

Minutes



Affordable Housing Advisory Committee (AHAC)

CITY OF BEND

October 9, 2024, 3:00 – 5:00 p.m.

City Council Chambers, Bend City Hall
710 NW Wall Street, Bend, OR 97703

1. **Roll Call Introductions:** Heather Simmons, Geoff Wall, Helen Silfven (Chair), Tony Levison, Ian Karasz

2. **Absent:** Ian Schmidt, Mandy Dalrymple, Alison Hohengarten

3. **Guests:** Ian Leitheiser (City of Bend, Assistant City Attorney), Megan Perkins (City Counselor)

4. Public Comment

Ann Brayfield provided written public comment prior to the scheduled meeting. Brayfield is concerned with making sure that affordable housing developers are utilizing sustainable, ethical and energy efficient practices. She is also concerned with determining conflicts of interest with developers prior to funding awards.

Amy Warren, Board Chair of Thistle & Nest, provided public comment in person. Warren expressed gratitude for the down payment assistance that Thistle & Nest received last year as it has provided many individuals and families the opportunity to buy a home, many of which were women-led households. With the help from these award funds, Thistle & Nest has either sold or is in contract for 20 twenty homes and 17 of those homes were provided with down payment assistance. 10 more homes are currently under construction and those are about 75% complete. Warren also provided varying statistics on Thistle & Nest home buyers, such as race, income, and marital status.

5. Approval of September Meeting Minutes

Motion to approve the September minutes made by Heather Simmons and seconded by Geoff Wall. Minutes approved. Five approved. None opposed.

6. American Rescue Plan Act (ARPA), Commercial and Industrial Construction Tax (CITC) and Affordable Housing Fund (AHF) Accomplishments

ARPA, CICT and AHF recipients shared the community benefit of their prior year awards:

RootedHomes -

Tess Spellacy, Home Ownership Program Manager, presented accomplishments for their developments on both Simpson and Poplar. The Simpson development is planned to have 40 net-zero homes completed in 2025 with 29 of those being three-bedroom homes and 11 of them being two-bedroom homes. Of those selected to purchase a home, 75% are first-generation homebuyers, 38% are BIPOC households, and 45% are female head-of-households. Overall, 88 people will be served by RootedHomes at Simpson. The Poplar development, which closed in January 2024, served 19 people in 7 homes and 4 of those homes were part of their pilot workforce program which serves local employees living in Bend. 71% are first-generation homebuyers and 57% are BIPOC households.

Volunteers in Medicine -

Kat Mastrangelo, Executive Director for Volunteers in Medicine, presented accomplishments for their healthcare clinic. Mastrangelo recognized that while they are not related to housing, medical debt is still the number one reason that people declare bankruptcy so it can certainly impact the ability to secure housing if funds are tied up in healthcare. Last year they served 787 individuals. 23 patients were directly supported with CDBG funds, 6 of which transitioned to OHP/Medicaid. They dispensed over two million dollars in medications for free through their charitable pharmacy.

Housing Works -

Keith Wooden, Real Estate and Facilities Director, highlighted the accomplishments they have with their four active developments: Cleveland Commons, Conners Crossing, Nine Peaks, and College View. Cleveland Commons has 33 units that are 80% complete and they are scheduled to open in November 2024. This is Housing Works' first heavily serviced permanent supportive housing (PSH) development. Housing Works has fully drawn the AHF award for Cleveland Commons, and their CICT award will be used for services. Conners Crossing was originally designed to be a joint development with Mosaic Medical, similar to the adjacent property known as Legacy Landing. Housing Works utilized \$900,000 in AHF to purchase the site. Development challenges led Housing Works to cancel the joint development and sell the parcel to Mosaic Medical and will repay the AHF loan in the process. There are still plans to build housing next to this site, keeping the project's original goals. Nine Peaks is a 45- unit development which targets people living within the 50% AMI range. Permitting will be submitted to the City by December 2024 with construction starting in May 2025 and an estimated build time of 14 months. Housing Works was awarded and fully utilized AHF funds for site acquisition. College View has 59 units targeting households with 60% AMI. Construction is ongoing and the estimated completion is August or September 2025. Wooden further explained why Housing Works did not build mixed-use for the Conners Crossing development like they did with Legacy Landing for example. He noted that the Oregon Bureau of Labor and Industries (BOLI) dictates that if a building has a commercial space in, then prevailing wage must be paid regardless of who buys the space. Prevailing wage rate laws ensure local participation and community established pay standards on



