



CORE AREA ADVISORY BOARD

April 21, 2022

WELCOME & INTRODUCTIONS



AGENDA

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

- Roll Call
- Approval of Minutes (from both meetings)

PUBLIC COMMENT

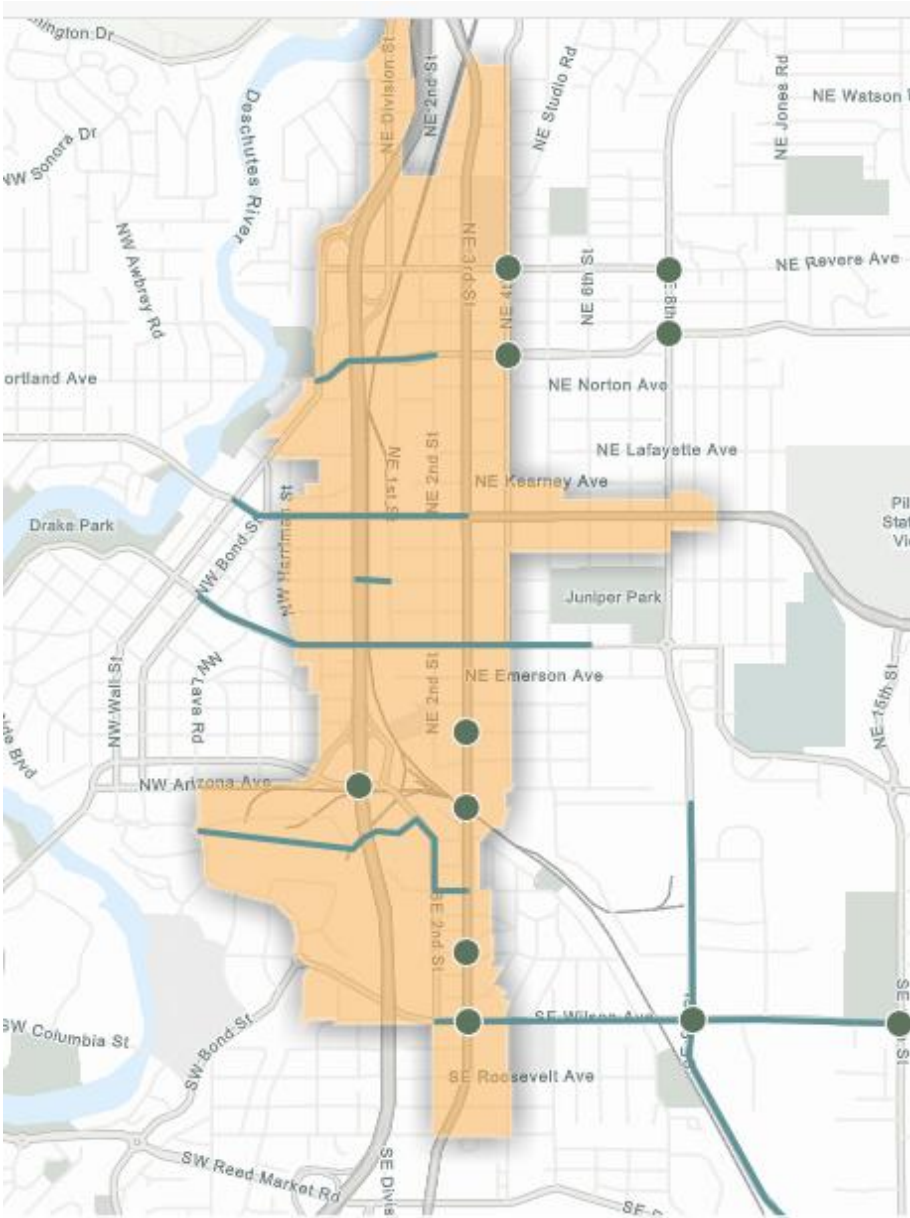
Please use the Raise Hand function and you will be called on.

If you are on the phone:

*9 to raise your hand

*6 to mute/unmute

FUNDING PRIORITIES



Early investments should focus on...

- Funding infrastructure & streetscape improvements that remove barriers to development
- Midtown Crossings and streetscape improvements to support that project

