



CITY OF BEND

Bend Urban Renewal Agency

**Tax Increment Assistance for Housing
Affordability & Employment Growth Policy**

Jonathan Taylor, Urban Renewal

September 18, 2024

Staff Request

Would AHAC like to provide a **recommendation** to the Bend Urban Renewal Agency for the consideration of this program?

Lowering Rents and Encourage Good Paying Jobs

Incentivizing livability through tax increment financing

Currently, **8 out of 10** jobs' median wages and nearly **50% of households** cannot adequately afford rent of a multifamily unit in Bend.

KEY POLICIES



**“LOWERING RENTS”
BASE POLICY**



**“LOWERING RENTS”
ENHANCED POLICY**



**“GOOD PAYING JOBS”
POLICY**



LOWERING RENTS BASE POLICY – 12Y INCENTIVE



15% OF NEW UNITS ARE RENTED AT 90% AMI

AND

**LOWER THAN MAXIMUM ALLOWED STATUTORY RENT
INCREASES FOR DEDICATED UNITS**



LOWERING RENTS ENHANCED POLICY – 12Y+ INCENTIVE



BASE POLICY

PLUS

MORE THAN 15% OF UNITS;

AND/OR

UNITS RENTED BELOW 90% AMI;

AND/OR

LOWER THAN MAXIMUM ALLOWED STATUTORY RENT INCREASES FOR MORE THAN DEDICATED UNITS

AND/OR

ENERGY EFFICIENCY STANDARDS

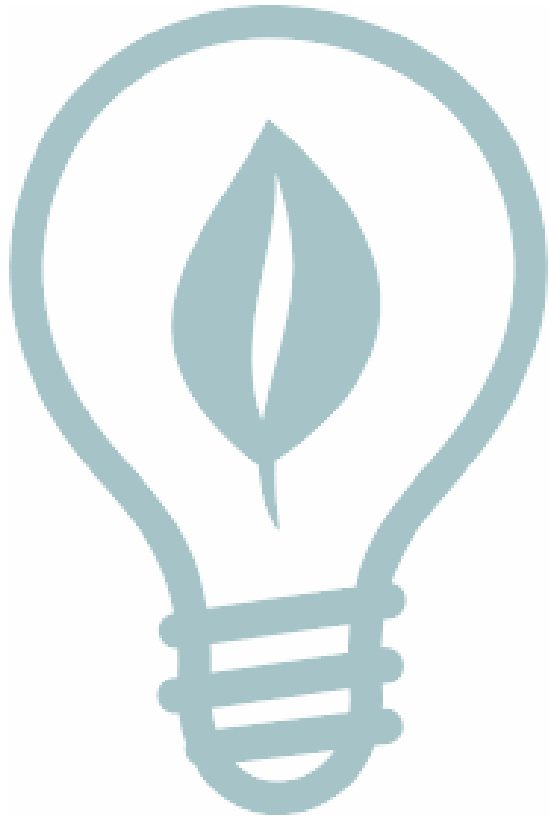
AND/OR

SUPPLIER DIVERSITY



CITY OF BEND

ENERGY EFFICIENCY STANDARDS FINDINGS



Proposed Language

Meets established energy efficiency standards (e.g., LEED Silver, Energy Trust of Oregon New Building Whole Building Program, Energy Trust Multifamily Market Solutions Best, Earth Advantage Silver, Energy Star).

Findings:

LEED Certified Buildings reduce residential utility costs by 4% while increasing overall rents by 10% vs. non-LEED Certified Buildings.

Green building standards raise development costs by 7%.

Staff can not determine the effect of this requirement of increasing costs for non-rent restricted units in developments that are supported by this program.

ENERGY EFFICIENCY STANDARDS FINDINGS



Proposed Language

Award twenty-three percent (23%) of its prime contractors to small businesses; including five percent (5%) for small, disadvantaged businesses and minority-owned businesses, and five percent (5%) for women-owned small businesses.

Findings:

There is not sufficient local capacity to meet this HUD definition.

This supersedes City Council direction on May 1, 2024 regarding the community benefit program process and timeline.

Meeting this requirement would require developers to solicit non-local firms thereby hindering creation or local “good paying jobs.”

Staff is not able to find any data suggesting that including supplier diversity as a criterion will lower rental costs.



ENERGY EFFICIENCY STANDARDS FINDINGS

Energy Efficiency Standards

What is AHAC's recommendation on the inclusion of this criterion?



Supplier Diversity Program

What is AHAC's recommendation on the inclusion of this criterion?



COMMUNITY RETURNS ON INVESTMENT REQUIREMENT



IMMEDIATE ROI

Housing production
More affordable units
Higher paying jobs

COMPARABLE LENGTH ROI

For Enhanced Policy, minimum 2:1 return for over comparable length for BURA stakeholders.

