

The meeting of the City Council Stewardship Subcommittee was called to order at 11:50 a.m. on Friday, May 31, 2024, in the City Council Chambers, 710 NW Wall Street, and online.

1. Roll Call: Mayor Pro Tem Megan Perkins, Councilor Barb Campbell, Councilor Mike Riley

2. Approval of Minutes

Councilor Campbell moved to approve the March 25, 2024, meeting minutes. Mayor Pro Tem Perkins seconded the motion.

Voice Vote – Mayor Pro Tem Perkins, Councilor Campbell and Councilor Riley Yes 3 No 0.

3. American Rescue Plan Act: Funding Allocation

Accounting and Financial Reporting Manager Kymala Lutz gave the presentation.

Slides included:

- Stewardship Subcommittee American Rescue Plan Act (ARPA) Funding Update
- American Rescue Plan Act (ARPA) Funding
 - Total ARPA funding \$14,076,428
 - December 2024: All funds must be obligated
 - December 2026: All funds must be spent
- ARPA Spending
 - Total spent to date (as of May 24, 2024): \$5.95M
 - Amount obligated but not spent: \$7.79M
 - Amount remaining to be obligated by December 2024: \$0.34M
- Staff Recommendations & Next Steps
 - Staff Recommendation:
 - Do not obligate the \$340k of additional funds at this time
 - Determine Houseless funding needs and backfill with ARPA if needed
 - Next Steps:
 - Will provide update in September 2024 with recommendations on reallocation of available funds
- City Supported Shelters – Current State
- Potential Uses of Available ARPA Funds
 - Affordable Housing Grants
 - Middle Income Housing Grants
 - Financial Feasibility study for Future City Hall

- Neighborhood Impact Utility Assistance
- Staff Support for Automated Traffic Enforcement Startup Costs
- Facilities Costs related to Shelters

Lutz stated that staff recommends not obligating the \$340k of additional ARPA funds at this time, as the City expects to receive some state funding toward City supported shelters and advises waiting to allocate until after that point to determine the remaining need.

Senior Program Manager for Homelessness Solutions Amy Fraley is optimistic that the City will receive more money from Oregon Housing and Community Services (OHCS), but is unsure of when it will be received.

Councilor Riley asked if the OHCS funding didn't come through, how long would the ARPA \$340k cover the costs of running a single shelter.

Fraley responded that the ARPA funding would cover 6 weeks of operations of a single shelter.

Councilor Riley asked how much the \$340k would cover the costs of the other potential uses listed in the final slide.

City Manager Eric King stated that the list of potential uses are all items that could be accomplished quickly and would fit into the proposed timeline.

4. Central Oregon Civic Action Project Presentation: Youth Homelessness “Problem Statement”

DemocracyNext's Central Oregon Civic Action Project Co-Founder Josh Burgess gave the presentation.

Slides included:

- Civic Assembly on Youth Homelessness
- Draft Topic Statement: What should priorities be for building community solutions to prevent and end youth homelessness?

Councilor Riley asked how the phrase “for building community solutions” adds value to the statement and expressed concern that the language is too bureaucratic. Councilor Riley wants to be sure the language doesn't discourage people from participating who are outside of government.

Burgess replied that there is not a definitive need for this phrasing and could be removed. The language was taken from the HUD grant and was intended to demonstrate that the Civic Assembly may explore solutions that are not tied to the City or county, and that the Assembly may make recommendations to other entities, such as public service providers, for more holistic community solutions.

Mayor Pro Tem Perkins expressed support for the statement because it supports wholistic community solutions.

King suggested wording the invitation letter in a way that is less bureaucratic.

City Attorney Mary Winters stated that, if Council is in support, the City would add this draft topic statement to the Memorandum of Understanding (MOU), which will be brought to Council on June 20, 2024.

Council expressed general support in moving forward with the recommendations.

5. Tax incentive discussion as follow-up to May 15, 2024, City Council Work Session

Urban Renewal Project Manager Jonathan Taylor gave the presentation.

Slides included:

- Site Specific Policy Formation
- Today's Agenda
- Site-Specific TIF (Tax Increment Financing) – BURA Policy Adoption Timeline
- Site-Specific TIF Policy Formation
- Oregon Example – Jory TIF
- How Does Site Specific Financing Work?
- Site Specific Policy Formation
- Site Specific Investment Program Review Process
- Site Conditions Review
 - Policy Question 1: Does the Subcommittee agree with the site policy?
 1. Located in the City of Bend
 2. ORS 457.010. Is the property stagnant or in an unproductive condition of limiting its usefulness and value for contributing to the public health, safety and welfare.
 3. BURA Policy. Stagnant and unproductive shall mean any property that has been vacant (no built structures); and/or underdeveloped (less than 50% of the property has been improved); and/or underutilized (property's highest and best use is not being met).
- Financial Review
 - Policy Question 2: Does the subcommittee agree with the financial policy?
 1. \$500,000 Minimum Investment. This amount ensures that the proposed project has generation for tax increment financing.
 2. Financial Viability and Impact. These documents will assist staff in determining eligible tax credit needed, projected impact of development, and ensuring that the project is financially viable.
- Development Review