Recommended Third Priority

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

HOW TO FOCUS INVESTMENT

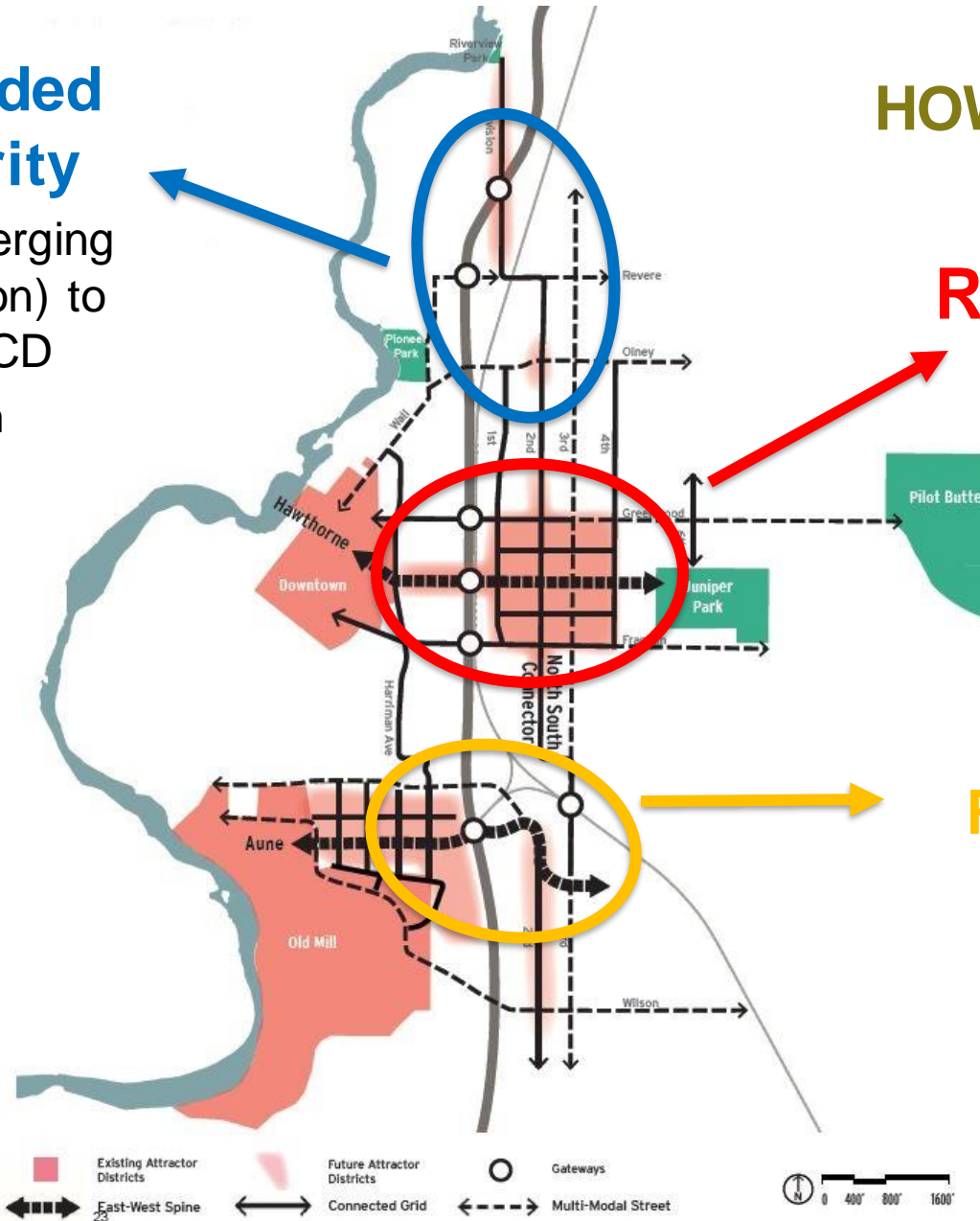


Recommended Priority Area

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

Recommended Secondary Priority

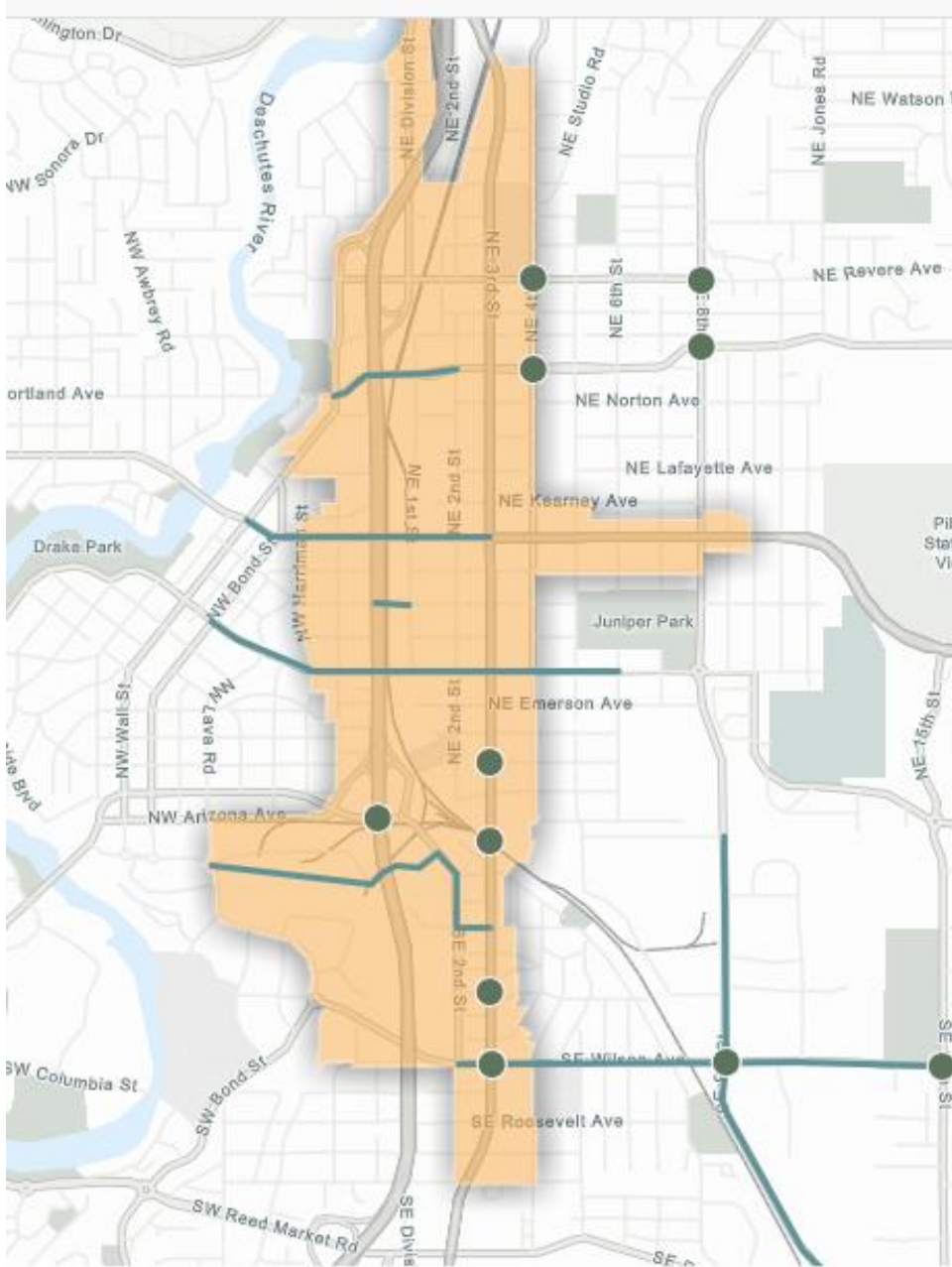
- Connect Old Mill/KorPine to BCD/Wilson
- Supports both North- South connectivity & East-West connectivity
- Connects existing and emerging districts



TRANSPORTATION BOND PROJECTS IN CORE AREA



- Midtown Crossings
- Olney Pedestrian and Bicycle Improvements
- Aune Street Extension East
- Aune Street Extension West
- Colorado Avenue Interchange



