



CITY OF BEND

## Meeting Summary

Affordable Housing Advisory Committee

Wednesday, September 13, 2017, 3:00 P.M.

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**1. Roll Call:** Andy High, **Kristin Chatfield, Julie Nash, Cindy King, Richard Bonebrake, Kerri Standerwick, Jim Landin, Keith Wooden, Kathy Austin**

Staff: Jim Long, Lynne McConnell, Kathy Montgomery, Pauline Hardie, Carolyn Eagan  
Councilors Livingston and Campbell

**2. Bend 2030 recommendations & AHAC recommended policy changes to Council**

**a. Fourplexes and Triplexes**

Two groups held subcommittee meetings. Jim Landin ran some calculations and came up with the following square footages: fourplex - 6,000 sf lot; triplex - 5,000 sf lot.

**i. Recommend permitted**

Fourplex would work on 6,000 sf lot. Triplex on 5,000 sf lot.

Jim Landin said they would be smaller units and foot print would be similar to that of a single family. Likely would be a two story. No incentive to do triplex on 12,000 sf lot per current code. Keith commented that parking might be an issue. Must be able to count on-street parking which is allowed. Kathy Austin said could do one bed room on 1<sup>st</sup> floor with garages with two bedrooms on top. Jim Long mentioned that Terry Luelling thought it would be a helpful change.

**ii. Density**

For purposes of density only count as single family units. Do you calculate on individual lot or per neighborhood? Jim Landin brought up the scenario of a big developer using code to create huge density. Could be a downside in terms of density but would be an upside of more units. Jim Long said we are worried about more units not necessarily compatibility. Others would look at that.

Karna Gustafson of COBA asked if the Committee wanted to recommend a change for duplexes. Jim Long thought code was already changed. Code had not changed so recommended decrease to 4,000 square feet.

**b. Reduce green space requirements**

Additional space is required for greenspace and must be contiguous. Affects livability.

Eliminate requirement: What distance do we want? After much discussion over a specified distance such as one-half mile (10 minute walk via a safe walkable path) and whether that path should be required to be constructed if didn't exist, Jim Landin

mentioned two other options: remove contiguous requirement or remove the whole requirement as it only had recently been added to code. He said it has only been applied on 2-3 projects and he wondered if it made them more liveable. If City is looking at increasing density, then might want to recommend that remove from code altogether.

Kristin brought up ASI. Should count toward open space requirement. According to Pauline Hardie, do get to count sensitive lands. But she said code can be made clearer. She said it has been added to code update.

### **c. SDC exemptions**

Jim Long: do we want to recommend blanket exemption? Jim Long would tweak. Now aligned with tax credit for multifamily. (80% AMI). Make it a blanket at 80% AMI not the tax credit. Kathy Austin asked about sliding scale. Jim Long said that involves SDC calculations and that should be looked at later when those calculations are being studied. Kristin Chatfield said that a sliding scale concept is good but very expensive for City to do. Keith Wooden said the utility impact is not that much greater than single family, yet the SDCs are four times as much. Jim Landin suggested counting four-plex as a single family unit in terms of SDCs. Portland did for a bit. Could make recommendation to try for short period of time.

There are SDCs for sewer, water, transportation, and parks. Parks is biggest issue.

Jim Long suggested exemption for water and sewer SDCs treat fourplex the same as single family. Leave others alone. Make a formal request that Council approach the Park Board. There is a new Board.

Jim Landin said with a blanket exemption, would have to qualify. What are impacts?

Carolyn Eagan: Moving forward for biennium 17/19. Build 100 affordable housing units: 80 rentals/ 20 single family. Equates to \$1.6million in SDCs. \$700,000 Parks and \$900,000 City. Roughly 5% of what is forecasted to come into fund during this time. Forecast however is a total guess. Carolyn thinks 5% is high. Probably closer to 3-4%. Must remember that without exemption, units might otherwise not be built. So there would be less SDC dollars coming in. Will pull actual numbers from the past.

