

## ATTACHMENT B:

### THE BEND URBAN RENEWAL AGENCY POLICY FOR TAX INCREMENT ASSISTANCE FOR HOUSING AFFORDABILITY AND EMPLOYMENT GROWTH.

#### SECTION 1: PURPOSE

The purpose of this policy is to establish a Bend Urban Renewal Agency (BURA) annual tax increment program (the “Program”) to support income attainable residential options and high-wage employment developments within new and established tax increment finance (TIF) areas. This policy is intended to define the rules of the Program consistent with requirements for urban renewal projects as outlined by Oregon Revised Statute (ORS) chapter 457.

#### SECTION 2: PROGRAM

##### A. Housing Affordability Policy

The Program may provide assistance in the form of a ten-year minimum annual tax reimbursement of BURA’s portion of property tax revenues for new development that provides at least 15% of total residential units at area median income (AMI) rates<sup>1</sup> set forth below. Projects must meet the following:

- i. ≥15% of units are rented at or below 90 % AMI for the length of program assistance;
- ii. Rent increases lower than allowed under ORS 90.323, 90.324, and 90.600 for the 30% of rent-restricted units for length of assistance;
- iii. Minimum of ten years of affordability and rent-increase restrictions;
- iv. BURA desires that this policy supports developments that provide a mix of unit types at varying affordability levels and encourages projects that provide units at even lower AMI.

##### B. Employment Development Policy

The Program may provide assistance in the form of a ten-year (10) year annual tax reimbursement on new commercial and industrial improvements that increase local employment and commit to wages meeting certain thresholds, described below.

- i. Businesses identified in the City of Bend’s Local and Target Sector Analysis.
- ii. Increase the full-time, permanent employment of the businesses in the development by at least 5 new jobs.
- iii. Average annual wage of new employment must be at least \$72,000.
- iv. [Neighborhood services](#) that cannot meet job creation and wage requirements may still be considered.

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<sup>1</sup> Affordability rates are the area median income (AMI) based upon most recent HUD Income Limits for the Bend-Redmond Metropolitan Statistical Area (Bend-Redmond MSA) by household size.

### **SECTION 3: STAFF REVIEW**

BURA staff will review proposed projects and make recommendations to BURA on what projects to consider for the Program, whether the project is in an existing TIF district or would require creation of a new TIF district. BURA approval of a project for the Program is discretionary and is subject to BURA review of projects and determination that the project meets the objectives for the Program and provides a satisfactory financial outcome for BURA and the Bend community. Tax increment assistance under this Program may be in the form of property tax reimbursements, up-front development assistance, or both, depending on the size and scale of the development.

### **SECTION 4: REVIEW PROCESS**

The following review criteria shall be used by staff during pre-consideration to determine if a proposed project should be presented for consideration by BURA. At a minimum, projects must demonstrate the following:

#### Site Review

- Property must be located within the municipal boundaries of the City of Bend.
- Property meets the *blighted* definition under Oregon Revised Statute (ORS) 457.010.
- Property is smaller than twenty (20) acres if outside an existing TIF district (*no acreage limit within existing TIF areas*).

#### Financial Review

- The proposed development will increase the taxable value by at least \$500,000.
- The project is not able to provide units at the identified affordability rate or the jobs at the required wages without assistance under the Program.

#### Project Review

- The proposed project will remediate the condition that causes the property to be blighted under ORS 457.010.
- The applicant has held a pre-application meeting with the City's Community and Economic Development Department and has provided a pre-application summary.
- All units within the new development must provide certified energy efficiency appliances.
- The proposed development has the ability to obtain a certificate of occupancy within three years of Plan approval.

Meeting each of the objectives above does not guarantee consideration by BURA or recommendation for participation in the Program by staff. Staff will review projects for conformance with existing TIF plan projects and criteria (for projects in existing TIF areas), as well as the ability of proposed projects to meet BURA objectives set out in this Policy, BURA's best interests and overall financial solvency, and requirements for urban renewal plans and projects under ORS chapter 457. Following review of projects, BURA may consider all, some, or none of the projects.

## **SECTION 5: CONSIDERATION PROCESS**

- A. Projects outside [established TIF areas](#) will follow the process as laid out by Oregon Revised Statute Chapter 457 for the establishment of new TIF district listed below. This process is anticipated to take a minimum of three months from BURA recommendation to adoption of the new TIF area by City Council. Neither BURA nor Council are required to provide tax increment assistance or create a new TIF District under this policy.
1. Staff Review and Recommendation
  2. Public Involvement Process and Input #1
  3. BURA Work Session
  4. BURA Consideration of proposed TIF Plan (public meeting with public comments)
  5. 45-Day Plan Consult and Confer
    - a. Planning Commission Comprehensive Plan Review
    - b. Taxing District Plan Notification
    - c. Plan Presentation to Deschutes County Commission (no approval required)
    - d. Public Involvement Process and Input #2
  6. City Council Public Hearing and Consideration of Plan Adoption and Development Agreement.
- B. Projects inside established TIF districts will follow process listed below. The process is anticipated to take a minimum of three months from staff review and recommendation for BURA to adopt a new development agreement. BURA is not required to provide tax increment assistance under this policy.
1. Staff Review and Recommendation
  2. Public Involvement Process and Input
  3. BURA Work Session
  4. BURA Consideration for Adoption

## **SECTION 5: DEVELOPMENT AGREEMENTS**

If the project is approved for participation in the Program by BURA (for projects in existing TIF areas) or if a new TIF area and plan are adopted by the Bend City Council, a development agreement will be required between BURA and the approved project developer that will delineate the requirements of the project's participation in the Program, including meeting Program elements detailed above for the duration of the reimbursement.

## **SECTION 6: ADMINISTRATIVE POLICY**

BURA staff will create an administrative policy for this Program that will provide additional information and resources for implementation, review, and compliance with policy requirements.