PROJECT SCHEDULE



2020 GO Bond 5-Year Capital Improvement Plan

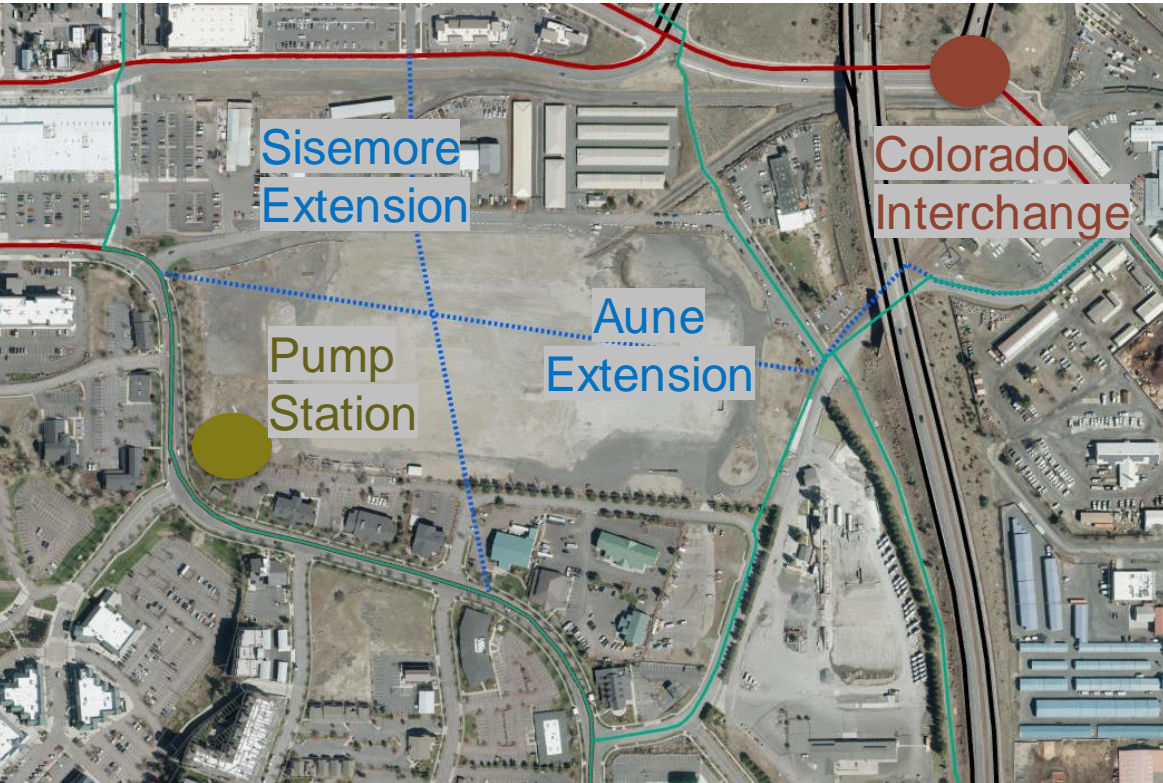
Year	2022	2023	2024	2025	2026
Wilson Avenue Corridor	Design	Construction			
Newport Corridor Improvements (Key Route Work)	Design	Construction			
Neff and Purcell (Purcell Extension)	Design	Construction			
Local Residential Street Safety	Design	Construction	Design	Construction	Design
North Corridor Project Coordination (City Contribution)	Design	Construction	Construction		
Butler Market Road and Boyd Acres Road Improvements	Design	Construction	Construction		
Olney Pedestrian and Bike Improvements		Design	Construction		
Archie Briggs Improvements		Design	Construction		
Improved Access to Transit		Design	Construction	Construction	
Aune Street Extension (East)		Design	Construction	Construction	
Portland Avenue Corridor Improvements			Design	Construction	
Reed Market Corridor	Design		Design	Construction	
Neff Corridor Improvements		Design	Construction	Construction	Construction
Midtown Crossings	Design	Construction	Construction	Construction	Construction
Bear Creek Road and 27th Street Improvements		Design	Construction	Construction	Construction
Aune Street Extension (West)					Design
Olney and Penn Intersection Improvements					Design
Colorado Avenue Interchange Improvements					Design
Colorado Avenue Capacity Improvements					Design
Empire-OB Riley Intersection					Design
Murphy Parkway Ramps Project					Design



SPECIFIC/ANTICIPATED DEVELOPMENT NEEDS



- Franklin Avenue Improvements
- Bend Central District (street) improvements
- KorPine Sewer Pump Station
- US 97/Colorado Interchange
- Sisemore Extension



PRIVATE RE/DEVELOPMENT & BUSINESS ASSISTANCE



Private Development Assistance

What types of developments would you want to support? What specific elements of projects?

Business Assistance

What types of businesses or types of improvements would you want to focus on?

Documents sent in advance of meeting to support this discussion:

Boise Participation Program; Redmond Storefront Improvement Program; Juniper Ridge Development Assistance Program

OTHER CATEGORIES



- Affordable Housing Re/Development Assistance, Partnership, and Support
- Public/Open Space, Facilities, Amenities, and Installations
- Plan Administration, Implementation, Reporting and Support



NEXT STEPS FOR CAAB



CAAB to discuss project and funding priorities

CAAB recommendation to BURA



Staff to develop a budget and Capital Improvement Program (CIP) for CAAB review

Issue debt to fund projects

TAX EXEMPTIONS



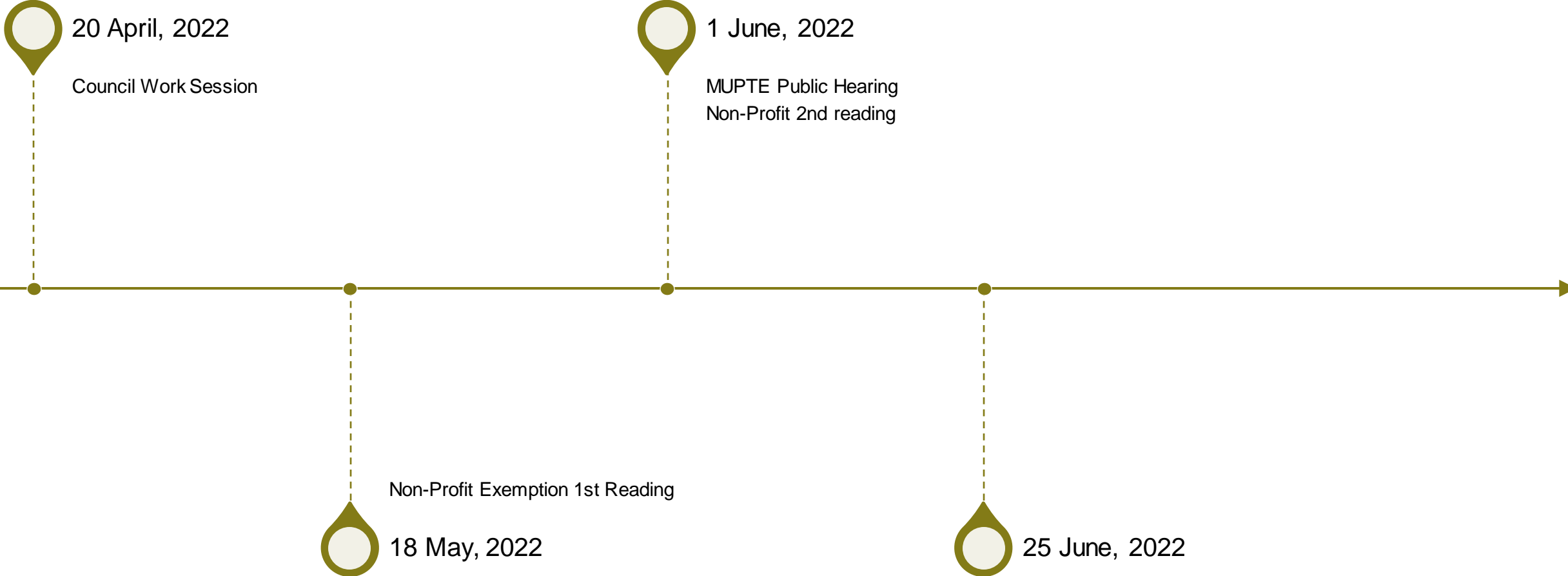
Multiple Unit
Property Tax
Exemption
(MUPTE)

Nonprofit
Corporation Low
Income Housing
Exemption (NPTE)

*Middle Income
Housing Exemption*

- Updates on staff/work group recommendations & taxing district outreach
- Program Recommendations
 - Non-Profit
 - MUPTE
- Program Caps

ADOPTION & PROGRAM SCHEDULE





**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 combined levy of taxing districts approve

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

Available for newly constructed or rehabilitated **multi-unit** housing only

Can only qualify for the exemption based on rehabilitation once

Length of exemption is tied to the number of units rented to eligible households, per a formula created by the local government, up to ten years

MIDDLE-INCOME OPTIONS



State statute requires that number of consecutive property tax years for which the exemption is granted must increase directly with the % of units constituting the eligible rental property

Work Group recommendation:

- **Hold-off** on implementing this exemption until changes are made to legislation to allow flexibility in how formula is written to make this program more effective

Tillamook County

Length of exemption tied to % of middle-income units:

10% of units = 1 year

50% of units = 5 year

100% of units = 10 year

Work Group Proposal

(not allowed by state statute)

Maximize length of deed restriction to 10 years for all:

25% of units = 10% exemption

50% of units = 20% exemption

75% of units = 30% exemption

100% of units = 40% exemption



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% of tax levy





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

COVO DUPLEX



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

District	Tax rate (% of every \$1)	20-year total Impact	Average Annual Impact
School	42.6%	\$44,504	\$2,225
City	21.2%	\$22,147	\$1,107
County	14.8%	\$15,461	\$773
BPRD	10.3%	\$10,760	\$538
COCC	4.7%	\$4,910	\$246
Library	3.5%	\$3,656	\$183
911	2.3%	\$2,403	\$120
High Desert ESD	0.6%	\$627	\$31
Total	100.0%	\$104,469	\$5,223

Exemption would last for the period of affordability, this is intended to show a 20-year snapshot.

