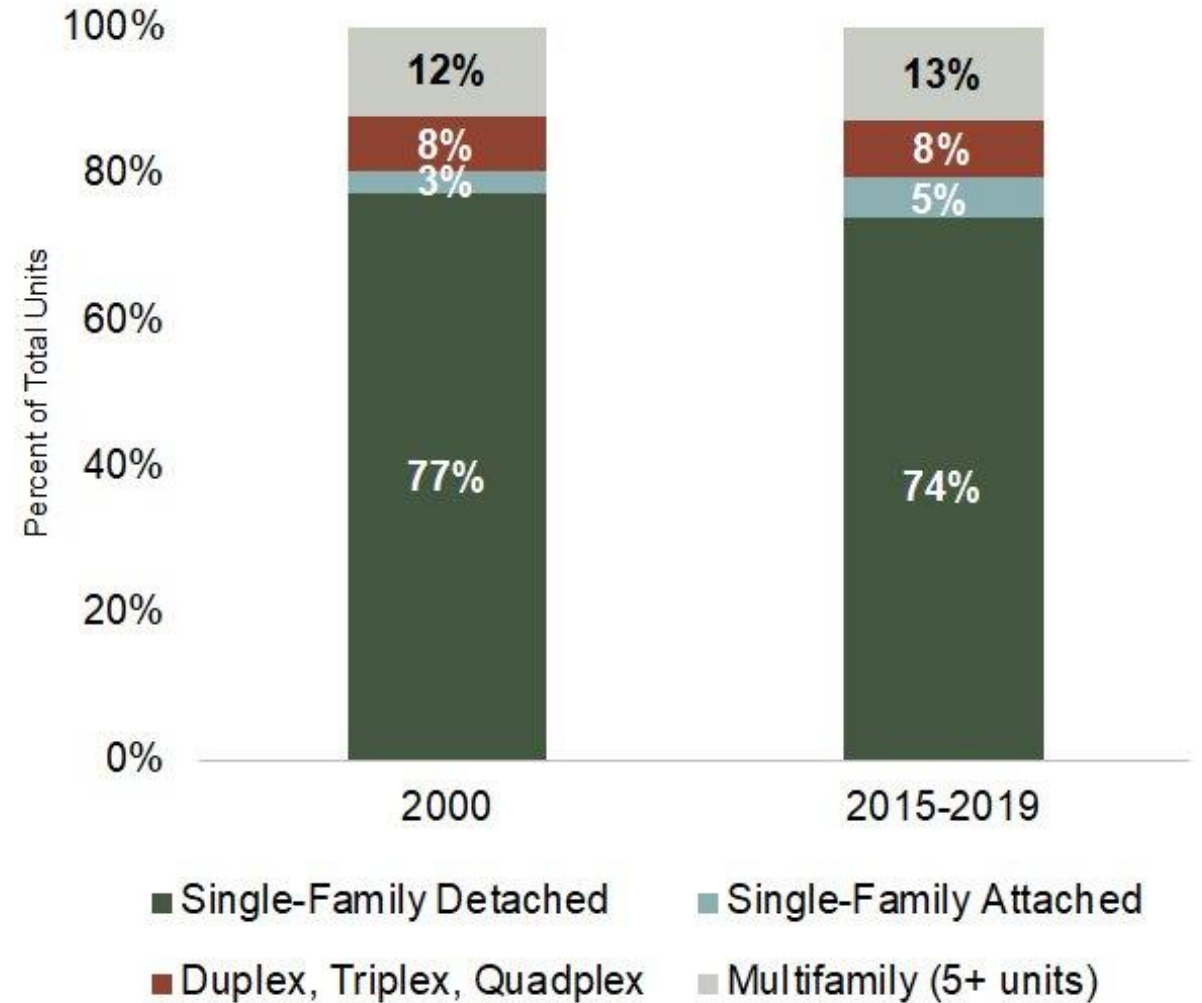
NOTES

- Currently used by Tillamook, OR

MIDDLE INCOME HOUSING RECOMMENDATIONS



- Apply Citywide
 - Units must be for rent
- Single Family detached housing would be prohibited
- Focus on Middle Housing types (duplex, triplex, quadplex, cottage clusters, micro-unit developments, apartments)
- Consider ways to incentivize denser development types in Central Area
 - Density minimums or multi-story requirements



Source: U.S. Census, Decennial Census 2000 and American Community Survey 2015-2019