- Policy Question 3: Does the Subcommittee agree with the development policy?
 1. Certificate of Occupancy within 2 Years of Plan Establishment
 2. Pre-App Summary from the City of Bend Planning Department
- Determining Policy Objectives: Local Data to Help Guide the Conversation
- Main Policy Objectives – Housing Path
- Cost Burden Chart
- To Not Be Cost Burden in Our Market
- Main Policy Goals
 - Policy Question 4: What percentage or number of units per development should policy target? *Staff recommendation: 15%-20% of units*
 - Policy Question 5: Would the Subcommittee like to explore targeting specific unit sizes and respective AMIs for potential policy consideration?
- Main Policy Goals
 - Policy Question 6: In addition to providing more affordable housing options, are there other priorities or community benefits that staff should analyze for policy consideration.
- Two Program Comparisons
- Proposed Based Frameworks – Housing Path
- Future Work in Addition to Current Market Data
- Proposed Base Framework – Employment Path
- Site-Specific TIF – BURA Policy Adoption Timeline

Councilor Riley asked who determines “highest and best use” and is that determination subjective.

Taylor answered that highest and best use would include any kind of rezone, or a substantial amount of generation for property value.

Assistant City Attorney Elizabeth Oshel clarified that “highest and best use” would be defined as the most intensive (in terms of density) use of the property allowed under the zoning.

Mayor Pro Tem Perkins asked how the properties will be identified.

Taylor answered that the intent is to go through an RFP process. Applicants will go through a series of reviews to ensure compliance and will then be brought before Bend Urban Renewal Agency (BURA) in a work session to allow Council to ask questions and provide feedback.

Councilor Riley asked if Council or BURA needs to approve each project, or if the approvals can be done by staff as long as certain criteria are met. Councilor Riley is interested in changing the policy so that Council does not need to approve each individual project given it meets certain criteria.

Oshel answered that by statute, each new TIF district would require Planning Commission review, BURA review, and City Council adoption, unless the development is in an existing TIF district.

Taylor clarified that ORS 427.101 does not define what stagnant and unproductive means, and the BURA Policy (Policy 1.3 in slide) aims to define this. However, Council does not need to include the BURA definition and can utilize the state statute alone if preferred.

Mayor Pro Tem Perkins requested adding some form of displacement or gentrification language to help protect residents.

Council expressed general support for the site policy with additional language to address displacement and gentrification, and for exploring options for staff to approve individual projects.

Taylor asked if the Subcommittee would like to explore targeting specific unit sizes and respective AMIs for potential policy consideration, rather than allowing the developer to decide what unit sizes to select for the affordable housing.

Mayor Pro Tem Perkins expressed concern over providing too many options and would like to limit options.

Taylor asked what percentage of the units would the Subcommittee like to see as affordable.

Councilor Campbell responded that she would like units of each size should be affordable, for example, requiring 10% of each sized unit the developer is offering to be affordable.

Mayor Pro Tem Perkins would prefer to leave that up to the developer, as they are more familiar with the market.

Councilor Riley cautioned against setting the percentage of affordable units too high, as that may deter developers and result in fewer projects and fewer affordable units. Councilor Riley expressed support of staff's recommendation of 15-20% of units and asked if Council can target the fastest growing unit types.

Taylor proposed that staff explore a few options, varying the percentage of units and the AMI, and present the options at the next Subcommittee meeting.

Taylor posed Policy Question 6 to the Subcommittee – In addition to providing more affordable housing options, are there other priorities or community benefits that staff should analyze for policy consideration? Taylor stated that staff recommends maintaining the main objective of affordability with limited additions or community benefits.

Councilor Campbell supported including requirements that support affordability, such as energy efficient appliances, which will save costs for the renters long-term.

Councilor Riley agreed that any additional requirements should be tied to affordability, and requested staff present an option of energy efficiency in its next presentation to Council.

Taylor proposed moving forward with soliciting community feedback for policy questions 4 and 5 as well as site, financial and program feedback.

Councilor Riley asked how this will help the City achieve other Council goals or state requirements, such as climate, densification, or vehicle miles traveled reduction. Councilor Riley expressed concern that this might create scattered projects that do not tie into complete communities.

Taylor responded that he is working with Growth Management to discuss area impact.

Councilor Campbell suggested considering having a staff member who carefully follows the housing and rental market.

King suggested including need for data in the next set of Council goals.

6. Adjourned at 1:33 p.m.

Respectfully Submitted,

Ashley Bontje
Deputy City Recorder



Accommodation Information for People with Disabilities

To obtain this information in an alternate format such as Braille, large print, electronic formats, etc., please contact Ashley Bontje at abontje@bendoregon.gov or 541-323-7164. Relay Users Dial 7-1-1.