MULTIPLE UNIT PROPERTY TAX EXEMPTION



MUPTTE

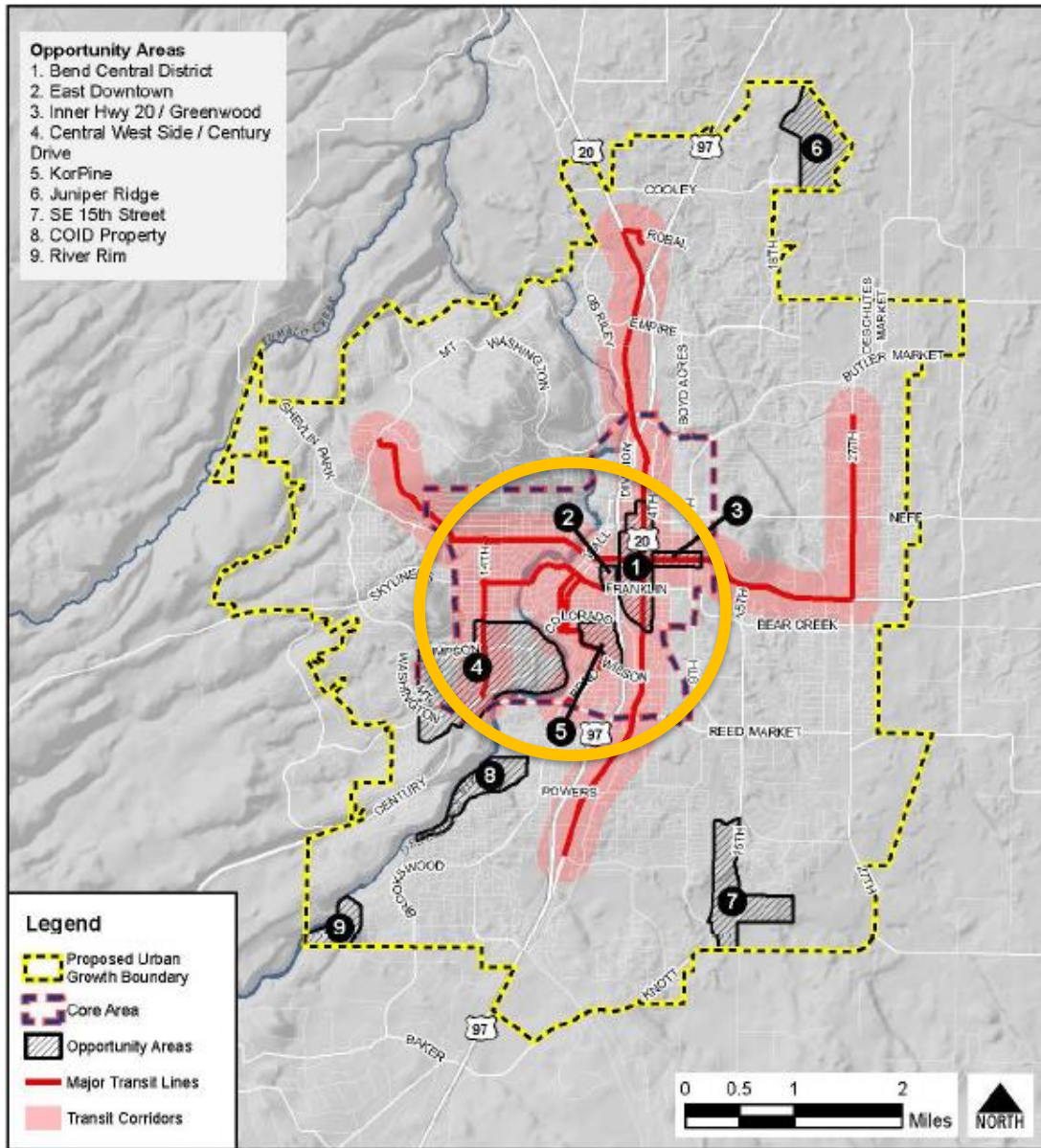
MULTI-UNIT PROPERTY TAX EXEMPTION (MUPTTE)



Program Requirements

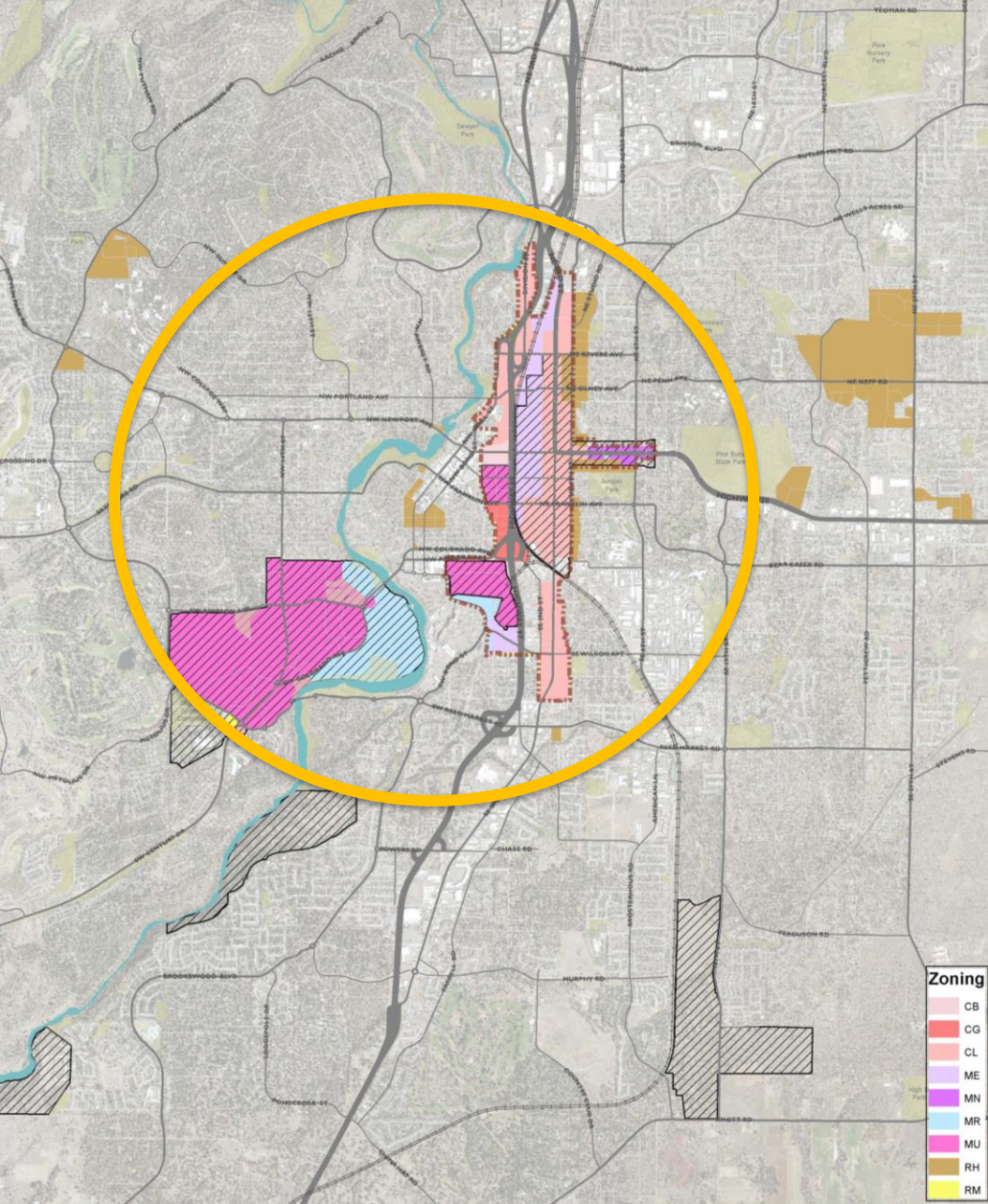
- Program adopted by Ordinance
 - Each project approved by Resolution
 - Core Areas, Transit Oriented Areas
 - Not intended for transient oriented uses (hotels/motels)
-
- Improvements exempt (not land) for up to 10 years
 - Affordable/Low Income exemption can be extended beyond 10 years
 - Exemptions can include associated parking and/or ground floor commercial space if required as part of development
-
- Taxing District participation not required
 - If 51% of combined levy Taxing Districts agree by Board resolution to participate, all districts are included.
-

