



CITY OF BEND

# **Budget Deliberations Part 2**

**Community Development, Economic Development, Housing**

May 14, 2025

# Oregon Economic and Revenue Forecast

May 2025



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# 'Known Unknowns' Foment Uncertainty And Wider Tail Risks

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Federal Agenda Priorities could have a wide range of consequences on State Economic outlook- depending on the degree to which they magnify or offset one another.



Too soon to understand how the economy is responding to actions already taken—but—more broadly, the ultimate scope of critical policy decisions remains unknown.



Economic impacts of tariffs are unlikely to materialize in vital statistics such as employment or consumer prices for another month or two.

**Known unknowns, pose potentially massive risks to the economic outlook.**



# Executive Summary Highlights

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Oregon is a state which is highly vulnerable to federal economic decisions.

Growth is expected to be sufficiently slow that labor conditions soften- but not in the jarring manner of a conventional recession.

“Growth recession” or near-stagnation result in higher unemployment.

Confidence toward the economic outlook is a critical catalyst of consumption, hiring and investment, and history shows the period of acute uncertainty can depress such activity.



## Oregon Economic and Revenue Forecast

May 2025

Volume XLV, No. 2  
Release Date: May 14<sup>th</sup>, 2025



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# State Revenue Forecast 2025-2027

## 2023-25 Biennium:

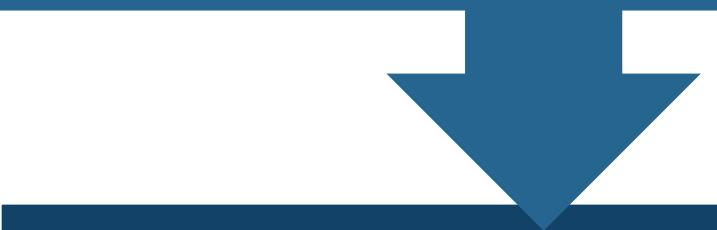
Revenues revised **downward**  
**\$162.3 million**

- Legislature approved **additional \$248.9 million** in expenditures
- Ending fund balance **revised downward by \$414 million**

## 2025-2027 Biennium:

Personal income taxes  
adjusted down \$529  
million

Corporate Income  
taxed decreased  
\$24.6 million



**Total available resources  
decreased by \$755.7 million  
(2.4%) compared to March 2025  
projection**



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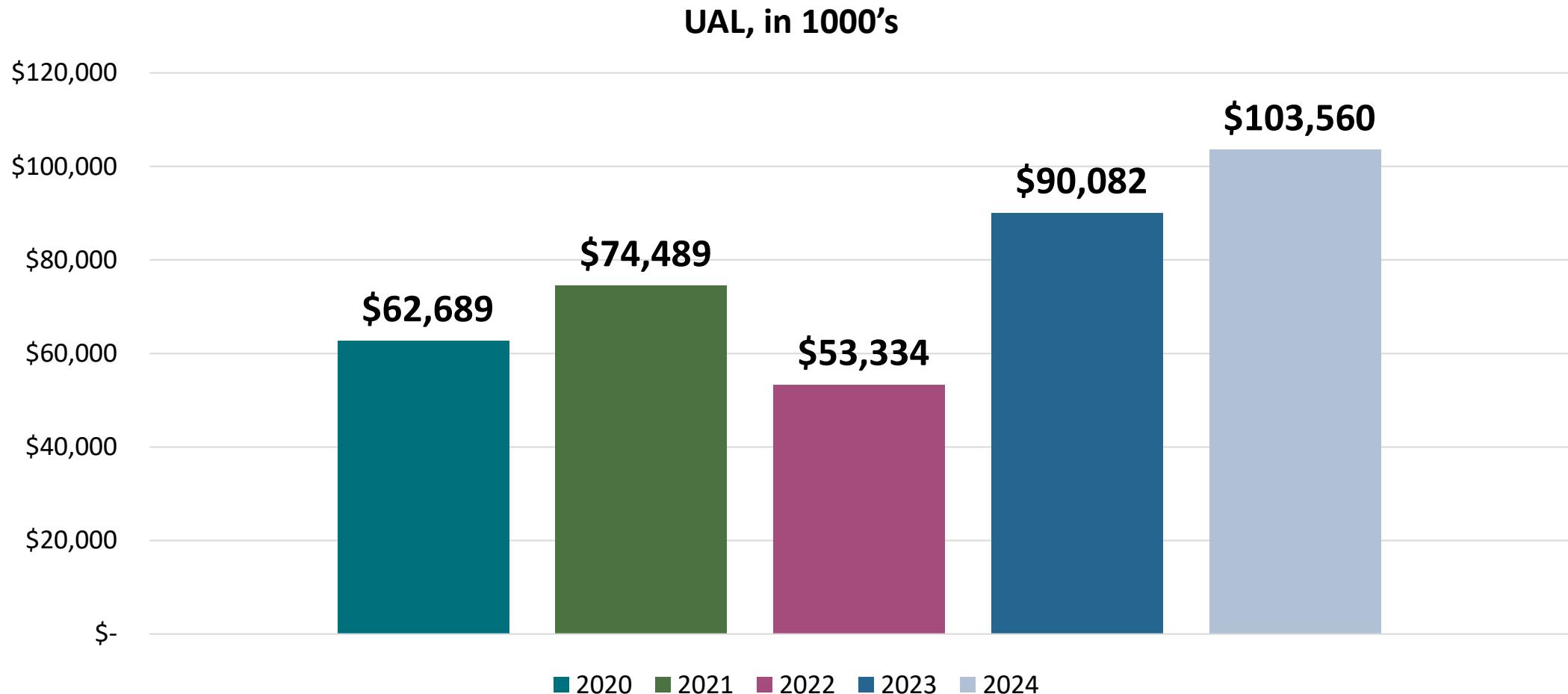
# Post Employment Retirement System (PERS)



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# Unfunded Actuarial Liability (UAL)

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Source: Milliman Actuarial Valuation Report published October 2024

# Employer Contribution Rates, Effective July 1, 2025

	<b>Tier One/Tier Two</b>	<b>OPSRP* General Service</b>	<b>OPSRP* Police &amp; Fire</b>
Employer Contribution Rate	25.66%	19.43%	24.70%
Number of Current Employees	102	532	155

## Side Account Rate Relief:

- 2.56% reduction in rates effective for July 1, 2025
- Approximately \$2.4M of savings for FY26



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\*Oregon Public Service Retirement Plan (OPSRP)  
Source: State of Oregon PERS

# State of Oregon Legislative Actions

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- Creation of OPSRP in 2003
- SB 1049, Effective July 1, 2020
  - IAP member redirect to **Employee Pension Stability Accounts**
  - Employer contributions for re-employed PERS Retiree members to UAL
  - Subject Salary Limits (2025 wage limit: \$238,567)



# Community Development



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# CDD – Operating Budget

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**\$62.4 Million Biennial Budget**



