



BURA ISSUE SUMMARY

Subject: Adopt an Affordable Housing Loan Assistance Program for all urban renewal areas in Bend.

Staff Member, Department: Jonathan Taylor, Urban Renewal Manager

Meeting Date: 8/6/2025

Action(s) Required:

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| <input type="checkbox"/> Consent Agenda | <input type="checkbox"/> Ordinance First Reading | <input type="checkbox"/> Public Hearing |
| <input type="checkbox"/> Information/Direction | <input type="checkbox"/> Ordinance Second Reading | <input type="checkbox"/> Resolution |
| <input checked="" type="checkbox"/> Motion | | |
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Recommended Motion

I move to adopt the Bend Urban Renewal Agency Affordable Housing Assistance Loan Program, establishing guidelines for loans to support development of affordable housing using tax increment revenues in urban renewal areas in Bend, and rescind the Murphy Crossing Affordable Housing Assistance Policy.

Issue / BURA Decision & Discussion Points

- On August 5, 2020, BURA adopted the Murphy Crossing Affordable Housing Assistance Policy. Since then, one loan in the amount of \$750,000 was awarded to Wishcamper Development Partners for their development Stillwater Crossing.
- An affordable housing developer has expressed interest in development assistance from BURA to acquire surplus land from the Oregon Department of Transportation (ODOT) to construct an affordable housing project.
- The proposed new policy changes the existing Murphy Crossing loan program to allow the Bend Urban Renewal Agency to establish a revolving loan fund in each urban renewal area to further affordable housing production goals, including providing assistance to the potential developer of the ODOT site, pending future approval by



BURA. The changes add flexibility to the program so the loans can be adjusted to meet the needs of BURA and developers and be applied in any urban renewal area in Bend.

Background

The 2020 Policy on Loans for Affordable Housing at Murphy Crossing (the “Policy”) established the parameters for the administration of loans through the Murphy Crossing Urban Renewal Plan. The program allows loans for development related tasks including acquisition, construction, rehabilitation, grading/clearance, and infrastructure. The Policy sets the terms for all loans at zero percent interest on the principal balance, a maximum 20-year term, and a 20-year deed restriction.

BURA has awarded one loan under the Policy: \$750,000 to Wishcamper Development Partners for their Stillwater Crossing development for upgraded infrastructure and construction costs associated with the development of 240 units of deed-restricted affordable housing, with a 20-year term at 0% interest as required by the Policy.

On June 4, 2025, an affordable housing developer approached urban renewal staff to inquire about funding for the acquisition of a large-tract property in the Murphy Crossing Urban Renewal Area. The proposed development includes approximately 384-unit affordable housing units with 100% of units restricted to households earning 80% of area median income or below.

Staff determined the Policy should be amended to adequately address the developer and area needs, and be expanded to be applicable to all the urban renewal areas, as described below. If the Policy is amended as proposed, developers will be required to submit the necessary documentation for review, and staff will draft the loan documentation for BURA review and consideration at future meetings.

Revised Policy

Assistance under the revised Policy will be in the form of interest-bearing loans. Principal and interest repayments are intended to be used and leveraged to make future loans under the Policy.

The primary changes to the Policy include:

- Expanding to provide the same loan assistance for affordable housing in any urban renewal area, where such assistance is consistent with the adopted urban renewal plan
- Establishing interest rate set by BURA for each development, based on the amount borrowed, organizational finances, terms, federal reserve rate, prime rate, and local market conditions. Interest rates may be fixed, variable, or scalable.
- The loan term will be capped at ten (10) years, and BURA can approve longer terms for specific developments
- Availability and amounts of loans will be contingent on revenue generated by the tax increment finance (TIF) area, as allowed by the TIF plan.

Budget and Financial Impacts

The loans issued to the approved affordable housing developers will be funded through the availability of TIF revenues generated within the tax increment finance area where the project is located.

A budget adjustment may be required to make the loans under this Policy.

Community Outreach Process and Potential Impacts

The program will be made publicly available to any interested party through the Bend Urban Renewal webpage or by soliciting information from urban renewal staff

Department Director Review: Matt Stuart

Financial Review: Samantha Nelson

Legal Review: Elizabeth Oshel

Attachments:

- Policy on Loans for Affordable Housing Development in Tax Increment Finance Areas