MUPTA ELIGIBILITY: PRELIMINARY RECOMMENDATIONS



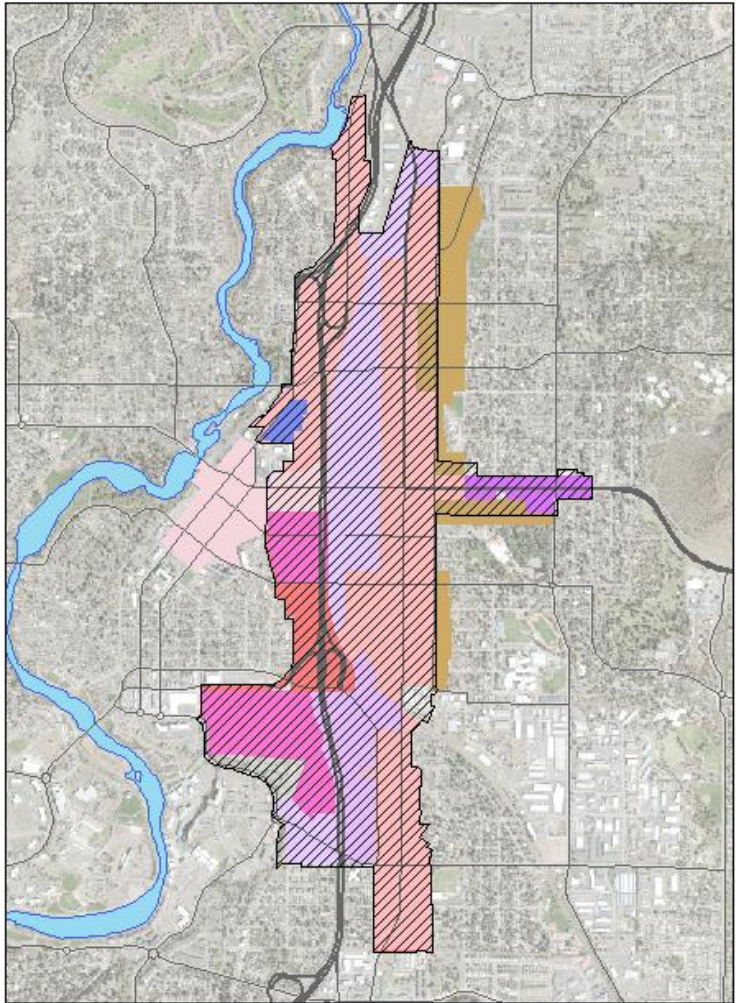
- 3+ units
- Hotels, Motels, and Short-term Vacation Rentals (STRs) would be prohibited
- Require eligible projects to be multi-story (2+ stories) as a public benefit as well as choose from a list of other potential public benefits requirements
- Require **(3rd party)** pro-forma review to demonstrate financial need
- Commercial portion only eligible for exemption if required as part of development or used to meet public benefit requirements

RECOMMENDED MUPTA AREA/ZONES



Zoning

- Mixed Neighborhood
- Mixed Riverfront
- Mixed Urban
- Residential High Density
- Central Business District
- Commercial General
- Commercial Limited
- Industrial Limited
- Mixed Employment