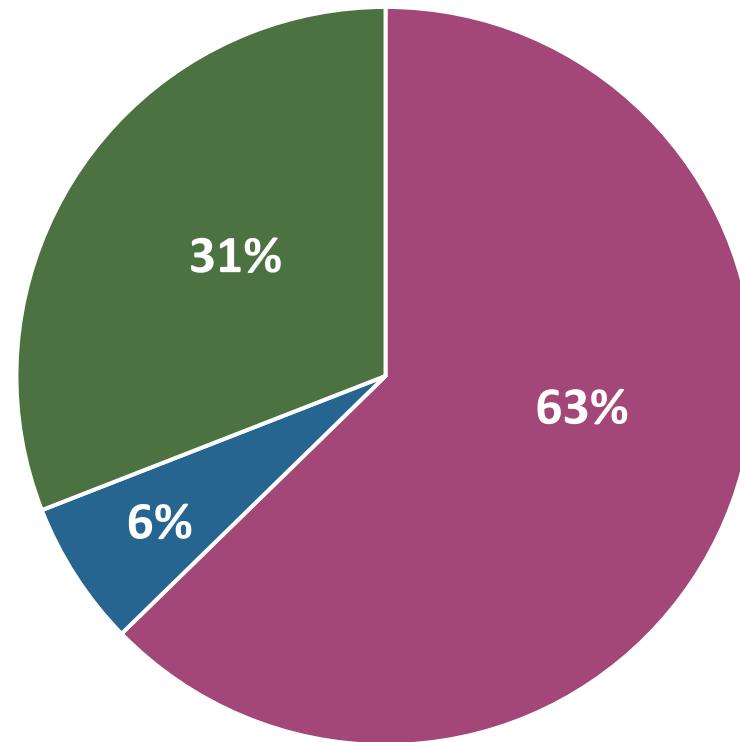
**Personnel Services**  
\$39.1 million



**Transfers**  
\$19.3 million



**Materials & Supplies**  
\$4 million



- Personnel Services
- Materials & Supplies
- Transfers



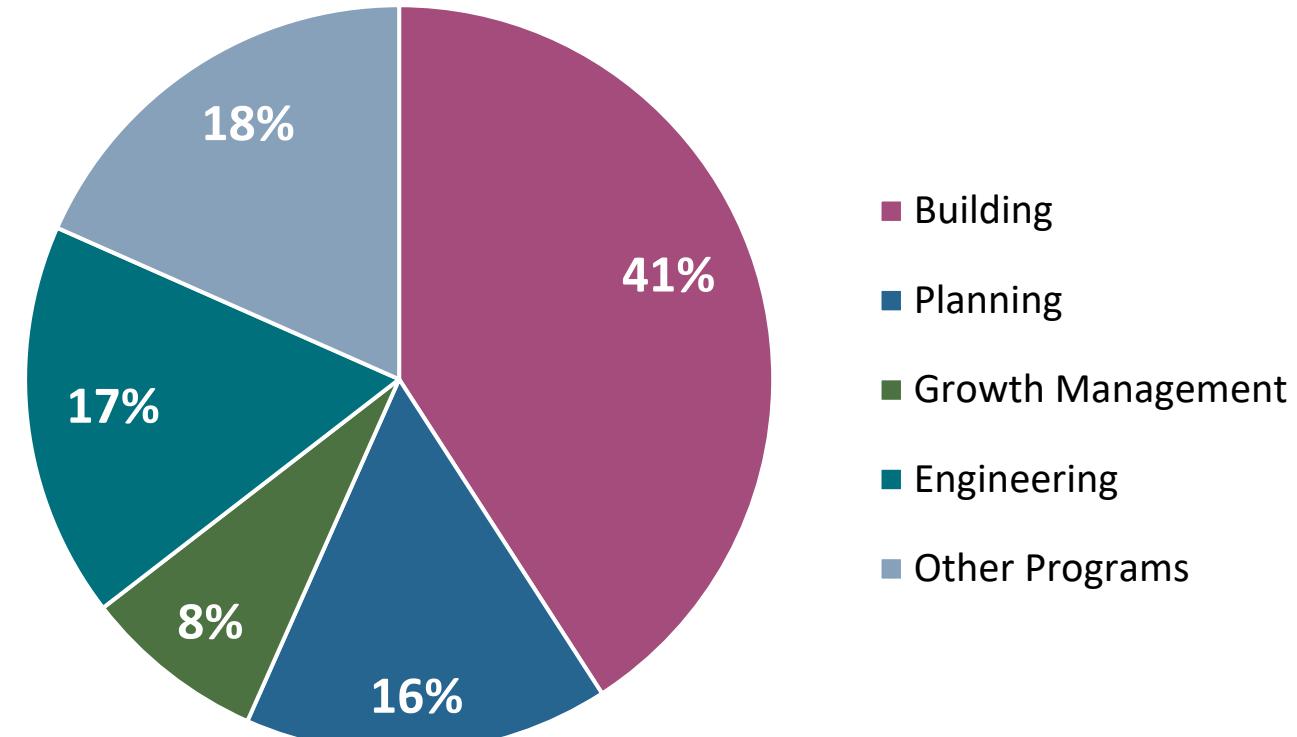
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# About the Community Development Department

-  **115.75 Full-Time Employees (FTE)**
-  **Building Fund**  
\$25.5 million
-  **Other Programs\***  
\$11.5 million
-  **Engineering Fund**  
\$10.7 million
-  **Planning Fund**  
\$9.8 million
-  **Growth Management Fund**  
\$4.9 million

**\$62.4 Million Biennial Budget**

Seven Divisions Within the Department



\*Other Programs: Code Enforcement, Development Services, Administration



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# Key Budget Highlights

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## Resources Affected By Market Conditions And Development Activity

- Projecting flat permit activity changes year over year
- Remain nimble and responsive to changes
- Ready/Set/Go model

## Cost Of Providing Services Continues To Increase

- Personnel, department and shared services
- Consultant contract (Growth Management) and third-party permit review contractors

## Recalibrating Fees To Ensure Long Term Financial Sustainability

- Scheduled increases for Building and Engineering fees (per previously established strategy)
- Targeted increases for Planning fees based on changes in activity
- Revert to 2019 funding model/General Fund support in Planning



# Ready, Set, Go – Current State: **SET**

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## READY

**(High Frequency)** – *Since 2020 triggered 18 out of 69 months (26%)*

- **Criteria:** Any single month revenue that falls below the historical median for the same period.

## SET

**(Medium/Low Frequency)** – *Since 2020 triggered 2 out of 69 months (2.8%)*

- **Criteria:** 3 consecutive monthly revenues that fall below the historical median for the same period AND YoY Activity Drop  $\geq 20\%$ .

## GO

**(Very Low Frequency)** – *Since 2020 triggered 0 out of 69 months (0%)*

- **Criteria:** 4 consecutive monthly revenues that fall below the historical median for the same period AND YoY Activity Drop  $\geq 20\%$ .
- **Within each “state”, action plans involve** – hiring pauses (1, 3, 6 month), reallocation of staff, and determining GF support for reserve targets. If “**Go**” triggered, immediate action required.
- **An equal number of monthly revenues above historical median are needed to resolve a “state”.**



# Planning Heat Map for Ready, Set, Go

Cumulative Period Percentile Rank (2017 to Each Year)						
Period	2020	2021	2022	2023	2024	2025
1	100%	25%	80%	33%	86%	63%
2	67%	75%	80%	83%	29%	100%
3	100%	100%	100%	67%	86%	0%
4	67%	0%	60%	50%	57%	88%
5	100%	75%	100%	83%	100%	88%
6	33%	0%	100%	100%	71%	25%
7	100%	25%	20%	100%	57%	25%
8	33%	75%	100%	83%	29%	50%
9	67%	100%	100%	50%	0%	75%
10	100%	100%	100%	0%	14%	50%
11	0%	100%	60%	67%	86%	75%*
12	100%	0%	100%	67%	100%	88%*

\*Multiple 100%'s indicate consistent record revenues each year in that period



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\*2025 Periods 11 & 12 are forecasted values

# Contribution to Council Goals

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## Housing



- Adopt elements of 20-year plan for housing and jobs
- Development Code changes to speed up middle-income, affordable and infill housing

## Climate Resiliency



- Adopt plan for the Urban Tree Canopy
- Explore improvements to the outdoor lighting code
- Evaluate and update codes for wildfire resiliency

## Economic Prosperity



- Identify land capacity and infrastructure needs for Bend's growth plan
- Urban Design Framework for the Core Area

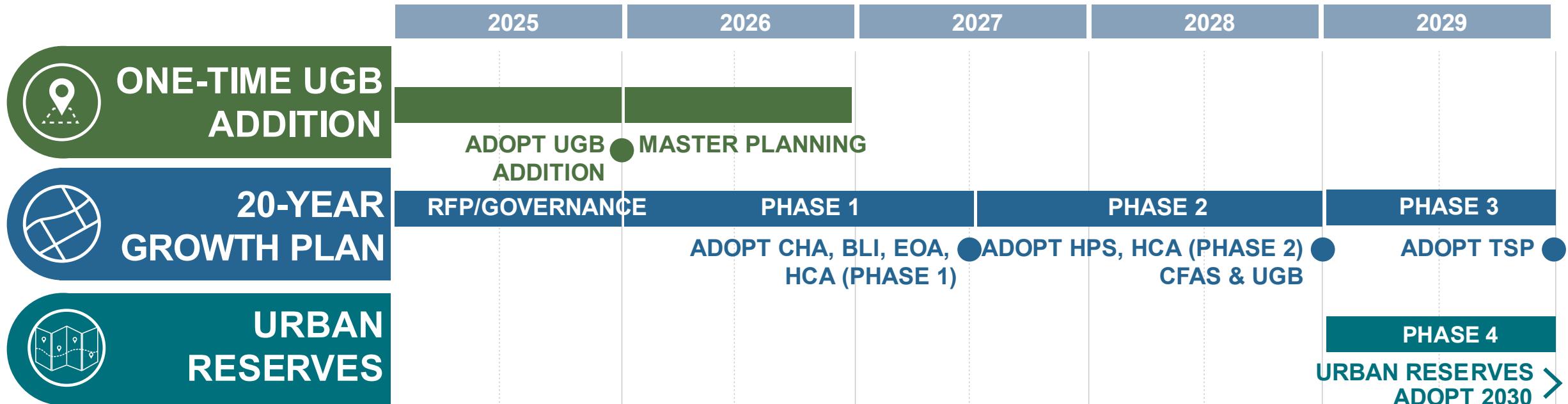
## Accessible & Effective Government



- Improve permitting process and reduce review times

# Managing Growth

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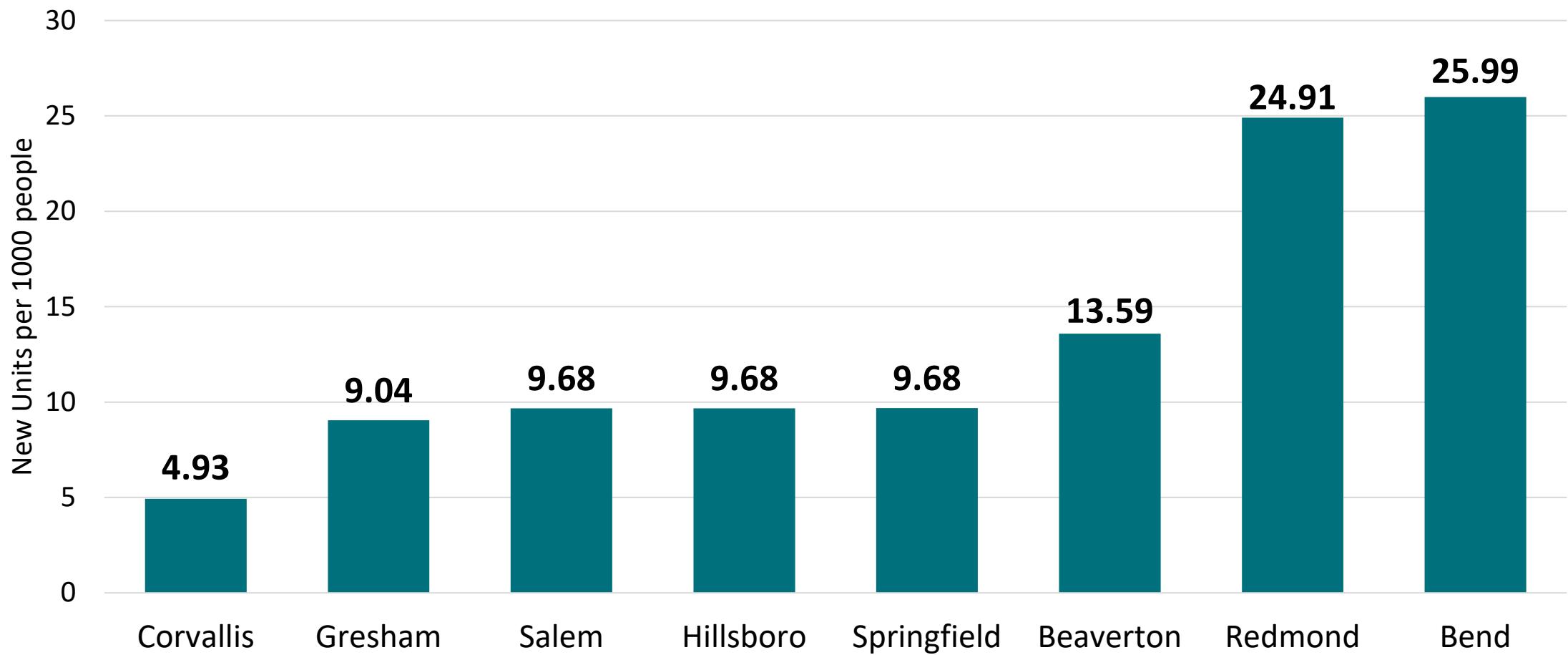