MULTIPLE UNIT PROPERTY TAX EXEMPTION



MUPTTE

MULTI-UNIT PROPERTY TAX EXEMPTION (MUPTTE)



Program Requirements

Program adopted by Ordinance

Each project approved by Resolution

Core Areas, Transit Oriented Areas

Exemption

Improvements exempt (not land) for up to 10 years

Affordable/Low Income exemption can be extended beyond 10 years

Exemptions can include associated parking and/or ground floor commercial space if required as part of development

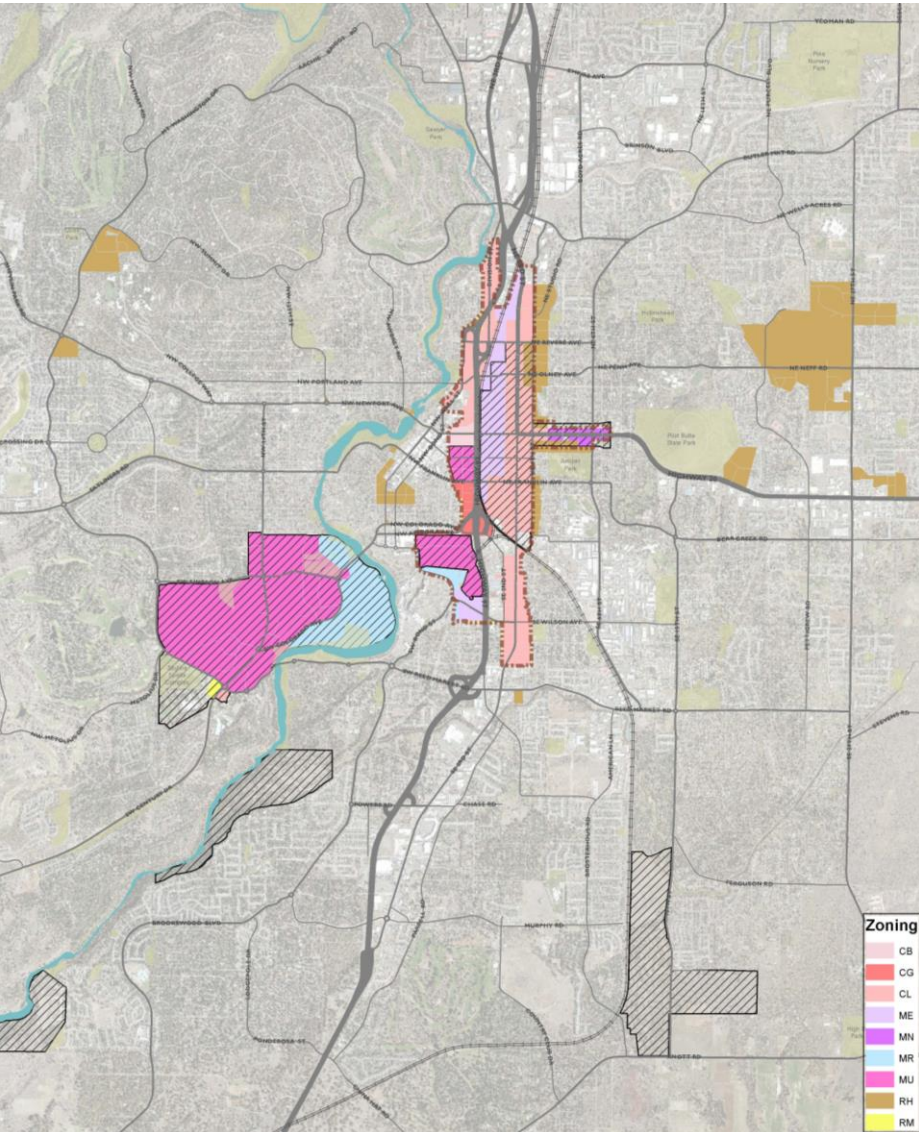
State Sunset of Program in 2032

Taxing District Participation

Taxing District participation not required

If 51% of combined levy Taxing Districts agree by Board resolution to participate, all districts are included.

