



**CITY OF BEND**  
BEND URBAN RENEWAL AGENCY

**THE TAX INCREMENT ASSISTANCE  
POLICY FOR HOUSING  
AFFORDABILITY  
2025 GUIDELINES**

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# PART I. OVERVIEW

## INTRODUCTION

The Tax Increment Assistance for Housing Affordability and Employment Growth Policy was adopted by the Bend Urban Renewal Agency (BURA) on September 18, 2024, and Resolution 158 on October 16, 2024. The purpose of the program is to incentivize more affordable housing units for low-to-middle income residents, foster high-wage employment opportunities, and encourage neighborhood revitalization.

This program guide details the application process, eligibility requirements, consideration of approval, and annual compliance. Failure to comply with these requirements and all applicable program rules and statutes may result in required repayment of assistance or termination of the tax assistance program.

## PROGRAM SUMMARY

The Tax Increment Assistance for Housing Affordability Program (TIAHA) may provide eligible multi-unit residential rental projects assistance with BURA's portion of taxes on increased assessed value from structural improvements. Projects must include three or more residential units and provide at least 15% of units for rent to households at or below 90% area median income with rental increases below the statutory maximums for the duration of assistance. Assistance will typically last 12 years.

### General Application Process

The application for assistance can be found [here](#).

Once submitted, Staff will review each application for completeness and minimum eligibility standards as outlined by the adopted policy and these guidelines. Staff will present recommendations for project funding to BURA. For projects recommended for funding and supported by BURA, staff will create the necessary documentation for BURA and/or Council consideration. Required documents and process will depend on whether a project is in an existing TIF area or if a new TIF area will be created for the project.

### Program Fees

#### **1. Application Fee: \$650.00**

Required at time of application submittal. Fee includes BURA staff consideration and review of the proposed application.

#### **2. TIF Plan and Report Document Preparation Fee: Internal \$3,500, External \$6,500**

This fee covers the necessary documentation associated with the creation of a new tax increment finance plan if the application is located outside an existing tax increment finance area.

#### **3. Development Agreement Documentation Fee: \$2,200**

Prior to the certificate of occupancy, this fee covers the drafting and filling of documentation associated with an agreement of program participation by the approved applicant and the Bend Urban Renewal Agency.

Payment of other reasonable costs may be required as provided in an adopted BURA fee resolution. Additional costs must be paid prior to final approval of project assistance by BURA or Council, whichever is the final approving authority for the project. Payment will be made by check to:

Bend Urban Renewal Agency  
TIAHA Program  
PO Box 1458, Bend Oregon 99709.

## Review Process Summary

The application review process will be determined on a project's location inside or outside an existing tax increment finance area. To determine where a proposed property/project is located, please visit: [City of Bend Tax Increment Finance Areas](#). If a project selected for assistance is not in an existing TIF area, a new TIF area must be created to provide assistance under this program.

### SUMMARY OF REVIEW PROCESS

OUTSIDE EXISTING TIF AREAS	INSIDE EXISTING TIF AREAS
<i>Estimated minimum of 120 Days</i>	<i>Minimum 90 Days</i>
<b>(1)</b> Staff Review for Minimum Eligibility	<b>(1)</b> Staff Review for Minimum Eligibility
<b>(2)</b> Staff Recommendation and BURA Review	<b>(2)</b> Staff Recommendation and BURA Review
<b>(3)</b> BURA approval for New TIF Plan and Report	<b>(3)</b> Development Agreement approval, by BURA
<b>(4)</b> Taxing District Notification, Consult and Confer	
<b>(5)</b> Planning Commission Comprehensive Plan Review	
<b>(6)</b> Plan Presentation to County Commission	
<b>(7)</b> Public Notice, City Council Public Hearing and Adoption of new TIF area	
<b>(8)</b> Development Agreement approval, by BURA	

## OVERVIEW OF ASSISTANCE

Assistance may be provided in the form of an annual reimbursement of BURA's portion of property taxes for the project and/or direct payment of City development fees associated with the proposed development project (e.g., SDCs).

### *What is BURA's portion?*

The current FY 2024-2025 total tax rate for the municipality of Bend is \$16.7435 per \$1,000 of valuation. BURA's portion of FY2024-2025 tax rate is \$13.2029 in TIF areas.

### *How does the annual reimbursement work?*

Proposed developments must be in existing tax increment areas or in a tax increment area created as part of this program. When construction is completed, the county assessor will assess the value of the redeveloped property. The taxpayer submits payment to the assessor and taxes are apportioned to all taxing districts, including BURA. Participating projects can receive the Tax Increment Assistance for Housing Affordability (TIAHA) reimbursement of the portion of taxes paid to BURA, minus an annual administrative fee as set forth in the BURA fee resolution or the development agreement between the applicant and BURA. Total assistance will typically be an amount equivalent to twelve (12) years of annual tax reimbursements of BURA's portion of new taxes generated from new development.