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# Housing Unit Production per 1,000 Population

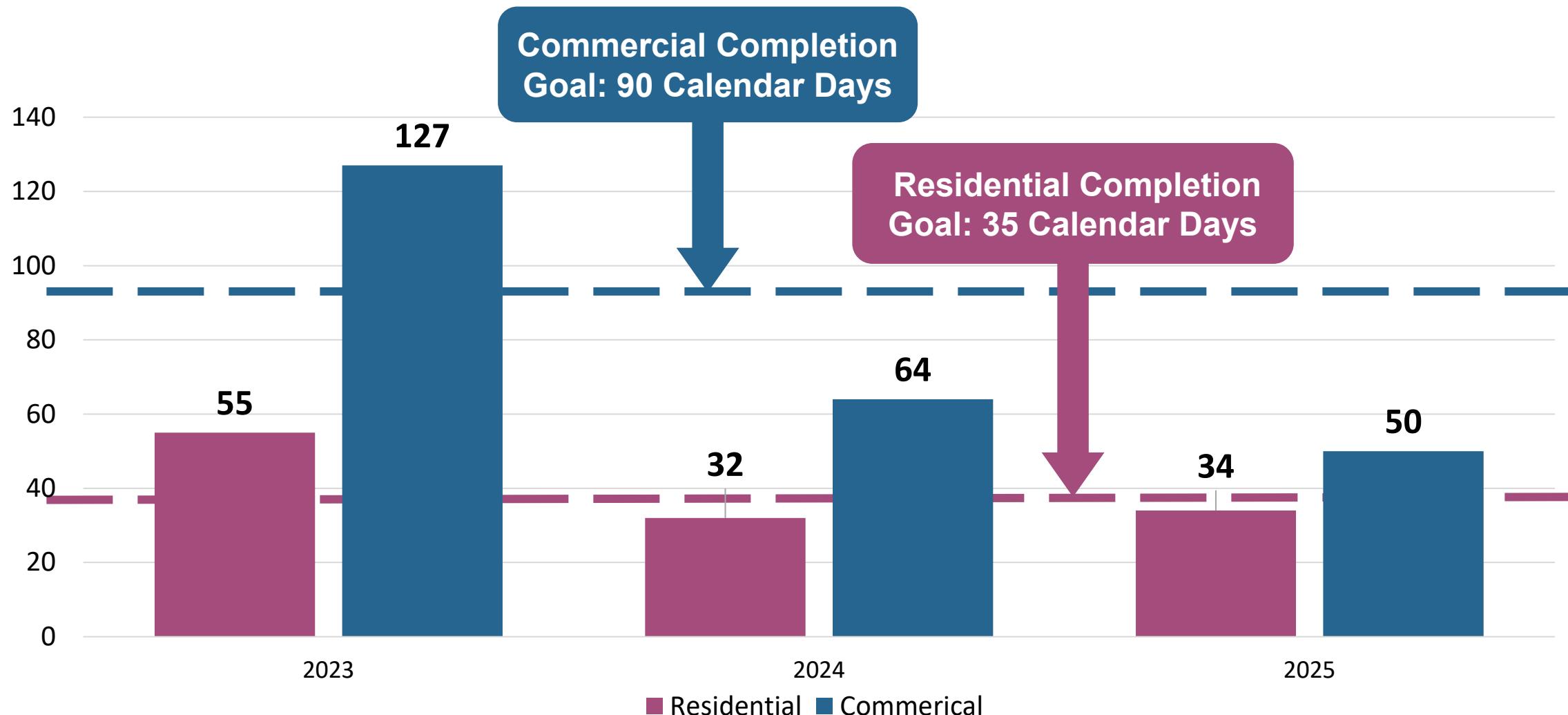
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Calendar Years 2022 and 2023



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# New Construction: Average Days to Complete First Review



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\*Permit Center Application Timelines dashboard can be found at [data.bendoregon.gov](http://data.bendoregon.gov) under "Interactive Maps & Reports"

# The CDD Story- We are:

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## Efficient

- Balancing in-house expertise with consultants
- Improved and predictable turnaround times
- No request for additional FTE

## Innovative

- Dedicated Code amendment staff available for Council-directed housing development and permit goals
- Created “Navigator” position to facilitate review process
- Dedicated HR Staff imbedded into the Department

## Responsive

- Two rounds of permit extensions approved
- Review comments shared in CityView in real-time
- Master Plan Reissue Program
- Next-day permits for mechanical, electrical and plumbing

# Questions?



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# Economic Development



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# About Economic Development

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**6 Full-Time Employees (FTE)**



**Urban Renewal/TIF\***  
\$21.12 million



**Business Advocacy**  
\$1.52 million



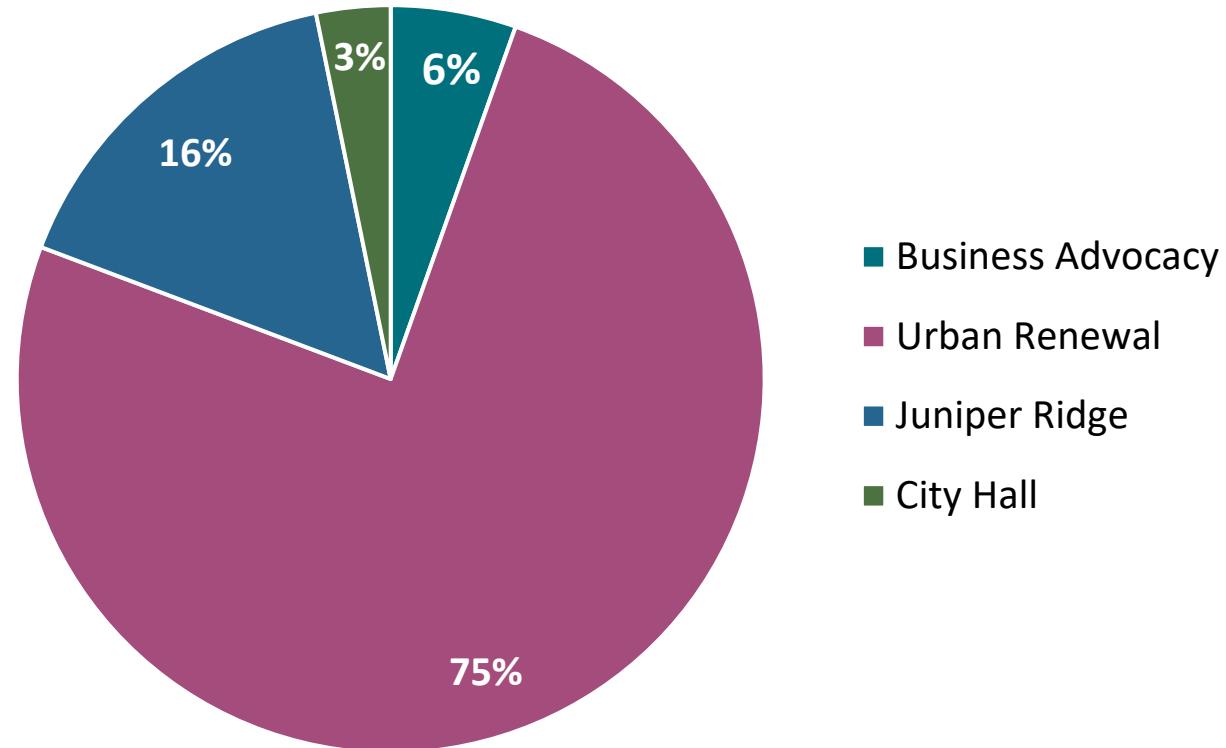
**Juniper Ridge (Real Estate)**  
\$4.5 million



**City Hall (Facilities)**  
\$900,000

**\$23.5 Million Biennial Budget**

3 Departments • 3 Urban Renewal Districts • ~100 Acres for Surplus



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\*TIF (Tax Increment Financing)

# Key Budget Highlights

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## Investing in Personnel to Enhance Economic Development

- Repurpose 1 FTE (Economic Development Officer); and add 1 LTE (Health & Safety Officer)
- Supported by revenue generated from business registration program, General Fund, and land sales

## Strategic Capital Investments

- Diversifying RFP process for economic development services
- Review strategic investment strategies and priorities for Murphy Crossing and Juniper Ridge TIF Areas
- Funding Core Area TIF improvements and strategic programs

## Empowering Bend's Growth

- Crafting a 10-year economic development plan with robust community input
- Managing ~1,000 acres outside city limits and operating TSSA
  - Property clean-up and fuels mitigation

# Council Goal: Economic Prosperity

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**Create a comprehensive economic development plan and vision, measured by a Bend-specific economic prosperity index**