MULTI-UNIT PROPERTY TAX EXEMPTION (MUPTTE)



PROS

- City establishes eligibility criteria
- Applicants can be required to demonstrate project feasibility
- Can be applied to any zone that supports multi-unit housing
- Does not require commercial ground floor use

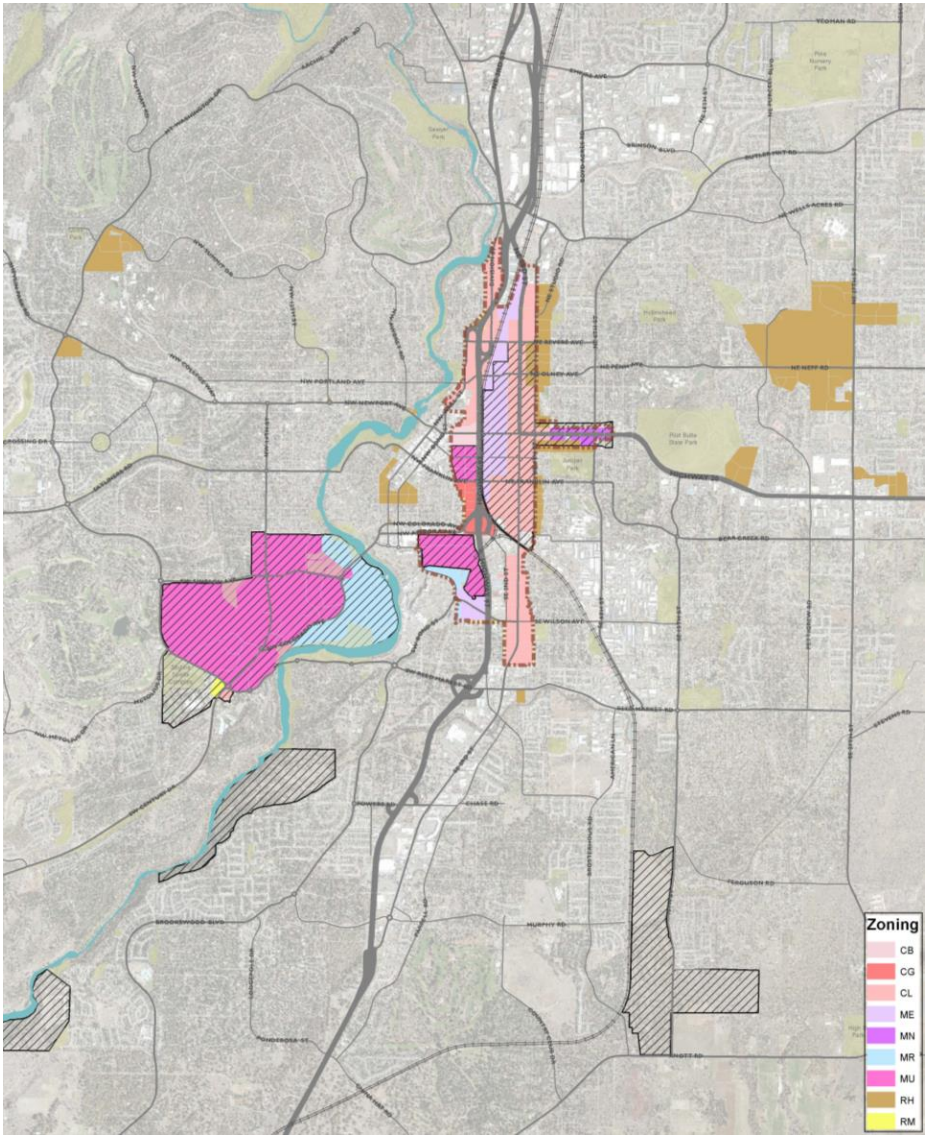
CONS

- 51% of Taxing District Levy must support
- Timely application/process

NOTES

- City can tailor eligibility criteria to meet needs & goals
- Used in Salem, Eugene, Cottage Grove, and Newport.

MUPTe ELIGIBILITY: PRELIMINARY RECOMMENDATIONS



- 3+ units
- Must be a multi-story project (2+ stories)
- Prohibit Short-term Vacation Rentals (STRs)
- Provide a minimum number of public benefits from a list including a certain number of **priority** public benefits (depending on area)



Priority Public Benefits

- At least 10% of units Affordable Housing
 - <60% AMI for rent
 - <80% AMI for sale
- At least 30% of units are Middle Income
 - <120% AMI
- Childcare facilities (commercial & in-home)
- > 50% of ground floor dedicated to non-residential uses
- Energy efficiency and/or Green Building Features
 - Net zero, or
 - 10% more efficient than code, or
 - LEED or Earth Advantage certified
 - Solar energy production