GOOD PAYING JOBS POLICY – 12Y INCENTIVE



IDENTIFIED TARGET SECTORS

EXEMPTIONS FOR CHILDCARE

AND

CREATE 5 NEW JOBS

EXEMPTIONS FOR CHILDCARE

AND

AVERAGE ANNUAL SALARY \$72,000

EXEMPTIONS FOR CHILDCARE



CITY OF BEND

PROGRAM PARAMETERS



SITE REVIEW
FINANCE REVIEW
PROJECT REVIEW
POLICY REVIEW



CONSIDERATION
PROCESS
ORS 457 REQUIREMENTS



PLAN DOCUMENT &
DEVELOPMENT
AGREEMENT IS APPROVED.



POLICY BENEFITS FOR AFFORDABILITY/EMPLOYMENT



FEE ALLOCATIONS

(CITY SDCs, PERMIT FEES)

and/or



ANNUAL REBATE



CITY OF BEND

IMPORTANT ADDITIONS



DISLOCATION

New developments proposed for occupied properties will be required to provide a plan for relocation and assistance prior to approval of a plan document or development agreement as required by state and federal law.



ANNUAL COMPLIANCE

Program participants must submit to BURA certification of compliance with all Program elements no later than November 15 of the year prior to receiving the annual tax reimbursement.



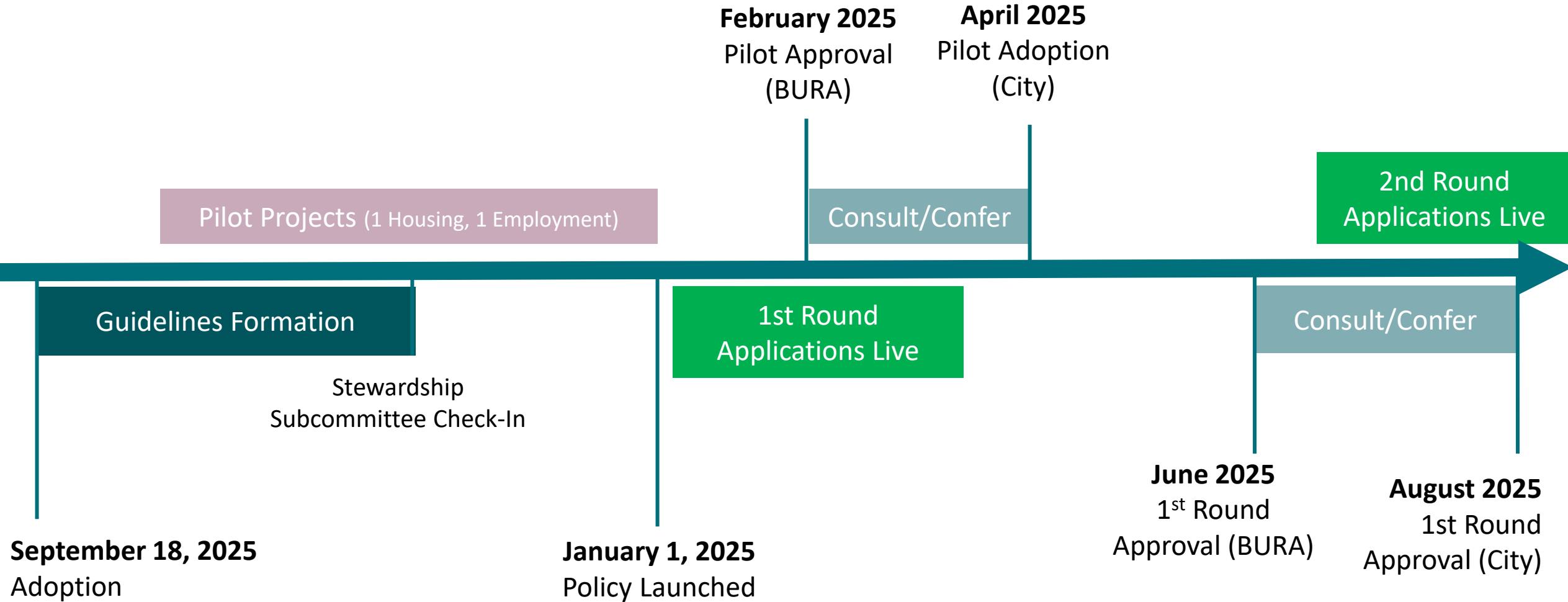
ADMINISTRATIVE POLICY

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



Would AHAC like to provide a **recommendation** to the Bend Urban Renewal Agency for the consideration of this program?

MOVING FORWARD



STAFF RECOMMENDATION

MOTION TO APPROVE RESOLUTION ESTABLISHING THE TAX INCREMENT ASSISTANCE POLICY FOR HOUSING AFFORDABILITY AND EMPLOYMENT GROWTH.

Accommodation Information for People with Disabilities



To obtain this information in an alternate format such as Braille, large print, electronic formats, etc. please contact Jonathan Taylor at jtaylor@bendoregon.gov or 541-322-6332 Relay Users Dial 7-1-1.