**Budget impacts:** Development of Economic Development Plan: \$47,000



**Lead an effort to strengthen economic prosperity by enhancing strategic partnerships**

**Budget impacts:** Economic Development Partnership RFP: \$377,000; New City Hall Technical & Financial Analysis & Master Planning: \$900,000



**Implement the Urban Renewal Investment Strategy**

**Budget impacts:** Based on anticipated/projected TIF revenue



# Site Specific TIF

- **694** residential units
- **123** restricted for 90% AMI or less.
- Contributes to **12%** of OHNA 5-Year Goal
- Construction will **generate \$173 million** for the local economy

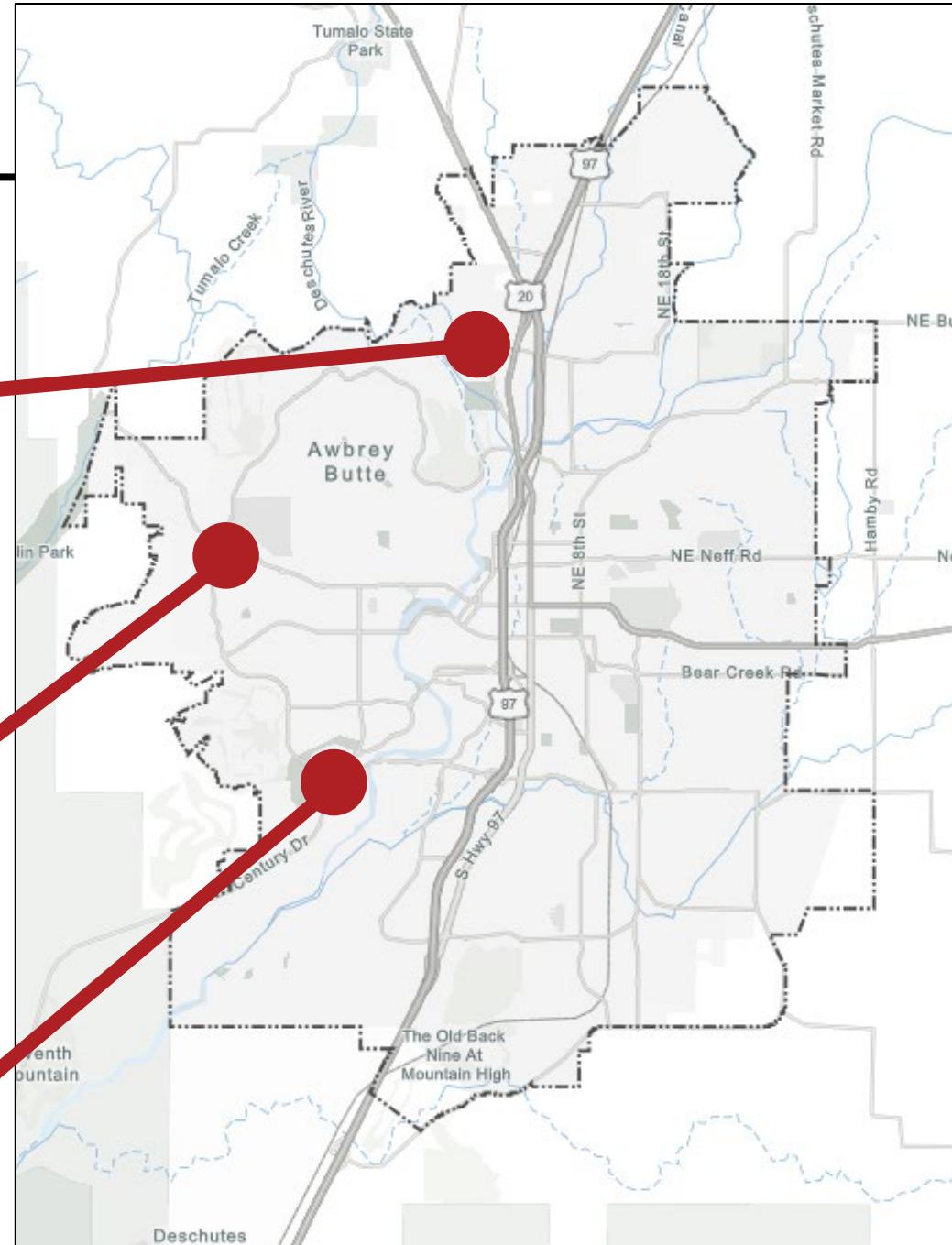
# Britta Ridge



# Veridian

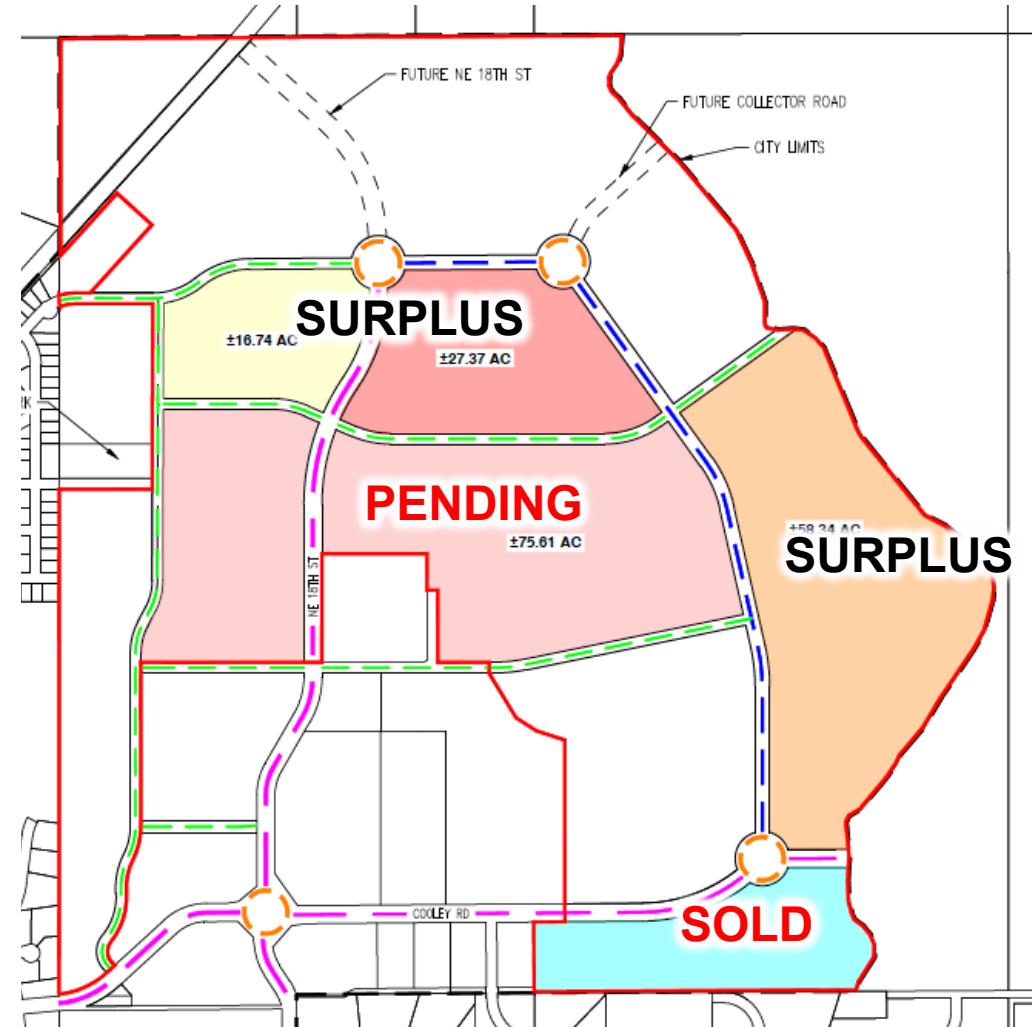
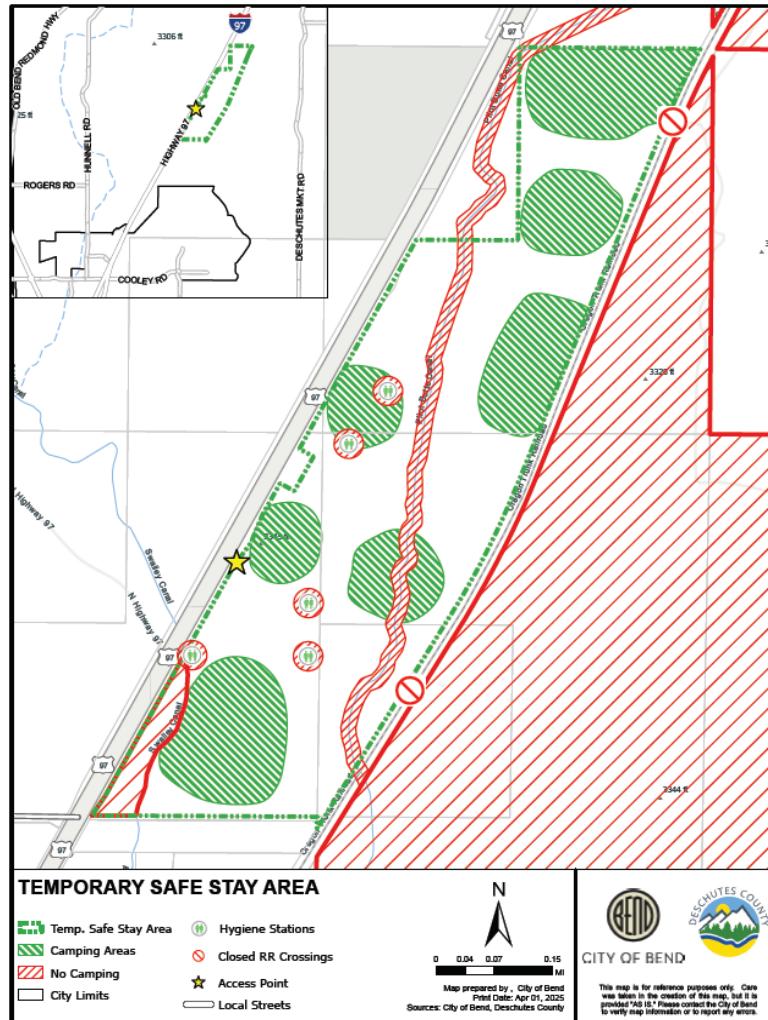


## Century



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# Juniper Ridge



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# City Hall – Bend Central District

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- City has acquired or is under contract for approx. 3.2 acres
  - Franklin & 2<sup>nd</sup> Street
  - Hawthorne & 1<sup>st</sup> Street
- Currently performing Technical & Financial Analysis



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# Questions?