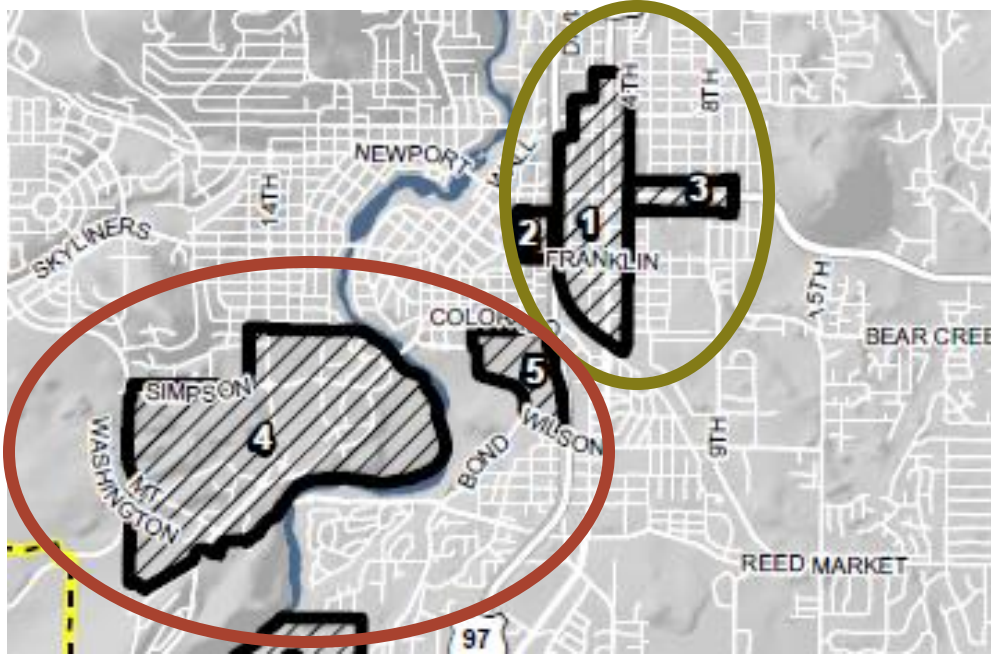
Additional Public Benefits

- Transit supportive amenities
- Native, pollinator-friendly, waterwise landscaping
- Pedestrian-oriented design
- Extra costs associated with infill development
- Provide parking within a wrapped-structure
- Common meeting rooms open to the public
- Open space dedication (more than development minimum standards) or recreation supportive facilities
- Art supportive facilities
- Stormwater- site developed to treat more than a 25-year storm event
- Electric car charging stations
- Displacement plan for existing businesses and residents impacted by project
- Ground floor dedicated to non-residential uses



- MUPTTE
 - Tailor public benefit eligibility criteria requirements based on geographic/market conditions throughout the City
 - In stronger market areas make the requirements more difficult to meet
 - Concerns about impact to TIF revenue in Core Area
 - Desire to require certain public benefit criteria to meet housing, childcare, and environmental/climate goals
 - Support for looking at program caps and monitoring impacts to Core Area TIF revenue