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publicly funded projects. These rates include fringe benefit wages to encourage employers to purchase health insurance and other benefits for their workers.

Council on Aging-

Steven Remington, Director of Development, explained that the CICT funding they received helped to complete the rehabilitation of the former Bend Community Center building, in particular, installing cabinetry in the building. Rehabilitation also included refurbishing the kitchen, interior doors, beverage station, grills and cabinetry which assisting in increasing their capacity to serve the congregate meals and they have served over 2000 people since 2023.

NeighborImpact -

Anna Naasz, Rental Assistance Coordinator for NeighborImpact, presented on how their funding award was utilized. From the \$100,000 award, they used funds for client payments, staff time and administrative support with the bulk of the funds, totaling \$900,000, going for client payments. They were able to assist 24 households with mortgage and rental assistance. 12 of the households are considered extremely low-income, 9 are low-income and 3 are considered moderate income. NeighborImpact helps people needing rental assistance and the staff prioritizes those in need based on imminent risk of eviction, safety, and potential barriers to housing. For homeowners needing assistance, NeighborImpact's Home Service Department implemented an extensive marketing campaign to reach those in need.

Thrive Central Oregon -

Sarah Mahnke, Executive Director, presented on how their funding award has benefited the community. Manke noted that Thrive received this CIC award just as their COVID relief funds were drawing down. Thrive used CICT funds for rental assistance for 55 low to moderate income households, directly impacting 111 people, with 24% of those served from BIPOC households, 11% are elderly, 51% are living with a disability and 33% are female head-of-households.

7. Taking on Fair Housing Conversations – Greg Colburn – *Homelessness is a Housing Problem*^[OB:] *Homelessness is a Housing Problem.*

Brook O'Keefe, Shelter Coordinator, opened the discussion for the next book in the Taking on Fair Housing Conversation Series, *Homelessness is a Housing Problem*. The central argument of the book is that regional variation in rates of homelessness can be explained by the costs and availability of housing. She proposed questions that could facilitate discussion between AHAC

members. Committee members engaged one another regarding the causes of houselessness and they recognized that there are many misconceptions. O'Keefe provided statistics from the Point In Time (PIT) Count noting that the 2024 PIT Count showed 66% of people experiencing houselessness in Central Oregon have lived here for 5 years or longer and similarly in 2023, that number was 68%. O'Keefe highlighted that Colburn's research concludes that housing elasticity in a market is the greatest indicator of the rate of homelessness. Specific to Bend, a one-bedroom apartment is roughly \$1,686.00 per month. The average person, making minimum wage, would make \$2,500.00 per month. For this person to not be considered rent burdened by HUD standards in Bend, this person would need to live in an apartment that costs roughly \$765.00 per month. Therefore, minimum wage earners are priced out of the rental market. People on social security are also unable to secure market rate apartments in Bend. Silfven asked for an example of what tangible success would look like in Bend. Wall responded that every time an affordable housing development is created, that is a success. He adds that voucher programs can be the deciding factor between an individual or family being housed. Simmons noted that housing options are vitally important, and she highlights such examples as safe parking options, managed camps, shelters, and permanent supportive housing.

8. Temporary ^(OBJ) Safe Stay Area and Safe Parking Concept

A joint Deschutes County and City of Bend effort focused on establishing a temporary safe stay area (TSSA) within Juniper Ridge for those currently living unhoused in the area.