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**Break  
Deliberations will resume at 5:35**



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# Housing



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# Housing Division – Operating Budget



**5 Full-Time  
Employees (FTE)**



**Personnel Services**  
\$2.4 million



**Materials & Services**  
\$16.2 million



**Transfers**  
\$1.6 million

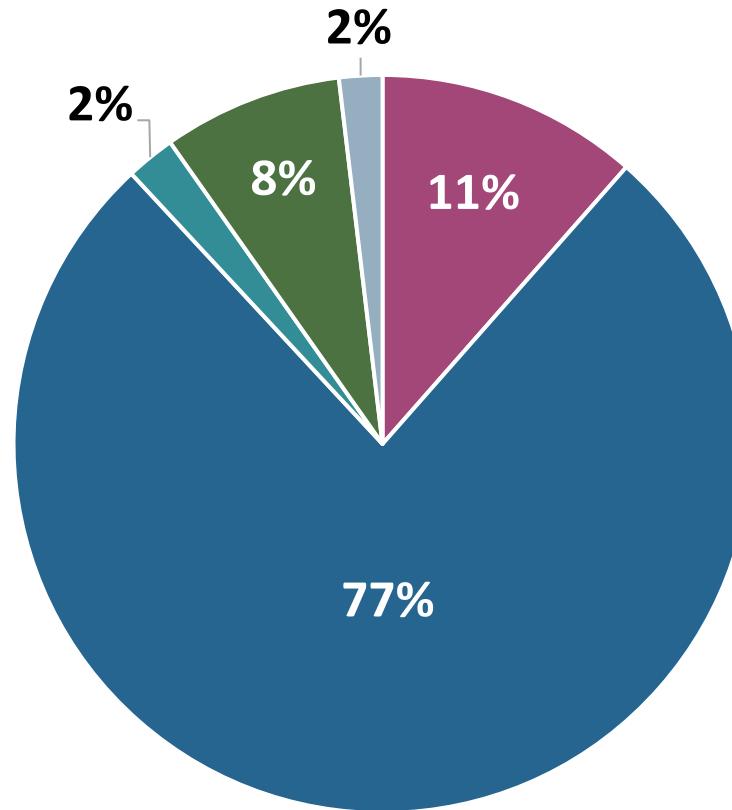


**Capital Outlay**  
.5 million



**Debt Service**  
.4 million

**\$21.1 Million Biennial Budget**



- Personnel Services
- Materials & Supplies
- Capital Outlay
- Transfers
- Debt Service



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# About the Housing Division



5 Full-Time  
Employees (FTE)



Houseless Fund  
\$7.8 million



Affordable Housing Fund  
\$6.1 million



Pathways to Remove  
Obstacles (PRO) Housing  
\$4.5 million



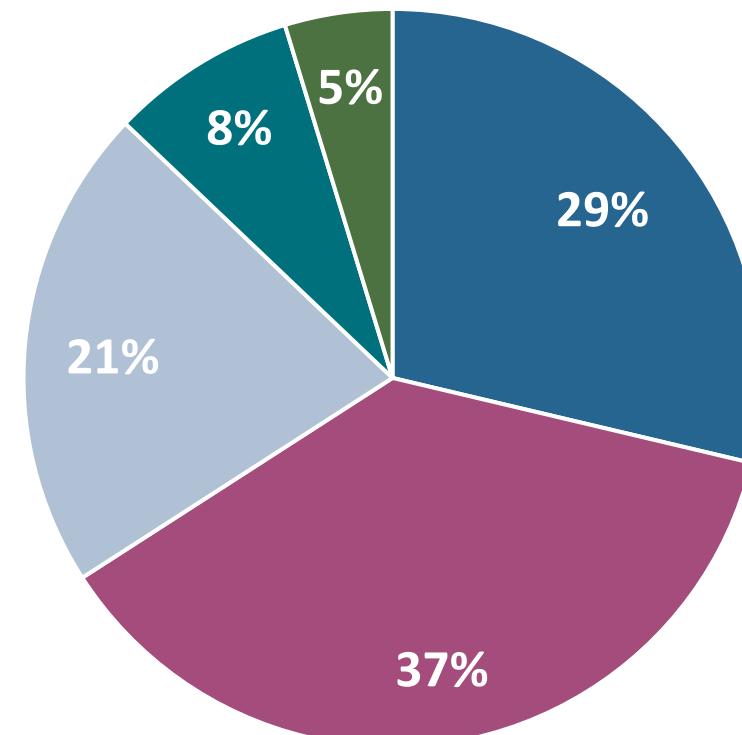
Community Development  
Block Grant  
\$1.7 million



Commercial & Industrial  
Construction Tax  
\$1.0 million

**\$21.1 Million Biennial Budget**

- 4 Affordable Housing Incentive Programs
- 5 Program Funds



- Affordable Housing Fund
- Houseless Fund
- Pathways to Remove Obstacles (PRO) Housing
- Community Development Block Grant
- Commercial & Industrial Construction Tax



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# Key Budget Highlights

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## Serving Additional Housing Production Programs

- Reallocated staffing for City-funded program oversight and delivery and PRO Housing Grant activities
- Supported by funding generated through the Affordable Housing Fee and the awarded PRO Housing Grant

## Striving to Address Housing and Houseless Services Needs

- Council adopted housing production targets across all income levels, guided by the Oregon Housing Needs Analysis (OHNA) methodology
- Houseless services supported by the City are sustained through partnerships and funding from federal, state, and regional sources

## Promoting Housing Solutions Despite Market Fluctuations

- Staff projected stable revenues amid high interest rates and limited housing supply
- Program growth continues to respond to strong community demand for housing solutions

# Council Goal Target Outcomes: Housing



**Permit 1,818 units at or below 80% AMI and 826 at or below 120% AMI**

**Budget impacts:** Technical Advisory Analysis on Residential Permitting Process RFP: \$175,000; Architectural Design Sets for ADUs RFP: \$100,000



**Support at least 525 shelter beds and the facilitation of 300 transitions to more permanent housing**

**Budget impacts:** Houseless Services Grant Program (\$3.1 million)



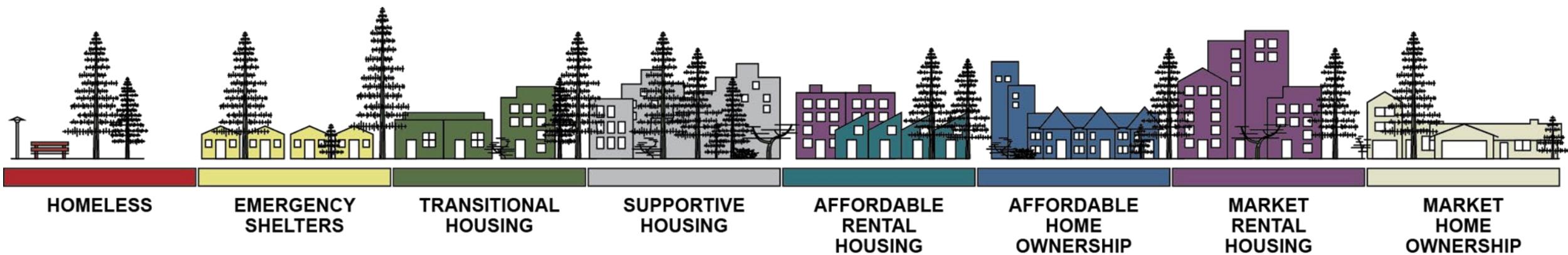
**Accelerate complete neighborhoods**

**Budget impacts:** Exploration of alternative revenue and incentive programs

# Affordability

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The City of Bend's Housing Division budget supports housing affordability for all members of our community.

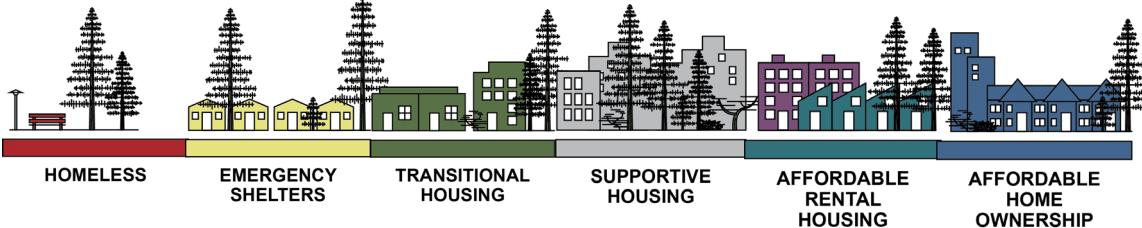


# Affordable Housing Fund and Commercial and Industrial Construction Tax Fund

## By The Numbers

- Previous AHF awards served 102 households with rental and home ownership opportunities last biennium
- Last CICT award served 2,300 of Bend's low-income community members

## Housing Spectrum Served:



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# Housing Initiatives and Community Development Grants

## By The Numbers

- Services at shelters and safe parking spaces allowed 167 persons to move into permanent housing
- Community Development Block Grant supported 4,054 low- and moderate-income Bend community members last biennium
- \$4 million of the PRO Housing Grant will be available in the form of a revolving loan for the purposes of developing affordable housing

## Housing Spectrum Served:



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# Questions?