WAYS TO TAILOR ELIGIBILITY CRITERIA

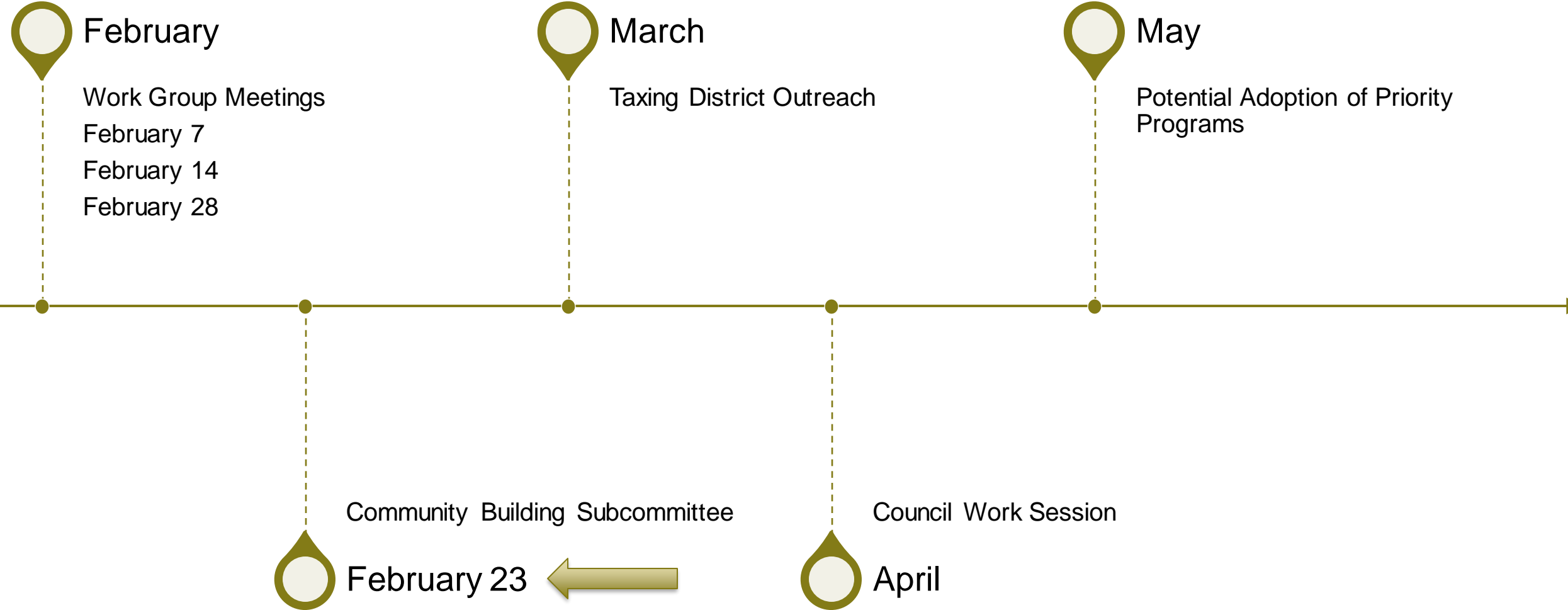


- Base Eligibility Criteria on two factors:
 - Project Scale: based on unit size or # of stories
 - Location-based (opportunity area/zone)
 - Zone A (in green)
 - Zone B (in red)

Opportunity Areas

- 1 - Bend Central District
- 2 - East Downtown
- 4 - Inner Hwy 20 / Greenwood
- 4 - Central West Side / Century Drive
- 5 - KorPine

SCHEDULE



February

Work Group Meetings
February 7
February 14
February 28

March

Taxing District Outreach

May

Potential Adoption of Priority Programs

Community Building Subcommittee

February 23



Council Work Session

April

**DLCD
CLIMATE FRIENDLY & EQUITABLE COMMUNITIES
RULEMAKING**



CLIMATE FRIENDLY AND EQUITABLE COMMUNITIES

CORE AREA ADVISORY BOARD

MARCH 17, 2022



- Forthcoming transportation and housing rules from the Land Conservation and Development Commission
- Purpose – land use and transportation planning for Climate Friendly and Equitable Communities
- Outline projects, code changes, and future planning updates
- Today - share information, answer questions, provide schedule for public hearings and adoption

CLIMATE FRIENDLY AND EQUITABLE COMMUNITIES



- A project of the Department of Land Conservation and Development
- March 10, 2020 Executive Order 20-04
 - Act with urgency
 - Engage with groups not typically included in land use planning
- 18-month rulemaking process with 40+ members advisory committee
- Rule topics:
 - Transportation Planning
 - Greenhouse Gas Reduction
 - Housing