Other benefits include competition and associated costs go away. For developer and for City. Keith Wooden mentioned that it removes uncertainty which is a huge benefit. Jim Landin asked if there should be a max. Keith Wooden feels that financing would control flow. Jim Long said would help get more mixed income. Would have to ensure controls in place. Would be deed restricted. If taken out of affordable housing pool in future, would have to pay SDCs at current rate.

Kristin Chatfield said that it appears everyone seems to be in agreement. She asked for a motion and a vote.

**Motion made to recommend to Council code changes regarding the following areas:**

- **Reduce minimum lot size requirements for fourplexes to 6,000 square feet; triplexes to 5,000 square feet; and duplexes to 4,000 square feet. Also to calculate density same as a single family unit.**
- **Eliminate 10% contiguous green place requirement.**

- **Create a blanket exemption of water and sewer SDCs for affordable housing units, up to 80% AMI.**
- **Encourage Council to approach Parks and Recreation Board regarding exempting SDCs.**

**Jim Landin made the motion and Kathy Austin seconded. All were in favor.**

### **3. Mortgage Credit Certificate (MCC)**

Julie Nash would like City of Bend to have a MCC program. City sets income limits. Follows tax code. With certificate, a borrower can take to participating lenders which increases borrowers buying power.

Jim Long explained that in a nutshell, the buyer gets a tax credit on interest as opposed to a deduction. In effect, increases income which in turn increases amount they can borrow.

Julie Nash provided examples of how the MCC would help buyers. Example showed monthly payment decreasing from \$1,074.18 to \$865 per month with a 25% credit. Also gave example of a how a buyer could qualify for a mortgage. Debt to income ratio was decreased from 51% (would not get a loan) to 43.5% (would be a saleable loan).

Would like to recommend to Council to pursue. Cindy King asked if have any data on success rate in Portland. Julie said she doesn't have numbers but Portland Housing uses all the time. Only applies to first time buyers.

Can also take certificate to employer and increase paycheck deductions.

Keith Wooden asked where credit is coming from. What is City agreeing to? Julie Nash said program has to be offered by a jurisdiction for lenders or employers to recognize. No cost to City other than administrative.

Jim Long said that a borrower has to qualify. Lender pretty much does work and City reviews. Works like NSP did in past.

**Committee amended prior motion to include presenting the concept of a Mortgage Credit Certificate to Council and obtain Council's approval for staff to spend time on looking into feasibility and details. Cindy King made the motion and Richard Bonebrake seconded. All were in favor.**

### **4. September 20, 2017 Presentation to City Council**

Recommendations to Council will be made during the worksession on September 20<sup>th</sup>, likely starting soon after 5 pm. Half hour is allotted. Jim Long would like committee members to present recommendations. Jim Long will be in attendance. Julie Nash is not available that day so Jim Long and Julie will meet beforehand and credit a short presentation and Jim Long will present. Kristin Chatfield and Jim Landin agreed to present. Kathy Austin and Keith Wooden will try to attend.

### **5. Transportation System Plan**

Ben Hemson mentioned that Growth Management Department is working on a Transportation System Plan (TSP). Council just approved formation of committee of 20-30 people. Likely over a 9-12 month period. Please spread the word. Acceptance of applications closes Friday October 6<sup>th</sup>. Will send out information to Committee members after the meeting.

Other items: Kristin Chatfield had information for developers in room regarding workforce housing initiative from the Governor's office. They are looking to hear for anyone in the industry. What is the need and what are barriers? Karna Gustafson added that they have a million dollars to spend. Looking at how to spend to get projects built.

## **6. Public Comment**

Karna Gustafson wanted to know if the AHAC has considered above 80% AMI for deferment on SDCs. Up to 175%. Carolyn Eagan responded that the "house does not care" and that would have to deed restrict. Also doesn't make that much difference in terms of dollars and percentages. Carolyn said the City has a deferment on multifamily units and no one has taken advantage of. Is not a lien. Carolyn says that unlikely that Council would do. Karna Gustafson said maybe she should talk to Councilors individually.

Racheal Baker mentioned that not having access to greenspace has consequences.

## **7. Adjourned at 4:34 pm.**