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# General Fund



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# Reserves Policy- Page 39

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**Act as a financial safety net, making it easier for city to weather uncertainties while continuing to serve the community effectively.**

## Key uses of reserves in 2025-27 Budget

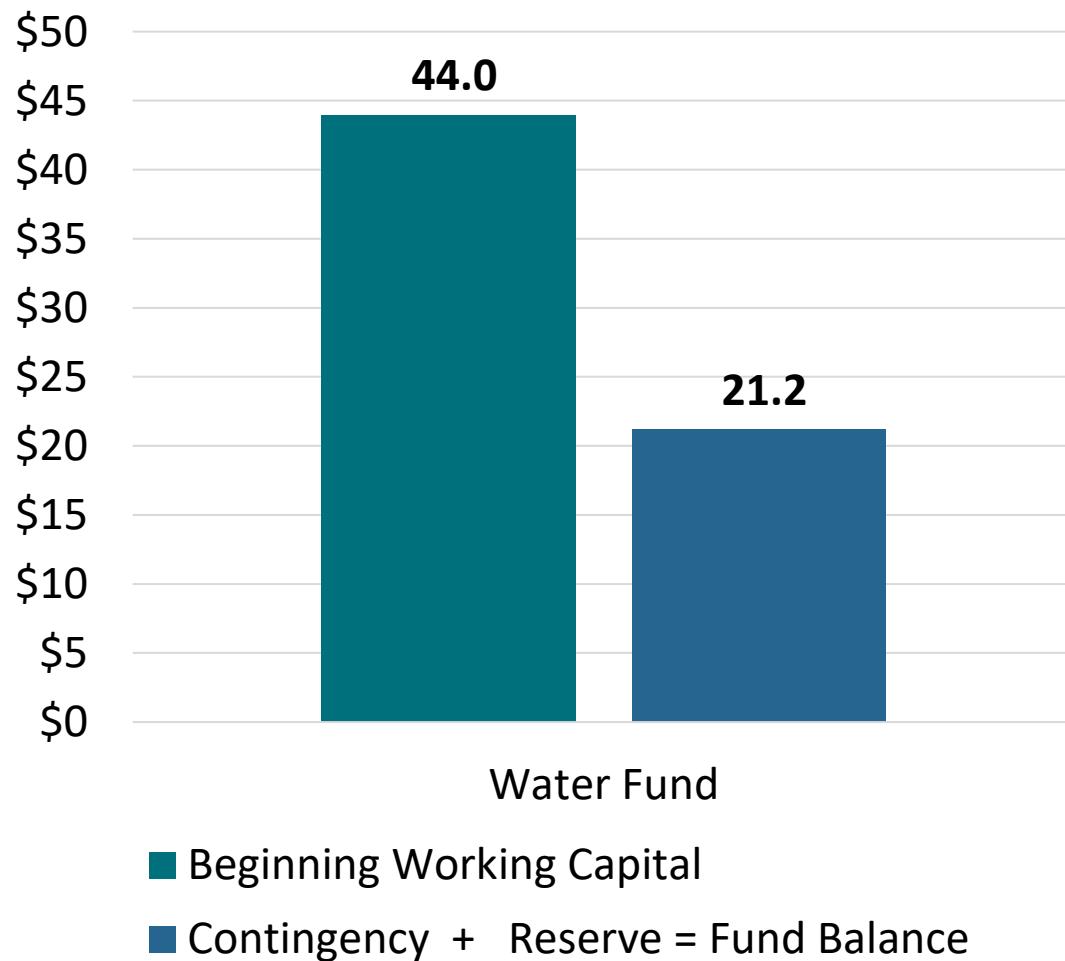
Mitigate short-term volatility in revenues and makeup the temporary shortfall in revenue	Mitigate short-term economic downturns (2 years or less) allowing time for city to pivot and adjust or for economy to rebound	Purchase vehicles and equipment without the need to finance purchase	Fund major capital projects without the need for additional financing	Fund facility and equipment repair needs	Maintain good standing with rating agencies	Meet requirements for debt service reserves
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Proper planning for the use of reserves ensures they are used in a way that strengthens the City's financial health.



# Infrastructure Fund Reserve Use

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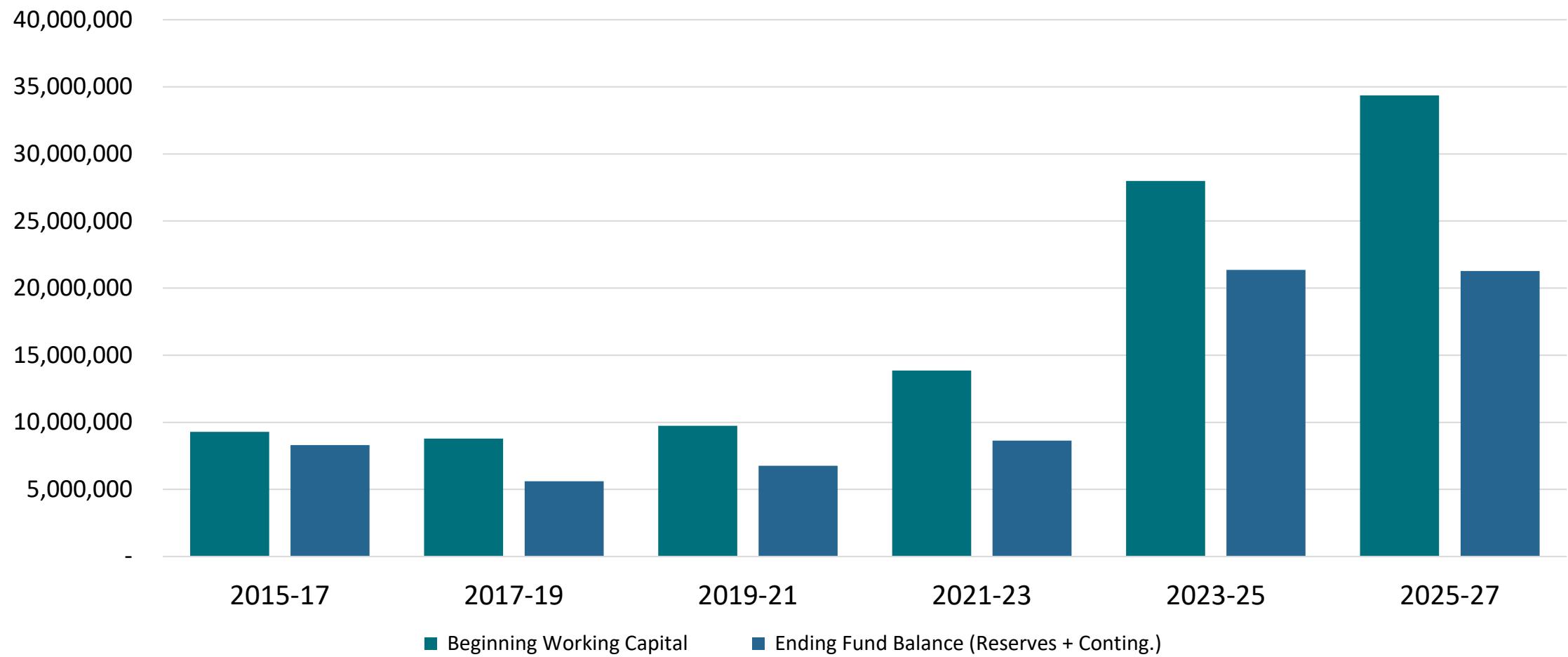
## Water Fund

- 30-year model
- Spend down is tied to Capital Projects
  - Franklin/Greenwood Underpass
  - South Awbrey Drainage Improvement
  - Outback Facility
  - Well Capital Maintenance
- Last significant debt issuance was in FY2016
- Next debt issuance projected in FY2028