### *How does the payment of the City of Bend's development fees work?*

A portion of tax increment assistance may be used for development fees associated with the proposed project by direct payment to the City of Bend by BURA. Amounts and terms will be set out in an agreement between the developer and BURA.

## **PART II. HOUSING AFFORDABILITY PROGRAM**

### **Minimum Eligibility for Consideration**

- Located in the municipal limits of Bend
- Residential development project with three (3) or more units
- Site is no larger than 20 acres (not applicable inside existing TIF areas)
- The site is characterized by one or more blighted conditions identified per ORS 457.010(1) (Criteria met for properties within existing TIF areas)
- Applicant must provide a summary of Pre-Application meeting with the City of Bend's Community and Economic Development Department (CEDD)
- Portions of projects constituting hotel, motel, and short-term vacation rental uses will not be counted toward increased tax increment eligible for reimbursement under this program
- No construction has occurred prior to the approval of all required documents
- Project is anticipated to increase assessed value of the site by an estimated \$500,000
- Project is not receiving tax abatements or exemptions under any other program (e.g. MUPTE, Qualified Rental Housing, etc.)
- Certificate of occupancy from the City of Bend must be obtained within three years of application approval

## TAX INCREMENT ASSISTANCE FOR HOUSING AFFORDABILITY BASE (TIAHA-1) PROGRAM

### Assistance Available

For projects that meet the minimum requirements listed above and below, BURA may award an amount equivalent to twelve (12) years of annual tax reimbursements of BURA's portion of new taxes generated from new development. This total assistance may be provided in a combination of payment for City of Bend development fees and annual reimbursement, as further provided in an approved development agreement.

BURA may award an amount greater than twelve (12) years of annual tax reimbursements as described above, at its discretion based on project financial analysis.

### Affordability Requirements

**Units for Affordability.** 15% of units are rented at rates equal to or less than 30% of household income to households at 90% of area median income for a minimum of twelve (12) years or the duration of the assistance. Utility costs are not included in rent calculations and may be above listed rent amounts. Where a fractional unit results, the calculation of minimum number of affordable units will be rounded to the next highest number.

**Note: Area median income or AMI** means the area median income as determined by the most recent United States Department of Housing and Urban Development for the Bend Metropolitan Statistical Area at the time of the household's application for housing. [For more information, please visit our TIAHA Overview.](#)

**Lower Statutory Rent Increases.** For the units that are required to be affordable under this Program and for each year the project receives assistance from BURA, annual rent increases must be less than the statutory maximum rent increase, as set by the State of Oregon for that year. For more information, please visit the [State of Oregon Office of Economic Analysis](#).

## TAX INCREMENT ASSISTANCE FOR HOUSING AFFORDABILITY EXPANDED OPTION (TIAHA-2)

### Assistance Available

For projects that meet all minimum qualifications above and the requirements below, BURA may award an amount equivalent to thirteen (13) to thirty (30) years of annual tax reimbursements of BURA's portion of taxes generated from new development. May include payment for City of Bend development fees or a combination of both.

## Affordability Requirements

**Compliance with TIAHA-1 Policy.** Must satisfy the basic requirements as outlined in the TIAHA-1 Policy by renting 15% of units at 90% area median income with lower than the statutory allowance for rent increases for the period of assistance;

**AND ONE OR MORE OF THE FOLLOWING:**

**Additional and Varying Units for Affordability.** Providing more than 15% of units to be rented to households earning a 90% area median income or below; providing 15% of units to be rented to households earning below 90% area median income; or a combination of providing more than 15% of units to be rent to households earning between 60%-90% area median income. Fractional units must be rounded up to the next round number;

**Lower Statutory Rent Increase for More Units.** Providing more than 15% of units with rent increases lower than the statutory allowance. For more information, please visit the [State of Oregon Office of Economic Analysis;](#)

**Energy Efficiency Standards.** Certification of the project under an energy-efficiency program. Applicants must state which certification will be sought and how the project intends to meet certification in the application. Projects must demonstrate compliance following the construction of the project before assistance will be provided. Failure of the project to qualify for the proposed certification after completion may result in repayment of all development fees paid as program assistance or a reduction in tax increment assistance. Energy efficient certification a project may propose meeting include but are not limited to:

- *LEED Silver*
- *Energy Trust of Oregon New Building Whole Building Program*
- *Energy Trust Multifamily Market Solutions Best*
- *Earth Advantage Silver*
- *Energy Star*

**Contractor diversity.** Award a minimum of twenty-three percent (23%) of prime contracts for construction of the project to small businesses; including at least five percent (5%) for small, disadvantaged businesses and minority-owned businesses, and at least five percent (5%) for women-owned small businesses. Small business is defined as any Bend, for-profit firm with one hundred (100) employees or less. Applicants must demonstrate how these minimum contractor diversity requirements would be met in construction of the project. Projects must demonstrate compliance following the construction of the project before assistance will be provided, or, if assistance was provided as direct payment of development fees, repayment may be required if compliance is not demonstrated at completion of construction. Failure of the project to meet contractor diversity requirements may result in repayment of all development fees paid as

program assistance or a reduction in tax increment assistance. To search for eligible business, please visit the State of Oregon [Certified Vendor Directory](#).

## REVIEW PROCESS

### Outside Existing TIF Areas

Creation of new TIF areas for the provision of assistance under this program will follow the process laid out by Oregon Revised Statute Chapter 457, as summarized below. This process is anticipated to take a minimum of three months from BURA recommendation to City Council consideration. Neither BURA nor Council are required to provide tax increment assistance or create a new TIF area under this policy for any project.

#### Step 1. Staff Review for Minimum Eligibility and Recommendation to BURA

Staff will review each application for completeness, minimum eligibility standards as outlined by the adopted policy and these guidelines, and responsible use of tax dollars for recommendation to BURA. BURA staff may consult with appropriate City of Bend and/or BURA advisory boards. Staff recommendation and BURA selection of projects for assistance is discretionary, but evaluation will be based on the following criteria and other factors to identify projects for assistance that may be in the best interest of BURA:

#### Evaluation Criteria

- I. Review application for completeness, minimum eligibility
- II. Confirm the property or site is characterized by the existence of one or more blighting conditions per ORS 457.010
- III. Does the project conform to the City of Bend Comprehensive Plan and support the housing needs of the City of Bend as identified in the 2016 Housing Needs Analysis (HNA)?
- IV. Will the project alleviate the identified blighted conditions once completed?
- V. Does the project meet BURA's best interests, overall financially solvency, and reflect a responsible use of tax dollars based on staff analysis of economic impact of the project?

Staff may use the following formula to analyze conformance assistance proposed for a project in conformance with Section 2.B. of the adopted policy creating this program.

$$SR = CY / TI$$

*CY = Total Comparable Year Incentive Amount*

*TI = Total Incentive*

*(example: total incentive \$100 over 12 years/\$200 over 24 years)*

**Step 2. Staff Recommendation and BURA Review of project(s) proposed to be assisted through creation of new TIF area(s)**

Staff will make project recommendations on the creation of new TIF areas, duration of assistance, and method of assistance (annual payment, payment for development costs, or both) to BURA. BURA may select any, all, or no projects for assistance at its discretion. Selected projects must pay the Document Preparation fee before plan and report documents are drafted for approval. Staff will then prepare all required reports, findings, and other documents for BURA review and City Council adoption of a new TIF area.

**Step 3. BURA approval of new TIF Plan and Report**

BURA will consider, during a public meeting with public comment, a TIF plan and accompanying report for each project proposed for assistance through creation of a new TIF area by resolution. BURA may approve, reject, amend, or remove any plan presented for consideration.

**Step 4. Taxing District Notification, Consult and Confer**

BURA will consult and confer with overlapping taxing districts where a new TIF area is proposed by submitting the TIF plan and report to the governing bodies. The governing body of an affected taxing district has 45 days following receipt of the documents to submit written recommendations on the plan. In consideration of adopting the plan (see *Step 7*), the City Council shall accept, reject or modify the recommendations submitted by each taxing district as required by statute.

No applicant participation is expected in this taxing district review period.

**Step 5. Planning Commission Comprehensive Plan Review**

The TIF plan and report will be presented to the Bend Planning Commission at a public hearing for consideration of whether the proposed plan conforms with the Bend Comprehensive Plan.

No applicant participation is required.

**Step 6. Plan Presentation to County Commission (No Approval Required)**

BURA or its representative will meet with the County Commission to review the proposed maximum indebtedness. No formal action is required by the affected governing body.

No applicant participation is required.

**Step 7. Public Notice and City Council Public Hearing and Consideration of Plan Adoption.**

**Public Notice**

The statutory requirements for notice are stated in ORS 457.120. Notice of the City Council public hearing on approval of a TIF plan must be sent to individuals or households in one of the following groups:

- Owners of real property that is located in the municipality;
- Electors registered in the municipality;
- Utility customers in the municipality;
- Postal patrons in the municipality.