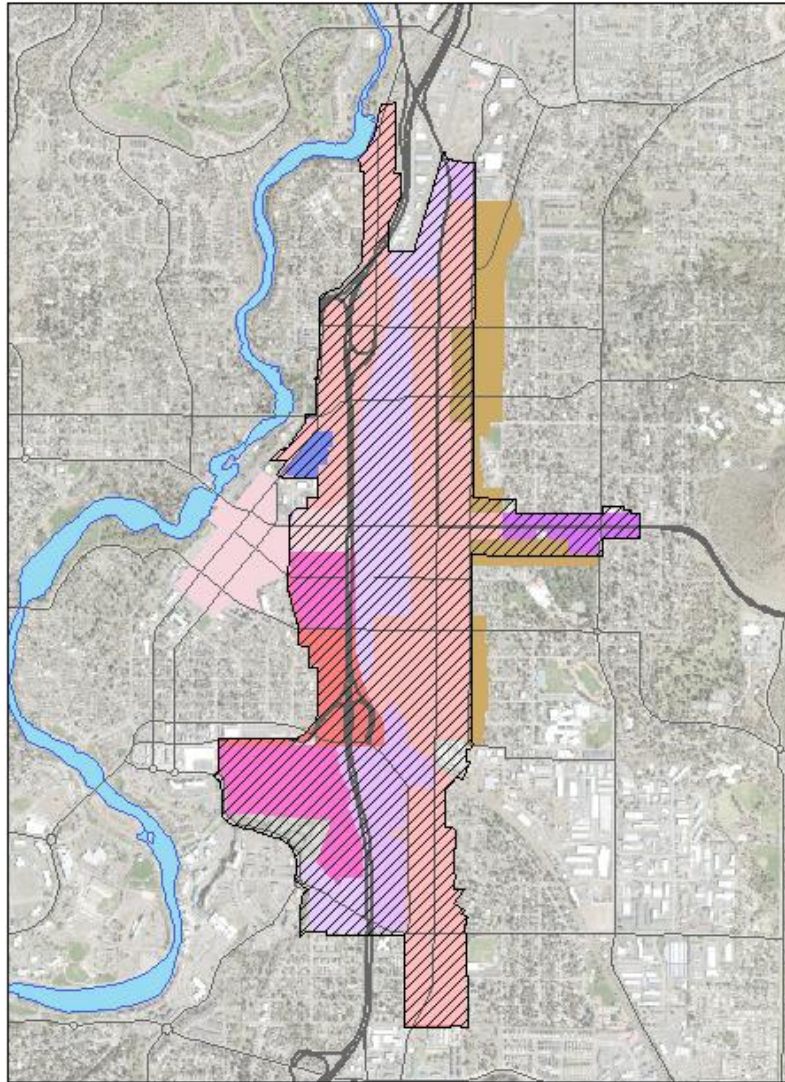
RECOMMENDED ZONES/AREAS TO INCLUDE

Legend

- Deschutes River
- Core Area TIF Boundary

Zones

- CB
- CG
- CL
- IL
- ME
- MN
- MU
- PF
- RH

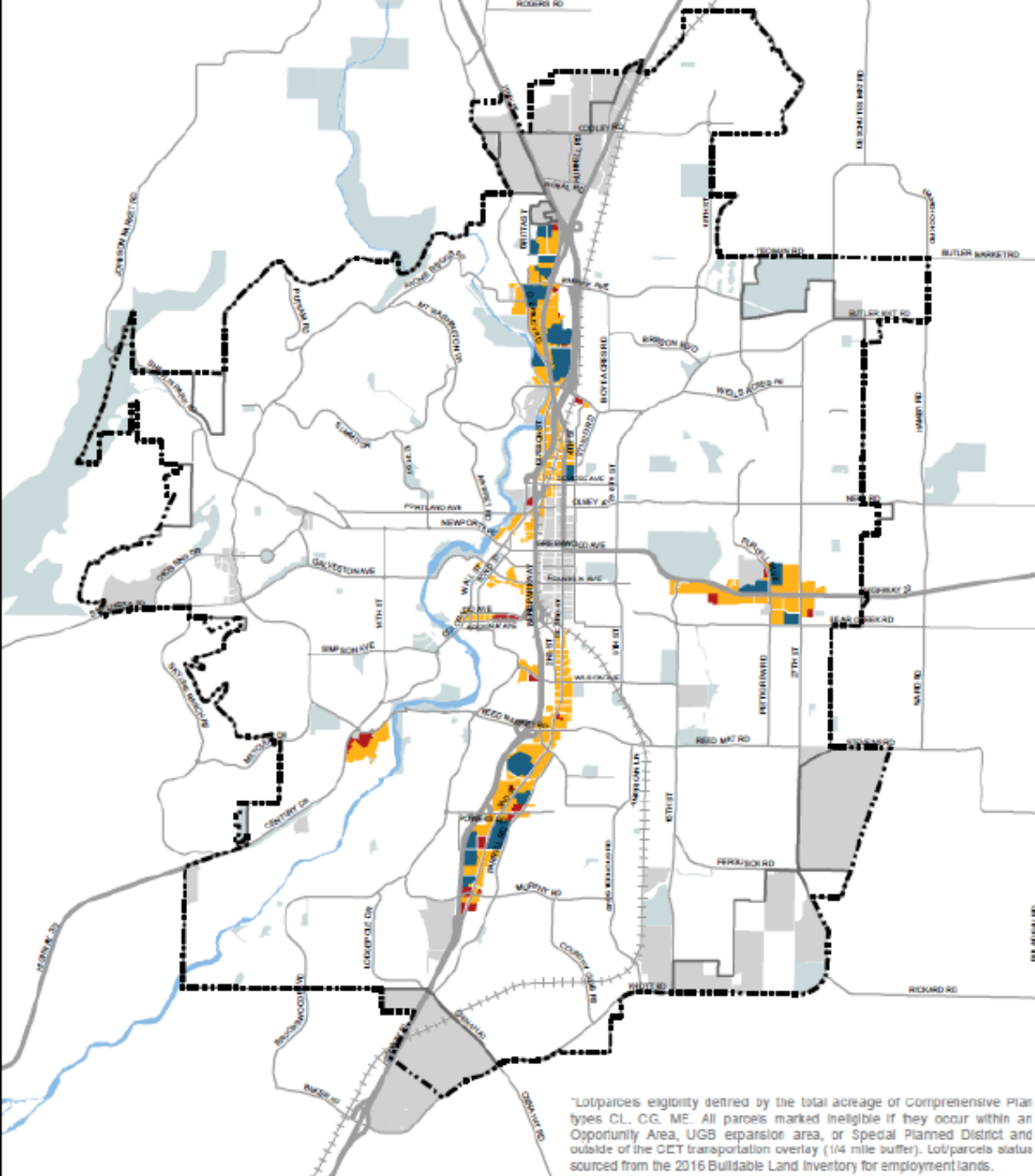


- Entire Core Area TIF district, except MR zoning
- Central Business District (CB) - Downtown
- High Density Residential (HR)
 - Limited to RH zone adjacent to Core Area TIF district (along 4th Street, Irving Ave)
- Urban Dwelling Sites (HB3450) projects
 - Allows up to 40 acres commercially zoned land within a ¼ mile of a transit route to be developed as standalone residential

HB3450 ELIGIBLE PROPERTIES



Allows up to 40 acres commercially zoned land within a ¼ mile of a transit route to be developed as standalone residential under the Urban Dwelling Sites code.



HOUSE BILL 3450

LOT/PARCELS ELIGIBILITY & STATUS

- | | |
|-------------------------|---|
| — Major Roads | Lots/Parcels Eligibility & Status* |
| +++ Railroad | ■ Eligible (Vacant) |
| ■ Parks | ■ Eligible (Developed/No Status) |
| ⬭ Urban Growth Boundary | ■ Eligible (>5 Acres) |
| □ City Limits | ■ Ineligible (Due to Location) |



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Map prepared by T. Scrivens, City of Bend
Print Date: May 14, 2023
Sources: City of Bend, Deschutes County



CITY OF BEND

This map is for reference purposes only. Care was taken in the creation of the map, but it is provided "AS IS." Please contact the City of Bend to verify map information or to report any errors.

*Lot/parcels eligibility defined by the total acreage or Comprehensive Plan types CL, C.G., ME. All parcels marked ineligible if they occur within an Opportunity Area, UGB expansion area, or Special Planned District and outside of the CET transportation overlay (1/4 mile buffer). Lot/parcels status sourced from the 2016 Buildable Land Inventory for employment lands.