# General Fund Adopted Budget History

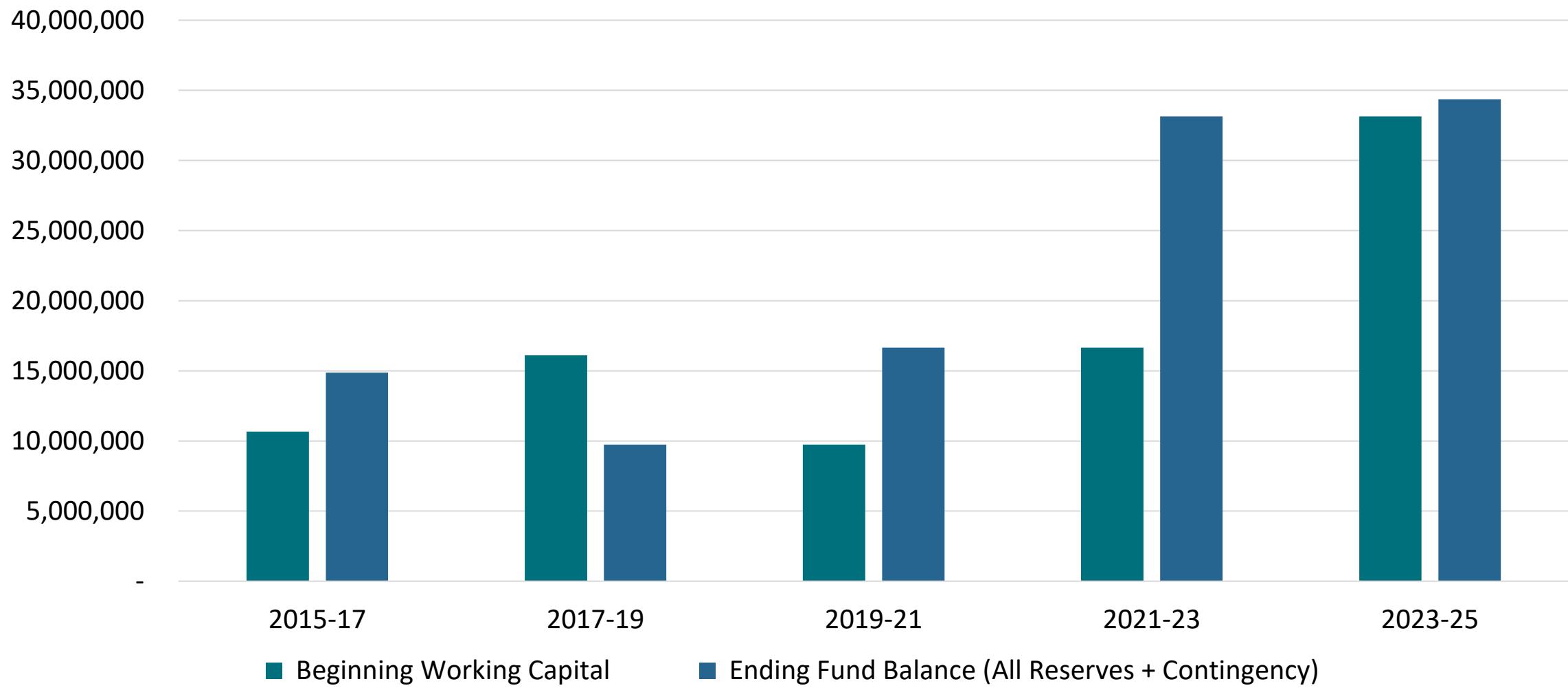
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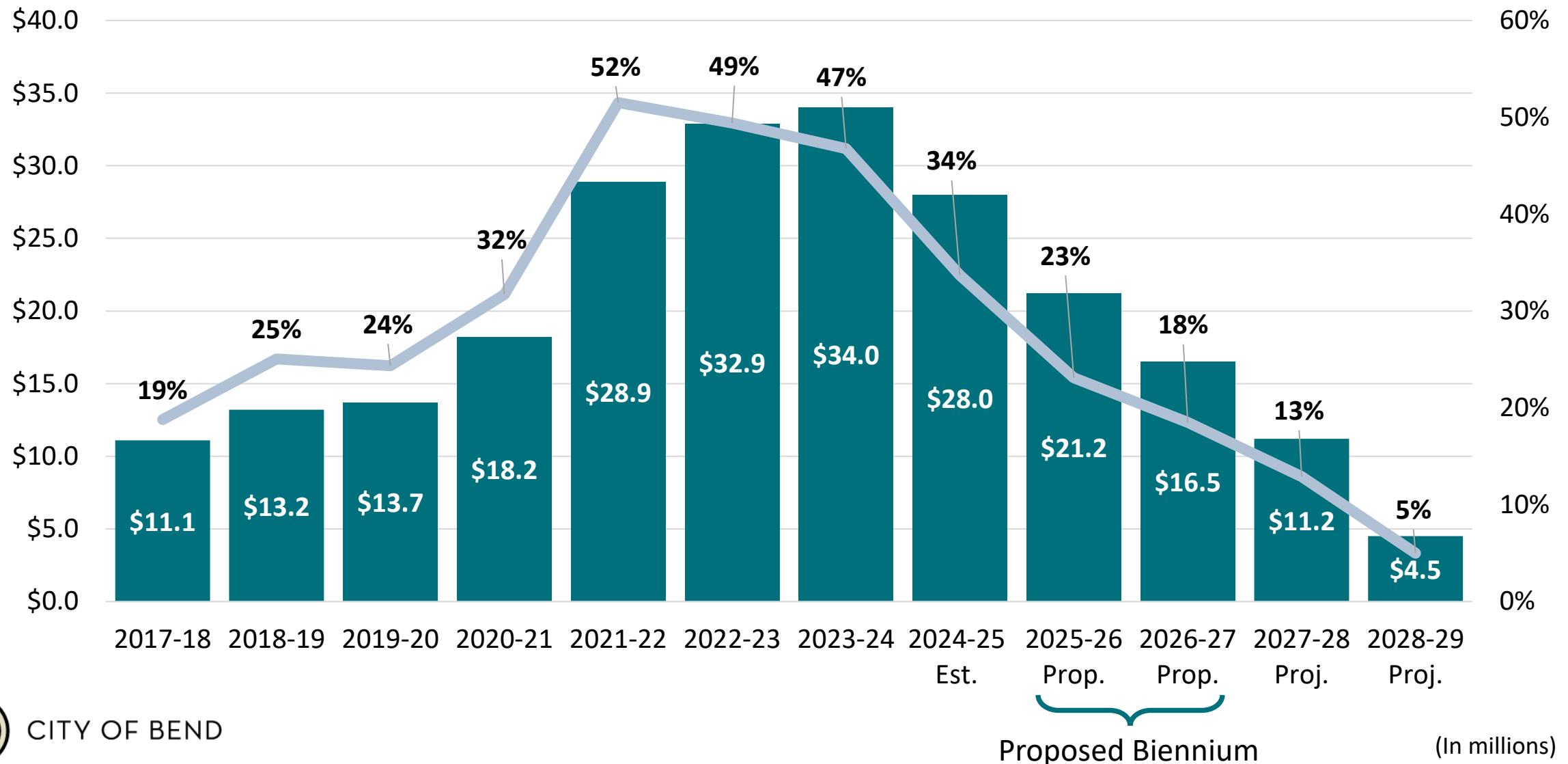
# General Fund Actuals History

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# General Fund Operating Reserve Trends



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# General Fund Update Scenarios

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All scenarios reflect reductions in Health Premium (12%/15%) and Street (\$500k) and Planning (\$50k) subsidies

## Scenario 1

- No new staff
- Release all \$12.9 million Juniper Ridge Reserves into Operating Reserves

	Proposed Budget	Projection			
	2025-26	2026-27	2027-28	2028-29	
Scenario 1	25%	22%	39%	26%	
Scenario 2	25%	21%	20%	15%	
Scenario 3	24%	20%	18%	12%	

## Scenario 2

- Delay Traffic Agent positions (1 year)
- Remove Analyst and Officer positions
- Release \$4 million Juniper Ridge Reserves into Operating Reserves

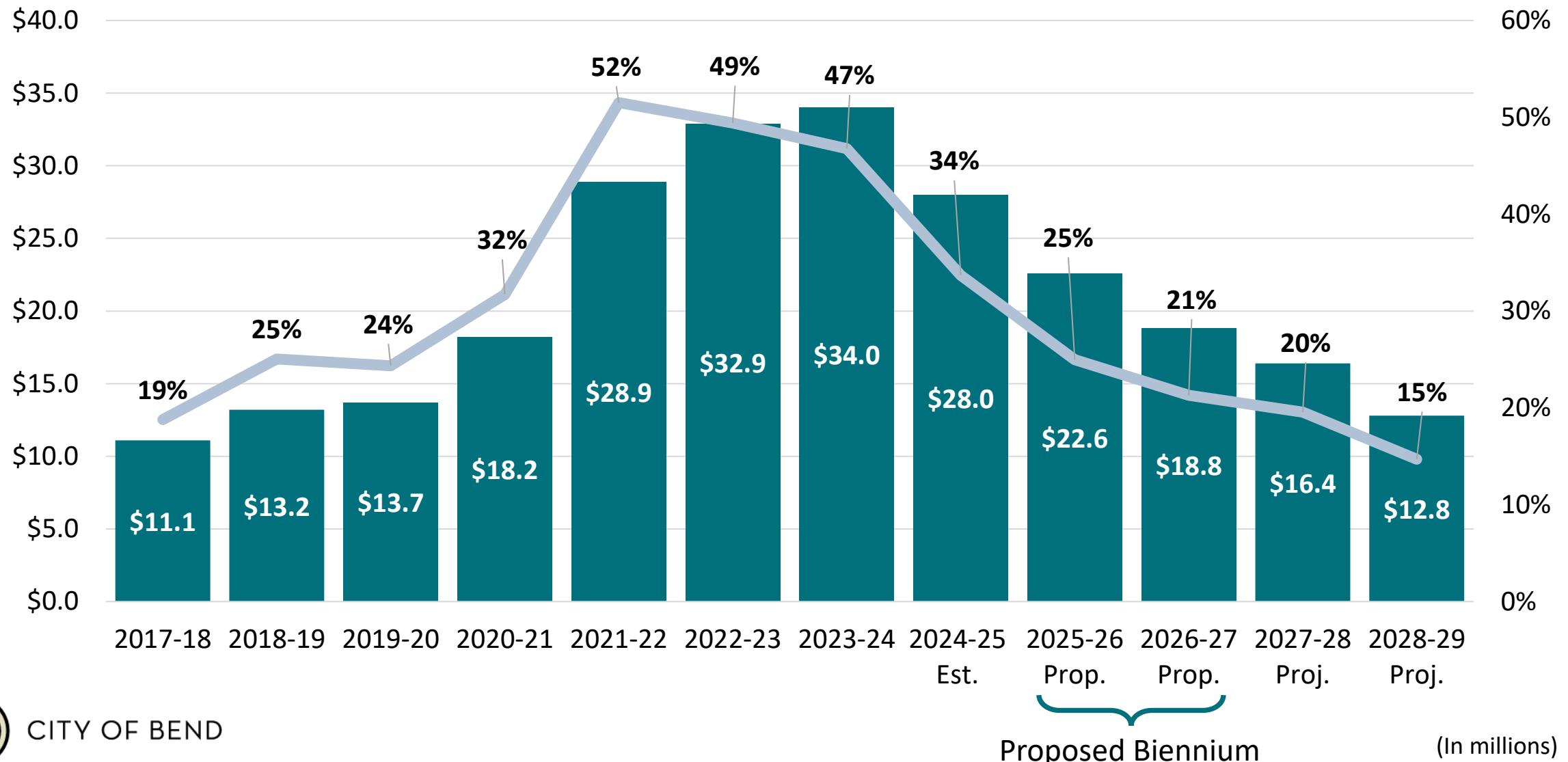
## Scenario 3

- Release \$4 million Juniper Ridge Reserves into Operating Reserves



# General Fund Operating Reserve Trends

## Staff Recommendation



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# Ready, Set, Go – What We Are Watching

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## READY

### Macro Indicators: *“Watching for Stagflation or Recession”*

- Unemployment/Jobless Claims
- GDP
- Interest Rates
- Inflation (CPI) & Personal Consumption Expenditures (PCE)

## SET

### Local Indicators: *“Tracking Local Revenue and Economic Pulse”*

- Tax-Assessed Value
- Franchise Fees
- Room Tax/Tourism
- State Shared Revenues
- Home Prices

## GO

### “Ready” and “Set” Triggered: *“Activating Fiscal Safeguards”*

- Diverting discretionary funds where needed
- Holding vacant positions

\*Staff is developing the “Ready, Set, Go” model and will present it once completed

# Questions?



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# Language Assistance Services & Accommodation Information for People with Disabilities

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You can obtain this information in alternate formats such as Braille, electronic format, etc. Free language assistance services are also available. Please contact Samantha Nelson at [snelson@bendoregon.gov](mailto:snelson@bendoregon.gov) or (971) 832-2084; Relay Users Dial 7-1-1.



