



CITY OF BEND

Minutes

Affordable Housing Advisory Committee

3:00 PM, Wednesday, November 8, 2023

Staff Liaisons: Lynne McConnell, Racheal Baker, Amy Fraley, Deena Cook, Kerry Bell Mellissa Kamanya and Brook O'Keefe

Roll Call: Matt Martino (Chair), Helen Silfven, Alison Hohengarten, Joanna Gardner, Heather Simmons, Mandy Dalrymple and Geoff Wall

Absent: Ian Schmidt, Tony Levison

Guests: Megan Perkins (Bend City Councilor), Elizabeth Oshel (City of Bend, Assistant City Attorney), Ziad Elshahili (Fortify Holdings, President), Barb Campbell (Bend City Councilor), Russ Grayson (City of Bend, Chief Operations Officer), Sarah Hutson (City of Bend, Senior Management Analyst)

- **Public Comment**

No public comment.

- **Approval of October Minutes**

Motion to approve minutes made by Mandy Dalrymple and seconded by Heather Simmons. Minutes approved. Seven approved. None opposed.

- **Conflict of Interest Disclosure**

Chairperson Martino addressed the committee that members are to disclose whether any item on the agenda could or would result in a financial benefit or detriment to the committee member, a family member, a client, or business with which any of them are associated.

No conflicts of interest.

- **SDC (System Development Charges) Exemption – The Old Mill Apartments**

Ziad Elshahili, President of Fortify Holdings, provided an overview for The Old Mill Apartments, an Executive Order funded Rapid Rehousing project which is converting a former motel and is set to open in January 2024.

Mandy Dalrymple moved to exempt CV The Old Mill, LLC from pending City of Bend System Development Charges of \$300,237.40 and to authorize staff to take all actions necessary to complete such exemptions, including signing loan agreements and related documents, without further approval. If exemptions are not exercised before any expected increase, the increase will be added to the total exemption. Joanna Gardner seconded the exemption. Exemption recommendation approved.

- **SDC Exemption Methodology – Sarah Hutson & Russ Grayson**

Russ Grayson, Sarah Hutson and Elizabeth Oshel, Chief Operations Officer, Senior Management Analyst and Assistant City Attorney provided an update on System Development Charge (SDC) Methodology and Transportation Fees.

The presentation included a transportation funding overview, the process and timeline, and an overview on the SDC Methodology. Under the 2020 Transportation System Plan (TSP) there are multiple funding sources proposed to meet the billion dollars of need identified. Transportation Fees and System Development Charges are two funding sources proposed

in the TSP that will be brought before City Council over the next few months. Council will consider other revenue sources identified in the TSP after exploring these first two funding options.

SDC's are fees that developers pay associated with new development. They are one-time charges collected during the time of building permits. They are intended to have development assist in growth-related infrastructure therefore they cannot provide revenue for operations and maintenance.

Transportation Fees are recurring fees collected from residents and businesses through their regular utility bills. These are common funding tools in Oregon designed to share the cost of maintenance to keep systems operating at adequate levels. The transportation system is a public investment that needs regular maintenance to ensure mobility, public safety, economic activity and quality of life.

The initial Transportation Fee estimates would charge \$15 per month for a single-family detached home, \$11-\$12 per month for multi-unit housing, and households receiving utility billing assistance would be considered for an exemption or reduced fee. A final decision on the Transportation Fee amounts will come before City Council. City staff continue to work with the Bend Economic Development Advisory Board and other stakeholders to determine the appropriate amount of Transportation Fee to be collected from local businesses. AHAC inquired about the utility billing assistance, which staff explained anyone eligible would receive and that the program had been recently updated. AHAC also asked if the layering of fees and community member's tax bills were reviewed with the proposed new Transportation Fee. City staff informed AHAC the second roundtable discussion compared fees and tax rates to other jurisdictions.

After updates to the City's Integrated Water Master Plan, TSP, and an expected update to the Sewer Master Plan, now is the best time to implement a best-practices update to the System Development Charges (SDC) methodology. The methodology developed rates around transportation and utility use data. In addition to a different SDC rate structure, a deferral of payments would be implemented and SDCs would be collected after development and before Certificate of Occupancy or completion of the structure. Affordable housing and temporary shelter SDC exemptions would be continued, and ADUs would continue to receive an exemption from water and sewer SDCs, as long as the meter size remains the same size.