PUBLIC BENEFITS



Developments would need to provide a minimum number of benefits from the following lists:

Priority Public Benefits (must meet at least 1)	Additional public benefits (must meet 2)	
<ul style="list-style-type: none"> • 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** • Open space dedication** or publicly accessible park/plaza space • Energy efficiency/Green Building <ul style="list-style-type: none"> • Net-zero building; or • LEED or Earth Advantage Platinum or higher 	<ul style="list-style-type: none"> • Transit and/or mobility supportive amenities • Ground floor commercial (>35%) • Displacement plan for existing businesses and residents impacted by project (if applicable) • Energy efficiency/Green Building <ul style="list-style-type: none"> • 10% more efficient than code, • Earth Advantage Silver, or • LEED Silver 	<ul style="list-style-type: none"> • Complete environmental remediation of site • Provide parking within a wrapped-structure (if applicable) • Common meeting rooms open to the public • Recreation or art supportive facilities • Stormwater: site developed to treat more than a 25-year storm event • Provide electric car charging stations • Native, pollinator-friendly, and water-wise landscaping

* Units would be deed-restricted for the length of the exemption (10 years)

**Work Group/Taxing Districts were supportive of the City pursuing in lieu of fees for both childcare facilities and open space dedication which would require significant research and staff time to implement



LARGE PROJECT IN CORE TIF AREA



Project Overview:

- KorPine area
- 6-story vertical mixed-use
- 312 units
- 12,000 SF retail
- SDC estimate: \$4.5 Million
- Residential improvements account for 86.5% of forecasted taxes

Taxing District	Total (10 year) Impact/Exemption	Annual impact
Core Area TIF	\$11,900,000	\$119,000
BLPSD (Schools)	-	-
City of Bend	-	-
Deschutes County	-	-
BPRD (Parks)	-	-
COCC	-	-
Library	-	-
911	-	-
High Desert Education Service District (ESD)	-	-
Total	\$11.9 Million	\$119K

For exemptions granted within Core TIF Area, Taxing Districts continue to receive frozen base and only the Core Area Increment is impacted.

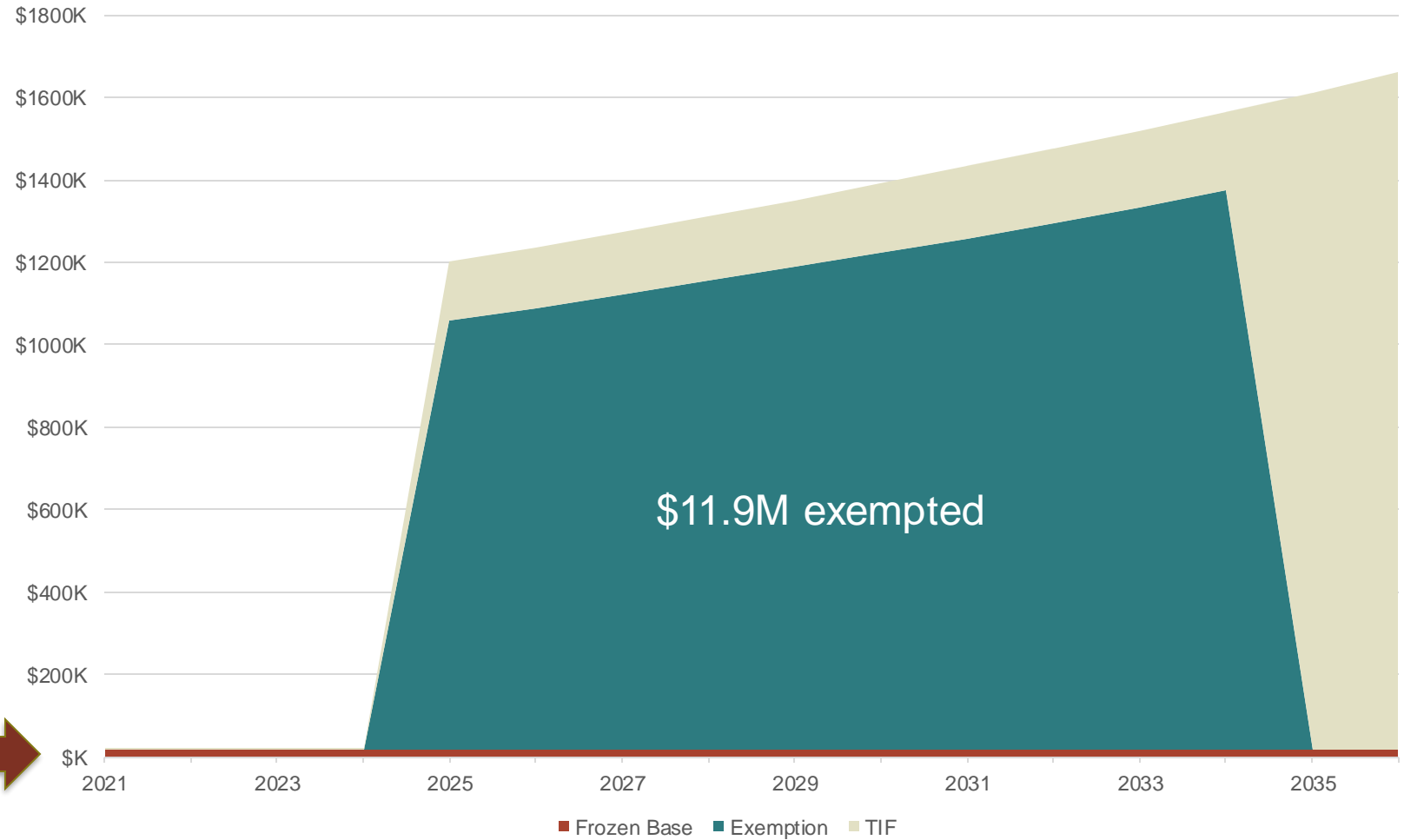
FROZEN BASE



For exemptions granted within Core TIF Area, Taxing Districts continue to receive frozen base and only the Core Area Increment is impacted.