Office of the Governor
State of Oregon



EXECUTIVE ORDER NO. 20-04

DIRECTING STATE AGENCIES TO TAKE ACTIONS TO REDUCE AND
REGULATE GREENHOUSE GAS EMISSIONS



**Climate-Friendly and
Equitable Communities
Rulemaking**

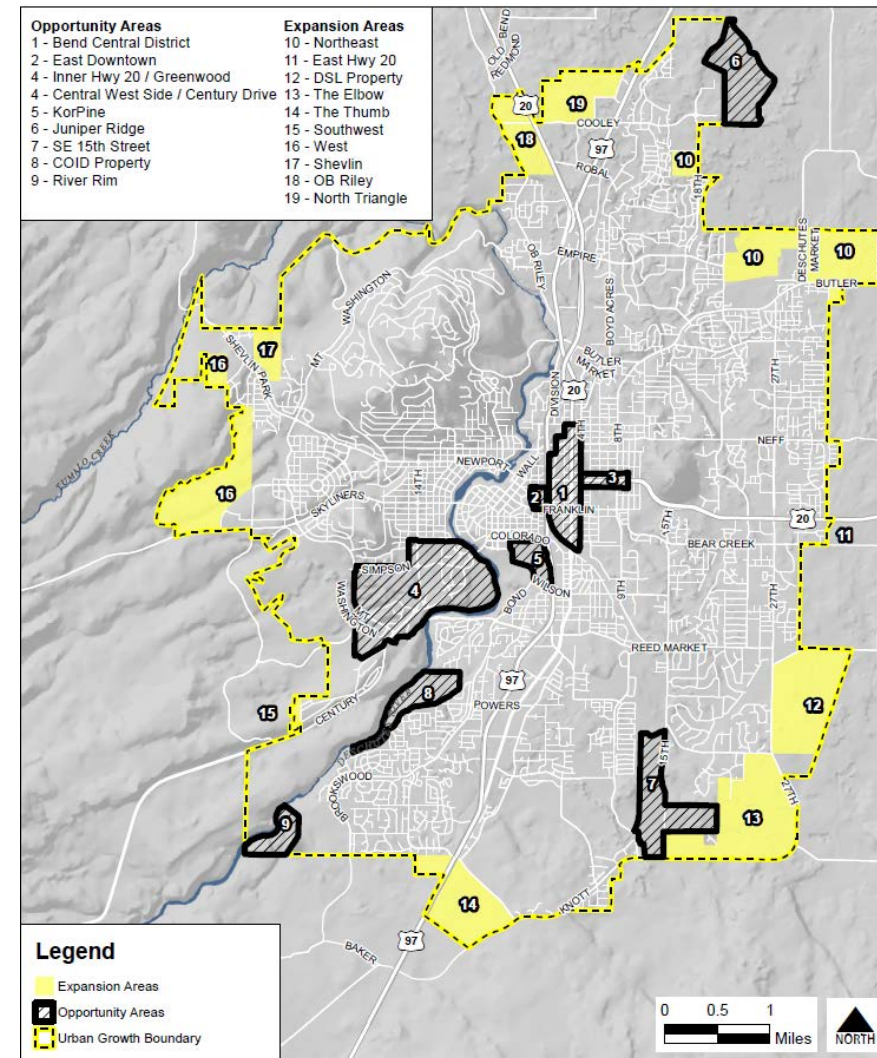


- October 20, 2021 City Council Quarterly Update
- January 10, 2022 – Neighborhood Association Roundtable – Public Information Session
- January 19, 2022 City Council Quarterly Update
- March 16, 2022 City Council Quarterly Update

CLIMATE FRIENDLY AREAS



- Existing or planned urban centers
 - At least 25 acres in size
 - Minimum dimension of 750 feet
- High quality pedestrian, bicycle, and public transportation infrastructure and services
 - Must address requirements specific to CFAs
- Allow a mix of land uses
 - Building height 85 feet
 - Residential density of 25 units/acre
 - Max block length of 500 feet
- Parking management requirements