#### Public Hearing & First Reading

The City Council will hold a public hearing for the establishment of a new tax increment finance plan. A first reading of the ordinance creating a new TIF area may occur following the public hearing or may be delayed to another City Council meeting date. In adopting the plan, the City Council must accept, reject or modify any recommendations received from taxing districts in Step 5.

Applicant participation is required.

#### Second Reading and Adoption

An ordinance creating a new TIF area will be effective 30 days after second reading (A TIF area cannot be created by emergency adoption).

No applicant participation is required.

### Step 8. BURA approval of proposed development agreement

After creation of a new TIF area and land use approval and prior to disbursement of assistance, the applicant for an approved project must enter into a development agreement with BURA that conforms to the provisions of the adopted plan, the application, and any other conditions imposed by BURA and/or Council in approval of the assistance or adoption of a new TIF plan. The development agreement will provide the complete terms and conditions of meeting the TIAHA policy, established TIF Plan and Report, applicable tax reimbursement amount, and the duration of program assistance.

### Inside Existing TIF Areas

Assistance for projects in existing TIF areas will be by a development agreement between the applicant and BURA.

### Step 1. Staff Review for Minimum Eligibility and Recommendation to BURA

Staff will review each application for completeness, minimum eligibility standards as outlined by the adopted policy and these guidelines, and responsible use of tax dollars for recommendation to BURA. BURA staff may consult with appropriate City of Bend and/or BURA advisory board(s). Staff recommendation and BURA selection of projects for

assistance is discretionary, but evaluation will be based on the following criteria and other factors to identify projects for assistance that will be in the best interest of BURA:

### Evaluation Criteria

- I. Review application for completeness, minimum eligibility
- II. Confirm the property or site is characterized by the existence of one or more blighting conditions per ORS 457.010
- III. Does the project conform to the City of Bend Comprehensive Plan and support the housing needs of the City of Bend as identified in the 2016 Housing Needs Analysis (HNA)?
- IV. Will the identified project alleviate the identified blighted conditions once completed?
- V. Does the project meet BURA's best interests, overall financially solvency, and reflect a responsible use of tax dollars based on staff analysis of economic impact of the project?

Staff may use the following formula to analyze conformance assistance proposed for a project in conformance with Section 2.B. of the adopted policy creating this program.

$$SR = CY / TI$$

*CY = Total Comparable Year Incentive Amount*

*TI = Total Incentive*

*(example: total incentive \$100 over 12 years/\$200 over 24 years)*

### Step 2. Staff recommendation and BURA consideration of proposed projects

Staff will make project recommendations on the duration of assistance and method of assistance (annual payment, payment for development costs, or both) to BURA for approved projects. BURA may select any, all, or no projects for assistance based on its discretion. Selected projects must pay the Development Agreement fee before documents are drafted for BURA approval.

### Step 3. BURA consideration of proposed development agreement

Following land use approval and before any disbursement of assistance, the applicant for an approved project must enter into a development agreement that conforms to the provisions of the adopted plan for the TIF area in which the project is located, the application, and any other conditions imposed by BURA in approval of the assistance for the project. The development agreement will provide the complete terms and conditions of meeting the TIAHA policy, established TIF Plan and Report, approved tax reimbursement amount, and the duration of program assistance.

## **PART III. POST APPROVAL**

### **COMPLIANCE**

#### **Post-Construction Compliance**

Applicants must submit the following documentation before BURA staff will certify that the project is eligible to begin receiving the annual tax reimbursement:

- Certificate of Occupancy
- Documentation of satisfaction of all program criteria including any additional criteria used for additional assistance as required for TIAHA-2

#### **Annual Compliance**

Program participants must submit annually to BURA review of compliance with all Program elements no later than November 15 of the year prior to receiving any annual tax reimbursement. Failure to annually demonstrate compliance with all program requirements may result in the termination of the development agreement and future reimbursement from BURA and/or repayment of prior annual tax reimbursements received under the Program as per the terms of the development agreement.

#### **Annual Administrative Fee**

An administrative fee as set forth in BURA Fee Schedule or the development agreement will be applied. This fee will be allocated to the management of annual program compliance, yearly budgetary audits and financial reporting, and an internal services fee associated with the City of Bend and BURA 2018 Intergovernmental Agreement.

### **ANNUAL TIAHA PROGRAM REVIEW**

Each year, staff will conduct rental market and TIAHA program analysis. Staff will identify any recommendations or modifications to policy requirements to be applied to future applications.