Amy Fraley, Senior Program Manager for Houselessness Solutions, detailed a new Temporary Safe Stay Area and Safe Parking Expansion plan which includes housing-centered case management at Juniper Ridge. Addressing unsanctioned camping at Juniper Ridge came out of a joint session between the City and Deschutes County in early September. One of the factors that was taken into consideration when developing the plan concept was that ARPA funds needed to be allocated by December 31, 2024, and the funds needed to be spent by December 31, 2026. The estimated cost to fund the concept is approximately \$1.5 million dollars. The concept consists of three key elements: House-centered case management, new safe parking and existing safe parking. Housing-centered case management, with a partnership from NeighborImpact and existing providers, will focus on identifying the needs of the individuals and families living at Juniper Ridge and helping them move toward more permanent housing. The concept also includes identifying and funding new safe parking sites and funding existing safe parking sites. New Safe Parking sites may become available which could be operated by Central Oregon Villages, Mountain View Community Development, and REACH. Existing sites are located at communities of faith and are operated by Central Oregon Villages and REACH. Utilizing a map in her presentation, Fraley explained that the concept proposal would require approximately 25 camps to relocate into a parcel of land nestled between County-owned and City-land that is currently outside the UGB. Ian Leitheiser with the City Attorney's Office commented that this joint resolution will be included in the October 16, 2024, City Council meeting agenda.



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Fraley provided details on the 2024 PIT count, specifically that 959 people were experiencing houselessness in Bend. 475 people have transitioned from City-supported shelters into more permanent housing in the last two years. The Bend shelters have provided 81,043 bed nights. Overarchingly, Central Oregon saw an increase in people experiencing houselessness with an increase of 10% since 2023 while Bend saw a decrease with a 5% decrease. It is important to note that Bend includes the surrounding area. Bend currently has 523 shelter beds to offer the community with 216 of those being low-barrier and 100 of those are walk-up ready on a nightly basis.

9. Affordable Housing Advisory Committee (AHAC) Priorities for 2025 Council Goal Setting

A discussion amongst AHAC members on recommendations to the newly elected City Council for its goal setting in 2025.

Kerry Bell, Middle-Income Coordinator, and Mellissa Kamanya, Affordable Housing Coordinator, facilitated a discussion with AHAC members on possible items to consider recommending to City Council for the next biennium goals in the Spring 2025. Bell noted that the list of areas of opportunity has developed through listening to our local developers at workshops and other feedback, and she brought that information to AHAC over the last year. Some of the areas of opportunity have been addressed through resolutions and been vetted through the Housing Department staff noting that many of the areas of opportunity are code-related topics having to do with infrastructure impediments. Bell reported that the City Council has put together work groups to address some of the items on the areas of opportunity list. Wall asked why the Property Tax Exemption for Middle-Income has not been addressed. Lynne McConnell, Housing Director, answered this question, offering that some members of the taxing district partners are not interested in housing related topics so there has been some resistance to addressing this topic. Megan Perkins, City Council, reiterated that Bend City Council is interested in pursuing the property tax exemption conversation but noted that it is challenging trying to figure out how to approach their taxing district partners. Bell added that AHAC has been privy to more information and more detail from developers on middle-income housing, the missing middle product and ADUs than City Council has received therefore AHAC's recommendation is especially important and could be very impactful. Kamanya offered some recommendations to address Simmons' question regarding the disparities with the lending organizations. Kamanya suggested ensuring that the disparity information is publicly available in a format the public can understand. Also, she suggested financial literacy agencies could apply for funding to reach low-income residents interested in applying for a mortgage. Kamanya suggested two additional

recommendations that AHAC could propose to City Council, the first being to identify which city of Bend owner properties have racially restricted covenants and how to pursue removing the covenants and the second being, supporting additional funding sources to incentive accessible developments of homes and to offset the additional costs associated with developing accessible homes. Geoff Wall suggested increasing awareness of accessible units by creating a master list of properties, thereby making it easier for residents to identify units that may meet their accessibility needs.