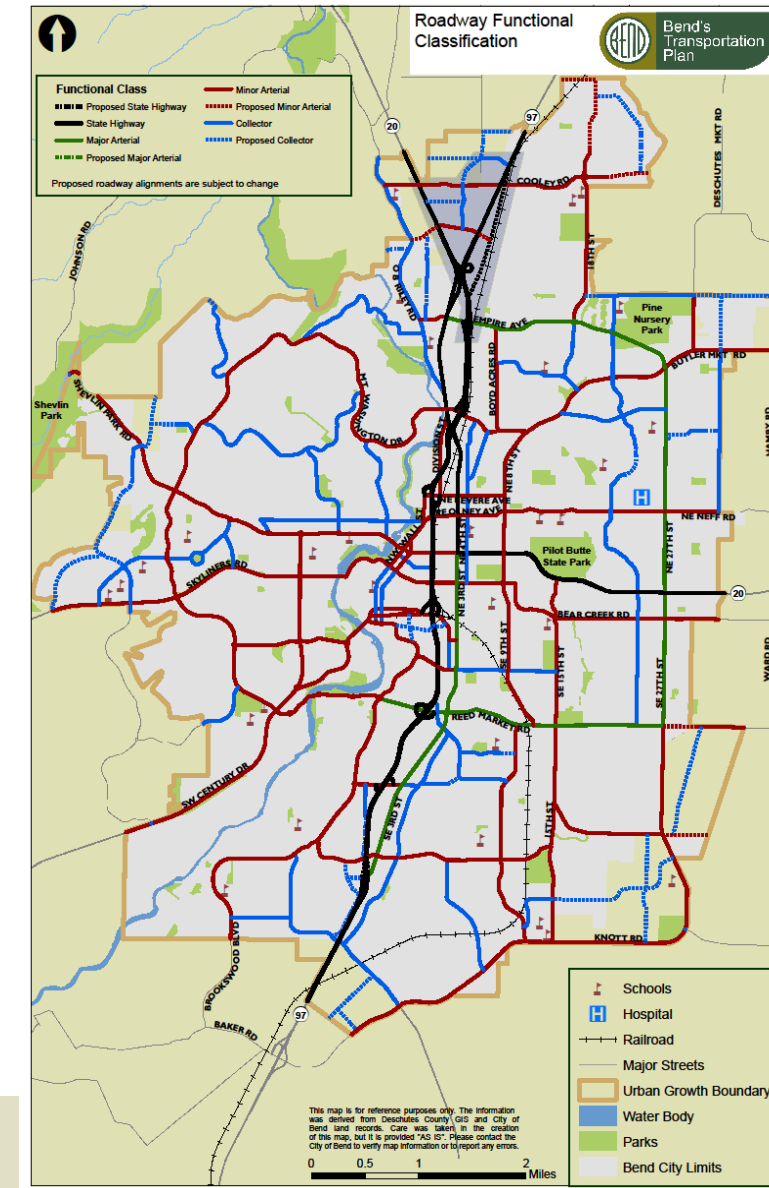
- New focus on parking management
- Code changes require to allow shared parking, reuse of parking lots, development of tree canopy
- Parking maximums must be established
- Parking mandates to be reduced or eliminated
- Parking pricing to be implemented



VEHICLE MILES TRAVELED (VMT) REDUCTION



- City must adopt a transportation system plan (TSP) that shows a reduction in vehicle miles traveled (VMT) per capita at the horizon year
- Surrogate measure for reducing greenhouse gas emissions
- Achieved through changes to land uses and transportation network
 - modeled using changes to land use scenario, transportation network, assumptions on fuel efficiency, fleet, policy changes
- Future plan amendments, e.g. UGB expansions, rezoning inside UGB, need to be consistent with adopted VMT reduction



Dates and Deadlines	Task/Product
December 1, 2022 (Optional)	<p>Submit a proposed Work Program that proposes to set Effective Dates or Alternative Deadlines</p> <ul style="list-style-type: none"> ✓ Some work must be implemented by December 31, 2023 ✓ All elements must be completed by June 30, 2027
December 31, 2022	<p>Apply new rules to development applications submitted after December 31, 2022</p> <ul style="list-style-type: none"> ✓ Reduction of Parking Mandates for Development Types ✓ Parking Reform Near Transit Corridors
March 31, 2023	<p>Adopt land use requirements for off-street parking and electric vehicle charging</p> <ul style="list-style-type: none"> ✓ Reduction or elimination of required parking spaces in Development Code ✓ Adoption of electric vehicle charging requirements ✓ Coordination with development of Electric Vehicle Readiness Plan
May 31, 2023	<p>Submit First Annual Report for the 2022 Reporting Year</p> <ul style="list-style-type: none"> ✓ Reports due on May 31st of each year for prior reporting year ✓ Major reports required when updating the Metropolitan Transportation Plan
June 30, 2023	<p>Complete and submit to DLCD a study of potential climate friendly areas</p> <ul style="list-style-type: none"> ✓ City must prepare report on potential climate friendly area or areas ✓ Must identify locations in Bend UGB, identify which areas might meet criteria for designation

