

The meeting of the City Council Stewardship Subcommittee was called to order at 11:36 a.m. on Monday, July 29, 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 May 31, 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. BURA Housing Affordability & Employment Growth Policy (Site-specific TIF aka Tax Incentive Financing) (30 minutes)

Urban Renewal Project Manager Jonathan Taylor gave the presentation.

Slides included:

- Bend Urban Renewal Agency TIF Assistance Policy
- Lowering Rents and Encourage Good Paying Jobs
- Livability is having a good paying job that provides the ability to have affordable housing (no more than 30% of your income) and reasonable access to things you enjoy in life.
- By 2030, an additional 15,000 will move to this community, 40% will be renters. With this projected growth and current/future supply of housing, housing prices will continue to increase.
- Currently, **8 out of 10** jobs' median wages and nearly **50% of households** cannot adequately afford rent of a multifamily unit in Bend.
- 30% of Income Per Job Type vs 2024 Multifamily Rent (Graph)
- Multifamily Unit Rent and Multifamily Units Constructed 2018-2024 (Graph)
- 2030 Multifamily Unit Need
 - An additional 1,074 units with a strong emphasis on households making below \$72,000.
- Graphic – Housing Tax Incentive and Employment/Wage Tax Incentive relationship
- BURA “Lowering Rents” Policy – Annual Rebate
 - 15% of new units are rented at or below 90% Area Median Income (AMI)
 - Lower than maximum allowed statutory rent increases for dedicated units
 - 10 Year Minimum, Eligible Extensions
 - BURA encourages healthy unit mixes and additional AMI levels

- What is Stewardship’s input on this proposal?
- Policy Impact on Community Need
- BURA “Good Paying Jobs” Policy – Annual Rebate
 - Business in City of Bend’s (C.O.B.’s) Local and Target Sectors (TBD) (exemptions for identified neighborhood services)
 - 10 Year Maximum
 - Create at least 5 new jobs with average annual salary \$72,000
- Additional Parameters
 - Site review, Finance review, Project review
 - Consideration Process (ORS 457 Requirements)
 - Plan document & development. Agreement is approved.
- Stakeholder Input – First Draft from Subcommittee
- How This Will Work
 1. New TIF Area / Existing TIF Areas
 2. Development Occurs
 3. New Development Generates Tax Increment
 4. Annual Policy Certification
 5. Tax Increment Rebated annually
- Staff Recommendation
 - Stewardship Subcommittee recommends BURA consider and adopt the proposed tax increment assistance policies for housing affordability and employment growth as presented.
- Tax Increment Assistance Policy Timeline

Mayor Pro Tem Perkins asked why staff chose 90% AMI as the threshold.

Taylor explained that market rate data shows that individuals whose income is between 30% AMI and 90% AMI are slightly to extremely cost-burdened. The market is currently meeting the need for those making 100% AMI or more.

Councilor Riley asked why not focus on a lower AMI and support those who are more cost-burdened?

Taylor answered that the policy is up to 90% and provides the flexibility to encourage lower AMI’s. Additionally, this is a starting point and Council can propose a lower AMI.

Councilor Campbell supported 90% AMI.

Real Estate Manager Matt Stuart clarified that Bend Urban Renewal Agency (BURA) can make the decision to emphasize a lower AMI by approving projects with a lower AMI. Meeting the criteria does not guarantee approval; BURA has final say on approval. Staff suggested 90% to incentivize developers and felt a lower AMI might discourage developers. However, this can be adjusted at a later date based on market conditions.

Affordable Housing Manager Racheal Baker stated that Bend's housing spectrum is lacking attainable housing, which is the next step for residents of Affordable housing. With no attainable housing, there is nowhere for Affordable housing residents to move into. City subsidizes 80% AMI or below, and this proposal would allow for middle housing units to have stable rent. Baker thinks that 90% will encourage more development than 80% AMI.

City Manager Eric King added that the minimum requirements are a starting point, and that BURA can negotiate with the developers for longer incentives and lower AMI's.

Mayor Pro Tem Perkins supports the proposed policy as a starting point.

King stated that this presentation will be brought to Council work session on August 7, 2024 and to full Council on August 21, 2024.

Councilor Riley asked if gentrification and energy efficiency are being addressed, which was requested by this subcommittee at the May 31, 2024, meeting.

Taylor answered that by law, TIF policy requires that no one is displaced. Taylor said that energy efficiency requirements can be included in the Admin Policy by Council's direction.

The subcommittee directed staff to include energy efficiency requirements in the policy.

Business Advocate Allison Platt stated that staff is working with a consultant to identify target sectors for the BURA "Good Paying Jobs" Policy, and will come to Council in December 2024, and then create an eligibility list.

Councilor Riley asked if BURA needs to approve each project in existing TIF areas.

Taylor answered that yes, BURA must approve each project because the cost of the projects is higher than financial threshold of what staff can give approve by law.

Taylor stated that the draft resolution requires annual review to this policy.

Councilor Riley expressed support of reducing the policy to lower than 90% AMI at some point in the future and hopes to see some developments come in lower than 90% AMI.

The Stewardship Subcommittee recommended BURA consider and adopt the proposed tax increment assistance policies, with an addition of an energy efficiency requirement, for affordability and employment growth as presented.

4. Adjourned at 12:27 p.m.

Respectfully Submitted,

Ashley Bontje
Deputy City Recorder



Accommodation Information for People with Disabilities

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