Silfven asked the committee if they were prepared to make recommendations now or revisit it at a future meeting. Karasz and Wall suggested that the committee wait before making any recommendations. The committee decided to review the Impediments to Fair Housing document, list of areas of opportunity, and 2023-2027 Consolidated Plan and then produce 3 to 4 recommendations to present to City Council.

10. Staff Report

- a. Work session on October 14 & 28, 2024 with a Planning Commission on commercial zones and codes. Goes to City Council on November 20, 2024, for a vote.
- b. Funding applications are open in Neighborly. Application process closes on October 28, 2024.
- c. Old Mill Inn and Suites grand opening with 76 units

11. Adjourn

Racheal Baker

From: Ann Brayfield <abrayfield@yahoo.com>
Sent: Monday, September 23, 2024 9:27 AM
To: CouncilAll; Lynne McConnell; Racheal Baker; Mellissa Kamanya
Subject: Affordable housing funding

You don't often get email from abrayfield@yahoo.com. [Learn why this is important](#)

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Dear Councilors, Affordable Housing staff and volunteers
(please forward to members of Affordable Housing
Advisory Committee),

It seems that we all agree more affordable housing is needed in Bend. My concern is that when public money is spent on housing that it be high quality construction, energy efficient and sustainable.

When it comes to affordable housing for first time homebuyers my concern is that qualified first time buyers receive an education in home buying and home ownership as well as working with a non profit that can be their advocate.

Given that we are at the beginning of an application cycle for processing applications from non profits/builders/developers who are interested in being awarded funds for constructing more affordable housing units in Bend I think this is a good time to look at how applicants are vetted and awards made. In addition I think we need a process for making sure we are getting a high quality product for public money spent. Code inspections throughout the building process are not sufficient for determining that we are getting a high quality product for our public money.

It is my understanding that determining any conflicts of interest when awarding funding is part of the process. I question how

conflicts of interest are defined when awarding affordable housing funds. I am familiar with Thistle and Nest a past recipient of affordable housing funds and I can't figure out how there weren't conflicts of interest in this case where Amy Warren heads up both Thistle and Nest, the non profit receiving funds and Hive, the builder of the project and Larry Kine, the developer who is on Thistle and Nest's board of directors. Under these circumstances the home buyers are lacking an advocate who would typically be the non profit. In this situation how could homebuyers be assured that quality issues with the product are appropriately addressed?

The current round of funding definitely needs to look closely at conflicts of interest like the ones outlined above. The homebuyer assistance funding awarded earlier in the year may not have included conflict of interest review as part of the process as it was a different kind of program compared with the current kind of program for funding construction.

Homebuyer assistance funding programs need to have a component that assures that properties being bought include high quality construction, energy efficiency and sustainability. I am happy to share my knowledge of quality issues that have arisen with Woodhaven Estates which were the properties bought with homebuyer assistance funding awarded to Thistle and Nest by the City of Bend earlier this year.

I am looking into best practices around the country for creating and funding affordable housing including first time home buyer assistance. I would request that staff also look into best practices as well including how high quality construction, energy efficiency and sustainability is assured. The last thing we need in Bend is the unintended consequence of a housing product

that isn't here for the long term or that isn't affordable for a homebuyer to maintain.

I am happy to make myself available for further conversations and/or to work on this matter. I have a background working in a first time homebuyer program funded by public funds awarded to a non profit housing agency in Rochester NY. In Bend I have worked over the past fourteen years educating local builders who have been interested in learning more about how to construct energy efficient homes and have worked with three local builders to renovate two 600 sq ft houses to an energy efficient, sustainable and high quality standard and to construct a 600 sq ft ADU and a three bedroom 1300 sq ft house to an energy efficient, sustainable and high quality standard. These affordable rentals are providing much needed work force housing in Bend.

Thank you for your attention to this matter.

Best,

Ann Brayfield
603 494 7066

[Sent from Yahoo Mail for iPhone](#)