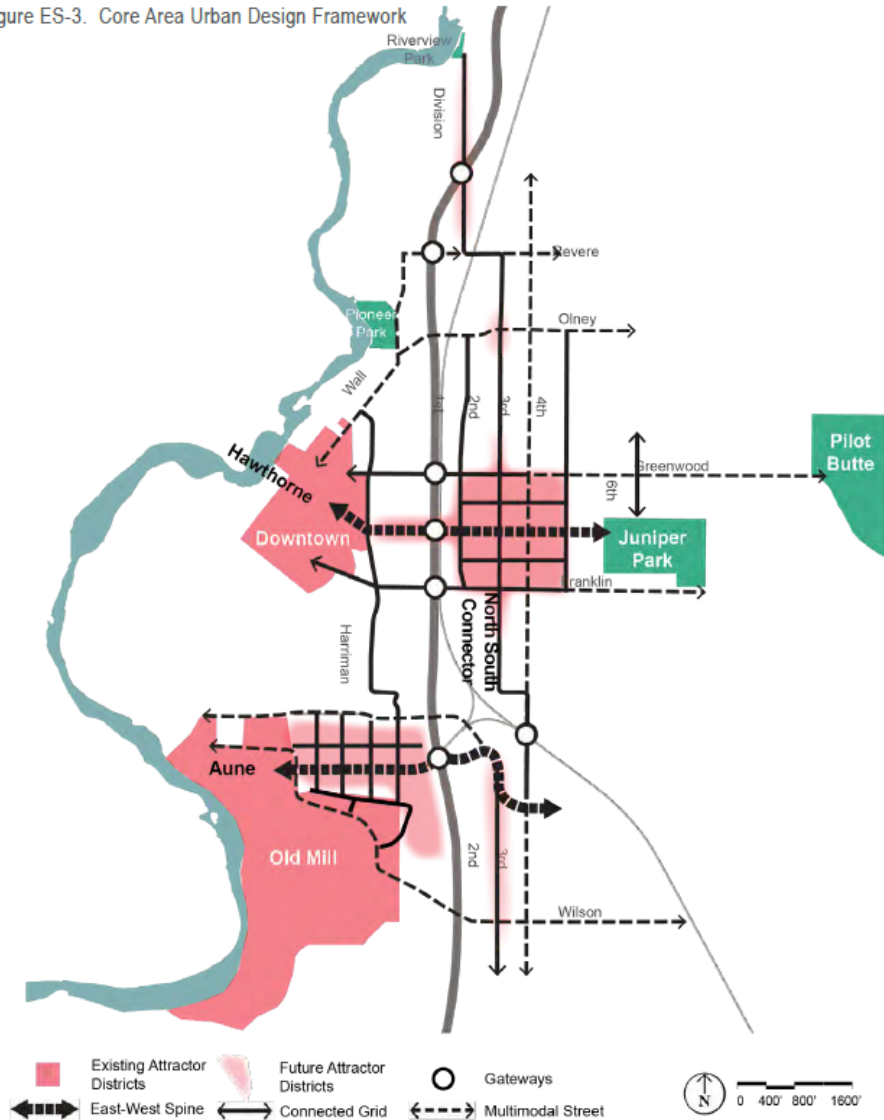
Dates and Deadlines	Task/Product
June 30, 2024	<p>Adopt Land Use requirements for Climate Friendly Areas</p> <ul style="list-style-type: none"> ✓ Adopt final Development Code Changes ✓ Adopt final changes to Comprehensive Plan, Transportation System Plan ✓ Adopt Climate Friendly Comprehensive Plan element – New Appendix
December 31, 2024	<p>Adopt required Housing Capacity Analysis update, including planned capacity of 30% of future housing units in climate friendly areas (CFAs)</p> <ul style="list-style-type: none"> ✓ New task is demonstrating that CFA or CFAs <u>are sized to accommodate</u> 30% of future units ✓ For UGB capacity estimate for housing, rely on existing laws and rules
TBD	<p>Update Transportation System Plan</p> <ul style="list-style-type: none"> ✓ Pedestrian system ✓ Bicycle system ✓ Public transportation system ✓ Urban street and highway system ✓ Reduction in vehicle miles traveled (VMT)
June 30, 2027	<p>When proposing a UGB expansion <u>for housing</u> after this date, designate and zone additional CFA(s) concurrent with UGB expansion</p> <ul style="list-style-type: none"> <input type="checkbox"/> Housing units split between new CFA (50%) and expansion area (50%)



REMAINING SCHEDULE

- March 17, 2022 – updated hearing draft of rules available on DLCD website
- **March 31, 2022 – first public hearing before Land Conservation and Development Commission**
- April 11, 2022 – Potential state advisory committee meeting
- **May 19, 2022 – second public hearing before and adoption by Land Conservation and Development Commission**
- June, 2022 – Rules take effect

Figure ES-3. Core Area Urban Design Framework





Any Questions