## **Servicios de asistencia lingüística e información sobre alojamiento para personas con discapacidad**

Puede obtener esta información en formatos alternativos como Braille, formato electrónico, etc. También disponemos de servicios gratuitos de asistencia lingüística. Póngase en contacto con Samantha Nelson en [snelson@bendoregon.gov](mailto:snelson@bendoregon.gov) o (971) 832-2084. Los usuarios del servicio de retransmisión deben marcar el 7-1-1.



**Break  
Deliberations will resume at 7:15**



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# General Fund Update Scenarios

All scenarios reflect reductions in Health Premium (12%/15%) and Street (\$500k) and Planning (\$50k) subsidies

## Scenario 1

- No new staff
- Release all \$12.9 million Juniper Ridge Reserves into Operating Reserves

	Proposed Budget	Projection		
	2025-26	2026-27	2027-28	2028-29

## Scenario 2

- Delay Traffic Agent positions (1 year)
- Remove Analyst and Officer positions
- Release \$4 million Juniper Ridge Reserves into Operating Reserves

Scenario 1	25%	22%	39%	26%
Scenario 2	25%	21%	20%	15%

## Scenario 3

- Release \$4 million Juniper Ridge Reserves into Operating Reserves

Scenario 3	24%	20%	18%	12%
Scenario 4	24%	20%	15%	8%

## Scenario 4 - Only Premiums and subsidy adjustments

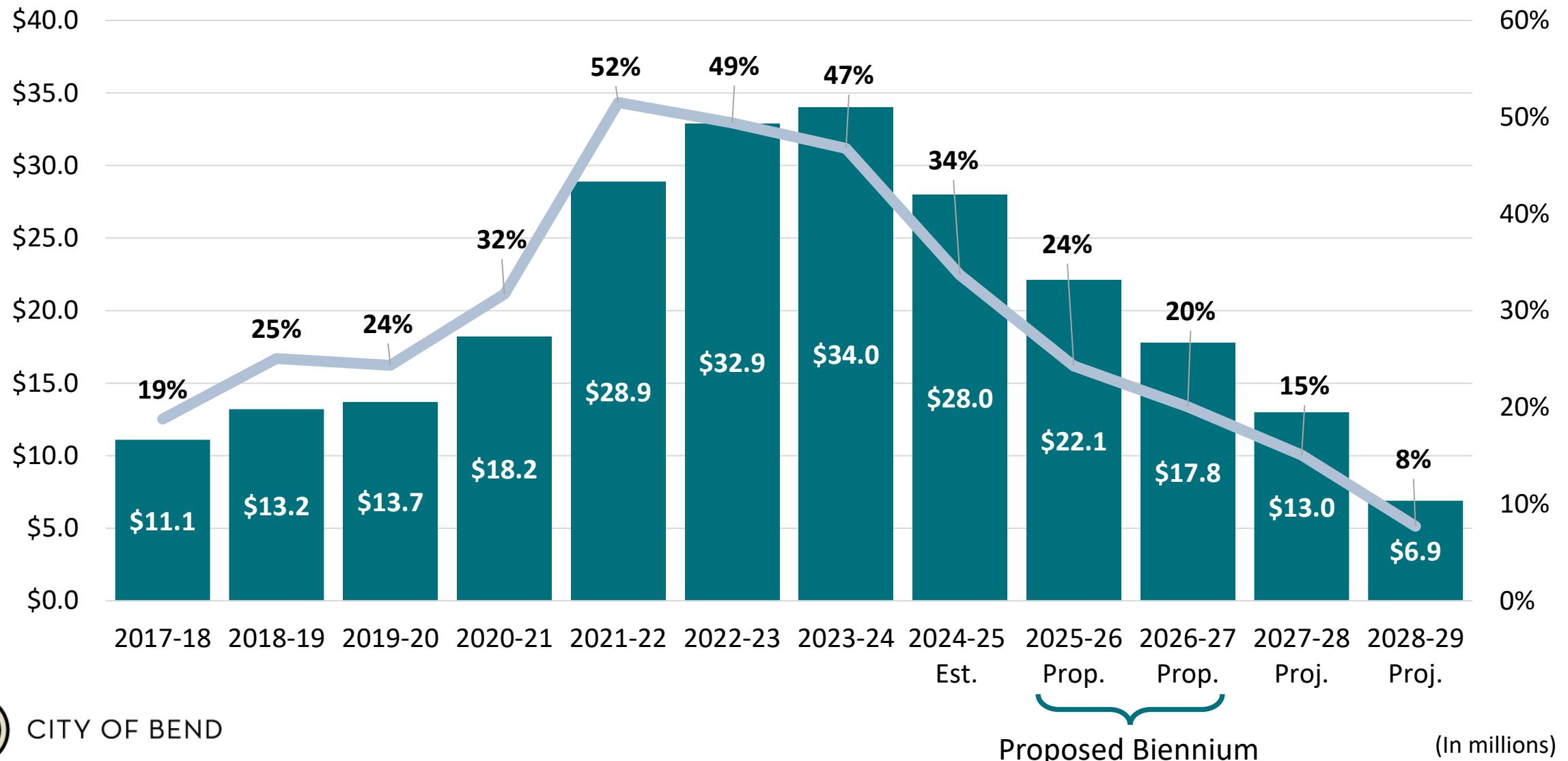
## Scenario 5 – Scenario 4 + delay Traffic Agents (1 year)

Scenario 5	25%	20%	15%	8%



# General Fund Operating Reserve Trends

## Scenario 4



# Approval of Budget and Property Tax Levies



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# Approve Budget – City of Bend

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## Approval of the City of Bend 2025-2027 Biennial Budget

- *I move to approve the City of Bend 2025-2027 Biennial Budget as proposed with the following amendments:*
  - *Increase Contingency in the appropriate funds and decrease corresponding Programs for Personnel Services to reflect increases in health premiums of 12% in Fiscal Year 2025-26 and 15% in Fiscal Year 2026-27, including;*
    - *Decrease Resources in the Planning Fund for General Fund subsidy by \$100,000 and a corresponding decrease in the Community & Economic Development Program appropriations.*
  - *Decrease Resources in the Streets & Operations Fund for General Fund subsidy by \$1,000,000 and decrease Contingency appropriations by \$1,000,000.*
  - *Decrease Interfund Transfer appropriations in the General Fund by \$1,100,000 for reduced General Fund subsidies to the Streets & Operations Fund and Planning Fund. Increase Reserves by \$1,100,000.*



# Approve Taxes – City of Bend

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## **City of Bend Property Taxes**

- *I move to approve City of Bend property taxes to be imposed at a rate of \$2.8035 per \$1,000 of Taxable Assessed Value for both Fiscal Year 2025-26 and Fiscal Year 2026-27.*

## **2011 General Obligation Bond**

- *I move to approve the City of Bend general obligation bond property tax levy in the amount of \$1,615,000 for both Fiscal Year 2025-26 and Fiscal Year 2026-27 for bonded indebtedness related to transportation bonds approved by voters on May 17, 2011.*

## **2020 General Obligation Bond**

- *I move to approve the City of Bend general obligation bond property tax levy in the amount of \$7,220,000 for both Fiscal Year 2025-26 and Fiscal Year 2026-27 for bonded indebtedness related to transportation bonds approved by voters on November 3, 2020.*

## **Fire Local Option Levy**

- *I move to approve the City of Bend local option operating tax levy for Fire and Emergency Services at the rate of \$0.76 per \$1,000 of Taxable Assessed Value for both Fiscal Year 2025-26 and Fiscal Year 2026-27 as approved by voters on May 16, 2023.*



# Approve Budget – BURA

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## Adjourn as City Budget Committee and Reconvene as BURA

- *I move to adjourn the City of Bend Budget Committee meeting and reconvene as the Bend Urban Renewal Agency Budget Committee meeting.*

## Approval of the Bend Urban Renewal Agency 2025-2027 Biennial Budget

- *I move to approve the Bend Urban Renewal Agency 2025-2027 Biennial Budget as presented*



# Approve Taxes - BURA

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## Juniper Ridge, Murphy Crossing and Core Area Property Taxes

- *I move to approve property taxes for the Juniper Ridge Urban Renewal Area, Murphy Crossing Urban Renewal Area, and the Core Area Urban Renewal Plan Area / Tax Increment Financing District to be derived through the division of tax for both Fiscal Year 2025-26 and Fiscal Year 2026-27.*

*I move to adjourn the Bend Urban Renewal Agency Budget Committee meeting.*



# Language Assistance Services & Accommodation Information for People with Disabilities

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[swojda@bendoregon.gov](mailto:swojda@bendoregon.gov) or (541) 388-5505; Relay Users Dial 7-1-1.



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