Build with Exemption Scenario



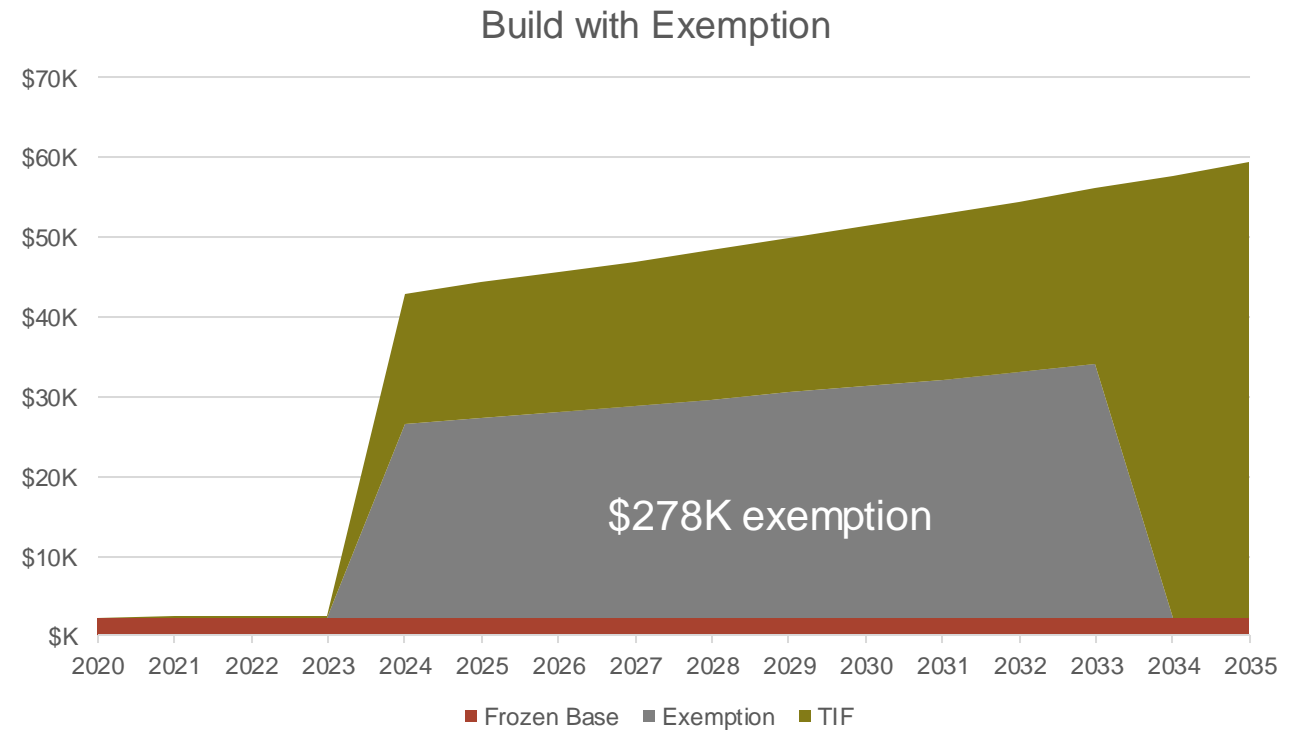


MUPT E EXAMPLE IN BCD/CORE AREA



- 2 story mixed-use
- 10 units, office space
- SDC Estimate: \$275K
- \$5.5M investment

District	10-year Impact	Annual Impact
Core Area TIF	\$278,091	\$27,809
City	-	-
County	-	-
BPRD	-	-
COCC	-	-
Library	-	-
911	-	-
High Desert ESD	-	-
Total	\$278,091	\$27,809



Assumes exemption on residential only portion which results in 56% exemption on total project

APARTMENT EXAMPLE OUTSIDE CORE AREA



- 5 units
- Small lot (6,500 sf)
- Built in 2020
- Exemption on improvements only
- Example of a project that could likely fall in RH zone adjacent to Core Area

District	Tax rate (% of every \$1)	10-year Impact of Exemption	Annual Impact of Exemption
BLPSD (Schools)*	42.60%	\$43,709	\$4,371
City of Bend	21.20%	\$21,752	\$2,175
Deschutes County	14.80%	\$15,185	\$1,519
BPRD (Parks)	10.30%	\$10,568	\$1,057
COCC	4.70%	\$4,822	\$482
Library	3.50%	\$3,591	\$359
911	2.30%	\$2,360	\$236
High Desert ESD	0.60%	\$616	\$62
Total	100%	\$102,604	\$10,260

**Permanent rate property tax collections do not have a direct impact on school district budgets. The Bend-La Pine School District is funded through per pupil allocations from the State School Fund which is comprised of many sources, including property tax revenues. The State Legislature sets the per pupil allocations and funds the State School Fund accordingly.*

EXAMPLE LARGE PROJECT OUTSIDE TIF AREA



- 5 story vertical mixed-use
- 140 units, ground floor commercial
- SDC Estimate: \$2.3M
- \$38M+ investment
- Exemption on residential improvements only
- Residential improvements account for 85% of forecasted taxes

District	Tax Rate (% of every \$1)	10-year Impact	Annual Impact
BLPSD (Schools)*	42.6%	\$1,525,773	\$152,577
City of Bend	21.2%	\$759,305	\$75,931
Deschutes County	14.8%	\$530,081	\$53,008
BPRD (Parks)	10.3%	\$368,908	\$36,891
COCC	4.7%	\$168,337	\$16,834
Library	3.5%	\$125,357	\$12,536
911	2.3%	\$82,377	\$8,238
High Desert ESD	0.6%	\$21,490	\$2,149
Total	100%	\$3,581,628	358,163

Intended to serve as an example of a large mixed-use project that could fall under the HB3450 Urban Dwelling Site code outside of Core TIF Area.

PROGRAM CAPS/MONITORING



- All Exemption Programs
 - Annual reporting on # of units and exemptions approved
 - Mandatory review of program/program requirements every 3 years (2025, 2028, 2031, etc)
- Non-Profit: State statute expires in 2027; no staff recommendation for termination or limitations

- MUPTE
 - Mandatory review after every 500 units that are approved
 - Terminate program in 2030 (state statute expires in 2032)

Core Opportunity Areas (KorPine, Bend Central District, East Downtown, Inner Highway 20/Greenwood)

2028 Net New Housing needed (units)	2040 Net New Housing forecast (units)
385	1,819

**These areas will likely need to accommodate more housing following adoption of Climate Friendly & Equitable Community Rules.*

**DLCD
CLIMATE FRIENDLY & EQUITABLE COMMUNITIES
RULEMAKING**

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**

REMAINING SCHEDULE



- March 31, 2022 – first public hearing held
 - March 29, 2022 work session
 - 45 exhibits of public comment
- April 11, 2022 – advisory committee meeting
 - Timing: work program and options
 - Bicycle network standards – reference to Urban Bikeway Design Guide (NATCO)
 - Affordable housing, anti-displacement in CFAs
 - Large site block length
- May 5, 2022 – next draft of rules released before public hearing
- May 19, 2022 – second public hearing and adoption
- June 22, 2022 – Rules take effect

PERFORMANCE METRICS



Guiding Principle	Performance Metric (Indicators)
Create a place where you can live, work, and play.	<ul style="list-style-type: none">• Number of net new residential units• Number of businesses and employees in Core Area• Total area of Public Spaces, Parks and Open Space
This is a walkable area with a balanced transportation system	<ul style="list-style-type: none">• Core Area Walk Score• Transit ridership



Guiding Principle	Performance Metric (Indicator)
<p>This area removes barriers and connects the East and West sides of Bend.</p>	<ul style="list-style-type: none"> • Mode split/counts on permanent counter locations (Franklin) • Percent complete of capital projects including low stress network <ul style="list-style-type: none"> • Focus on Level of Traffic Stress 1 facilities
<p>This plan leads to direct outcomes, it is implemented.</p>	<ul style="list-style-type: none"> • Number of Core Area Project Report Actions that are implemented
<p>Affordability is preserved.</p>	<ul style="list-style-type: none"> • Number of dwelling units priced at Affordable (<80% AMI) levels • <i>Median rent and commercial lease rates</i>

PERFORMANCE METRICS



Guiding Principle	Performance Metric Indicators
Public investments incentivize and catalyze private development.	<ul style="list-style-type: none">• Assessed Value Growth<ul style="list-style-type: none">• Since Plan inception & 5-year average• Development activity (total number of building permits pulled)• Amount of funding leveraged with tax increment finance investments
The planning process is transparent and open to ensure that those affected by the decisions are involved in the process.	<ul style="list-style-type: none">• <i>Funding spent towards public engagement/outreach activities & qualitative descriptions</i>
This area incorporates sustainable and low impact development principles and practices.	<ul style="list-style-type: none">• <i>Qualitative description of investments related to this goal</i>

NEXT STEPS



Staff to develop methodology to evaluate baseline metrics



Staff to develop performance metrics for 2020 and 2021 for available data sources



CAAB to review baseline metrics, methodology, and report that will be foundation for future annual reporting