



CITY OF BEND

Minutes

Affordable Housing Advisory Committee (AHAC)

3:00 PM, Wednesday, June 12, 2024

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

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

Absent: Tony Levison

Guests: Ian Leitheiser (City of Bend, Assistant City Attorney), Megan Perkins (Bend City Councilor), Jackie Keogh, Executive Director RootedHomes, Jonathan Taylor (City of Bend, Urban Renewal Project Manager)

- **Public Comment**

John Heylin, YIMBY (Yes In My Back Yard) representative, provided public comment regarding the announcement that the City of Madras is planning to develop roughly 8,000 new housing units. Additionally, Heylin commented on the City of Bend tree code, suggesting that the recent adoptions of tree codes will negatively impact Bend housing production. He requested that there be a 1-year sunset on the codes.

- **Approval of May Minutes**

Chair Schmidt asked for all in favor to approve the May minutes. Mandy Dalrymple motioned to approve. Matt Martino seconded the motion. Minutes approved. Seven approved. None opposed. (Hohengarten and Levison did not vote)

- **Developer Feedback Regarding Housing Production**

Kerry Bell and Racheal Baker, Middle Income Housing Coordinator and Affordable Housing Manager, provided a brief recap of the last year for the Middle-Income Housing Pilot Program and the Technical Advisory Committee (TAC) that was formed to provide guidance for the pilot program and to City staff. Bell noted that most developers struggled last year with development due to high interest rates and building costs and that they are looking for incentives and assistance from the City.

Bell and Baker introduced the developers.

Jerry Jones, President Macher Development, presented on the struggles associated with requiring a building permit prior to plat for Middle Housing Land Division. Jones explained that the code requirement for permits before plat,

continues to be a cost barrier for development, particularly the design plans and permitting. The parent-lot owners need recorded lots in order for the new owners to finance the homes separately. He suggested that a code change to eliminate the building permit requirement would remove the barrier faced by developers.

Nic Jones, Tara Development Group, presented on the financial struggles and roadblocks associated with the current process for development that require a building permit. He recognized that a permit would still be required but suggested that the permit requirement be deferred to a later time during the process.

Erik Koslow, Bend Design Group, specializing in historic district projects, presented on the barriers associated with development and subdividing plots of land with special set back requirements for street widths that are not feasible let alone reasonable with many homes currently sitting in the special setback. He also discussed the barrier of requiring construction of sidewalk segments, his particular example adding extreme cost to housing, without any plan for future connectivity for the community.

Perry Brooks and David Mosey, Partners Roost Development, presented their idea to build middle-income housing utilizing Middle-Income Property Tax exemptions, exploring extension beyond 10 years in order to maintain affordability beyond 10 years. They also discussed the need for bonds and other housing fund opportunities that they would like to see the City explore. Additionally, they suggested a reduction and/or deferral of System Development Charges (SDCs) that correlates to the percentage of affordable units with the SDC (System Development Charges) credits only given for the duration of the deed restriction or extension of the deed restriction. They also urged the City to acquire or maintain ownership of land in partnership with affordable housing builders so that the property would remain affordable in perpetuity.

- **AHAC Code Update**

Ian Leitheiser, Assistant City Attorney, spoke about potential revisions to the section of the City Municipal Code that outlines the scope and role of AHAC.

- **Grants versus Loans**

Jackie Keogh, Executive Director RootedHomes, provided a brief overview of RootedHomes specifically how they develop deed-restricted housing utilizing Community Development Block Grant (CDBG) funding and for a community land trust model. Keogh expressed RootedHomes does not want to raise home sale prices to pay off the loans needed for development. RootedHomes wants the opportunity to resale homes at lower AMI levels and city loans result in resales at higher AMI levels, locking lower AMI households from opportunities to become homeowners. RootedHomes uses alternative resources from City funding for down payment assistance because it wants homebuyers to have

more equity at resale. RootedHomes does not see the benefit of a City loan when administrative expenses for audits exceed the loan over time. Finally, when only unforgiveable loans are available for RootedHomes, its overleveraged for other needed financing mechanisms. Keogh requested structuring City loans for affordable housing similar to state public funding programs, like the Local Innovation and Fast Track (LIFT) Homeownership Program and Homeowner Assistance Program (HOAP). Racheal Baker explained City staff would bring information on loan repayments over time and additional jurisdiction practices to the committee for further discussion at the July AHAC meeting.

- **Property Tax Incentives**

Jonathan Taylor, Urban Renewal Project Manager City of Bend, explained that the City is exploring a tax credit for eligible housing production on new development with a targeted data driven policy in response to market rate conditions. This tool could target production of needed housing at various AMI levels. Jonathan explained the background for the policy and need to address and reduce volatility. The policy will be proposed to various stakeholders and other committees in the near future and feedback sought can help craft the final proposal to Council in the coming months. AHAC members requested time to consider the proposal and that Jonathan return for their feedback.

- **Shelter Report**

Amy Fraley, Senior Program Manager Houselessness Solutions, and Brook O'Keefe, Shelter Coordinator, provided a shelter update highlighting the data from the 2024 Point-In-Time (PIT) Count and the number and type of shelter beds in Bend.

Fraley and O'Keefe also provided an update for the low-barrier walk-up shelter, the Lighthouse Navigation Center, renovation. The project includes adding a commercial kitchen, multiuser bathrooms, shower facilities, laundry, a new HVAC system, improved flooring, lighting, and a new roof.

Fraley and O'Keefe provided an update on shelter items going before City Council on the consent agenda including the acceptance of Central Oregon Intergovernmental Council grant award totaling \$1,455,555.00 to fund the Franklin Avenue Shelter in the 24/25 fiscal year, an amended lease agreement for the Lighthouse Navigation Center of \$5,050.00 per month for facility expenses, and a new lease agreement for the Stepping Stone Shelter totaling \$4,750.00 per month to support facility and maintenance expenses, a new lease agreement for the Franklin Avenue Shelter, as well as contract amendments for the Franklin Avenue Shelter and Lighthouse Navigation Center.

Fraley and O'Keefe provided a funding update noting that if there is no

additional funding from Oregon Housing and Community Services (OHCS), the City funds for the Lighthouse Navigation Center and for the Stepping Stone Shelter will be fully expended by winter 2024-25. Housing staff has been meeting regularly with OHCS. The \$65M allocated by the Oregon Legislature during the short session is expected to be distributed prior to the beginning of FY 24/25 and an update will be provided at the July AHAC meeting.

- **Staff Report**

- Matt Martino is terming off as AHAC member.
- Nominations for AHAC Chair and Co-Chair positions yielded Mandy Dalrymple as Co-Chair by unanimous vote from the Committee and Ian Schmidt as Chair by unanimous vote from the Committee.
- Next Committee Council check-in on July 17, 2024, focusing on growth management.
- The Tree Code is going before Council next week on June 20, 2024.
- OR State Legislators toured Bend shelters and met with affordable housing developers on June 4, 2024.
- LCDC (Department of Land Conservation) meeting on June 27 & 28.
- USICH (Inner Agency Council on Homelessness) is coming to visit on June 20, 2024.
- The Lighthouse Navigation Center received the Health Hero award for their efforts in administering medical attention to shelter participants.

- **Adjourn**