Under the current Code AHAC reviews and approves all SDC exemption requests for affordable housing and temporary emergency shelter. Does AHAC want to continue to be the body determining SDC exemptions? The methodology proposed proposes those same SDC exemptions, but staff sought guidance on two options:

1. When an existing affordable housing or temporary emergency shelter use redevelops after the end of the duration of deed restriction, the property receives a credit for the SDC; or
2. When an existing use redevelops after the end of the duration of a deed restriction, the property would need to pay SDCs for any change of use.

Matt Martino expressed support for City staff approving SDC exemption requests for

affordable housing and temporary emergency shelter because there had not been a request before AHAC denied. Allison Hohengarten expressed some hesitation if a non-appointed or elected body determined an SDC exemption request.

Mandy Dalrymple said any change of use from affordable housing or temporary emergency shelter should require SDCs be paid to the City and Heather Simmons agreed.

Russ Grayson explained this proposal would be in front of Council at a work session on December 6th and to public hearing on January 17th. Russ offered to come back in front of AHAC, if the body wanted additional questions answered to make any recommendations to Council. Elizabeth Oshel, Assistant City Attorney stated this discussion could be brought before Council.

Matt Martino inquired about the proposed transportation SDCs for ADUs. Russ Grayson explained any exemption of the transportation SDCs for ADUs would be a policy decision staff can bring forward to Council. If there was a request, staff could bring forward the conversation to Council that AHAC wanted the transportation SDC contemplated.

AHAC agreed if there was a change of use of a property after an SDC exemption, then the SDCs would be paid. AHAC supported a 20-year duration of deed restriction for affordable housing.

- **City of Bend Grants and Loans Policy**

Racheal Baker, Affordable Housing Manager, provided an overview of the City of Bend Affordable Housing Program Policy on Grants and Loans. Her presentation is in response to AHAC members requesting more information on this topic; specifically, how State funds are distributed and how loan repayments benefit affordable housing development, public services and City of Bend Housing staff.

- **Outline Components for AHF (Affordable Housing Fund) & CDBG (Community Development Block Grant) Funding**

Racheal Baker, Affordable Housing Manager, to manage the time allotted for this meeting, opted to send out pertinent information to AHAC members rather than discuss this agenda item during the meeting.

- **Shelter Report**

Amy Fraley, Senior Program Manager for Houselessness Solutions, provided an update on the former Blue Dog RV site. Bend City Council accepted a grant for \$577,500 from the Central Oregon Intergovernmental Council (COIC). The grant includes \$100,000.00 toward minor site repairs. These funds will enable Shepherd's House Ministries to move Navigation Center day services to the former Blue Dog during the 2nd Street renovations and provide \$200,000.00 for direct client assistance through NeighborImpact. The funds for support case management toward rapid rehousing. Additionally, a crosswalk is going to be built across Franklin Avenue making it safer for pedestrians who travel between the Shepherd's House programs. COIC (Central Oregon Intergovernmental Council) has sub-leased the former Blue Dog property to the City of Bend for \$1.00 for 14 months.

- **Staff Report**

1. Bend Parks and Rec Needs Survey is active. Lynne strongly encourages everyone to take the survey and weigh in.
2. Upcoming Planning Commission meeting – November 13 at 5:30pm. Lynne encourages AHAC to attend and take notes for discussion.

3. Middle Income Code updates are making their way through City Council approvals.
4. The HUD Pro Grant was submitted in October.
5. Surplus Land RFP (request for proposal) for Bear Creek is open. At the next AHAC meeting, members will hear presentations on the surplus land proposals.
6. Applications for CDBG and Affordable Housing funding are due at the end of November.
7. January 9 – Ribbon cutting for Rooted Homes – Poplar Development

- **Adjourn**

To watch the live recording of this meeting, please visit

https://youtube.com/live/Y_cBmGI9IBk?feature=share