



CITY OF BEND

## Meeting Summary Affordable Housing Advisory Committee

Wednesday, April 12, 2017

---

1. **Roll Call:** Kristin Chatfield, Jim Landin, Richard Bonebrake, Julie Nash, Kerri Standerwick, Kathleen Leppert

Councilors: Barb Campbell

City Staff: Jim Long, Kathy Montgomery

Meeting started at 3:00 pm.

2. **SDC Exemption discussion**

In past have discussed. As a reminder last time \$2 million over a biennium. Jim Long asked how far the committee wants to push. Do you want to ask Council for another specific amount of dollars or do we do the Salem model which is Affordable Housing would be exempted no matter what amount if project received state, federal or local funding. SDC funded projects are different than bond funding. If exempt, SDCs takes longer to fill the "bucket". Budget meetings are coming up. May 3<sup>rd</sup> meeting with Council. What more does Council want out of committee?

Council Campbell said last time exempted all but 25% for transportation. Jim Long elaborated: Only gave \$2 million. Money is long gone. Kristin Chatfield said it is a competitive process. Dole out. Amounted to .2% of total SDCs.

Kristin Chatfield mentioned that would create an extra level of security for builders of affordable housing. They would know ahead of time that the project is exempt. Jim Long commented that if projects were not funded, then not getting SDCs from those projects anyway.

Karna Gustafson – COBA. Portland exempts if qualify for certain AMI and are deed restricted. Jim Long said that deed restrictions are in place. Other builders would complain that SDCs are increased for them. Jim Long said only would affect when setting rates.

Richard Bonebrake asked about an example of a 12 unit complex and 4 units are affordable housing. Give SDCs on affordable and defer the others. Jim Long stated SDCs for multifamily units are already deferred.

Kerri Standerwick said commercial users pay significant SDCs. When start to subsidize affordable housing by the private market, it creates a new set of problems. Would feel like that if do a blanket exemption. Would need to define affordable. Kerri thinks set amount over period of time has worked fine in past. It is easier for finance to know and public understand. Worried about infrastructure problems also.

Jim Landin – problem with way it is now is that if one or two developers who typically go to state for funding came in on odd year and we don't have any money, it would kill project. Last cycle, 75% was used in first year. Is getting more competitive and tax credit market is disappearing.

Kerri Standerwick– Want private developers to do affordable, yet only allowing those who receive outside public funding to receive exemptions. Jim Long said that to be honest, he doesn't see anyone building truly affordable housing units without subsidies. Kerri worries about pushback from public. Question asked as to what affordable housing fee is now: 1/3<sup>rd</sup> of 1% based on permit valuation. Around \$600.

Kerri Standerwick asked if a scalable exemption under a certain AMI is possible. Targeting 60% AMI or below.

Jim Long: \$6.5 million of funds. \$13.7 million loaned out. 772 units. 61 single family. 74% of funding has gone to 60% AMI or below. Leveraged \$75.6 million in state and federal funds and another \$41 million in private equity. Portland highest in number of units but not per capita. Bend second in numbers even though smaller. Has been a game changer in Bend. Need to put out as a public message. Allows leveraging which is a big thing.

Jim Long said the Council had guts to do in 2006.

Public messaging is needed. Jamie Christman of the Bend Chamber said that sharing stats is important. As one of the partners, the Chamber would love to step up and share. Chamber could help tweak message. Jim Long will send PowerPoint.

During down turn, Andy High did research and Bend was highest construction lender in Central Oregon for two years.

Councilor Campbell asked how big a drop in the SDC bucket. Only .27%.

Kerri Standerwick wanted to remind that businesses pay SDCs too. An everyday challenge for those doing business in Bend.

Jim Long will draft language – target to 60% AMI or below. Kristin Chatfield asked what we might do for other projects too. Is it scalable? Would we still have a bucket of money? Maybe ask for another 2 million but mention that we will tighten up our side.

Councilor Campbell asked about spending all the money last year. She remembered intentionally holding money for next year. If not limited, how much might we give away? If targeting 60%, how much? Jim Long's response is there would not be that many more units unless other builders come into town. Kerri Standerwick suggested putting a cap on it. Councilor Campbell said that might be a good idea. Would be an easier sell.

Karna Gustafson brought up the point that Parks and Rec does not exempt their SDCs.

### **3. COVO acquisition of ODOT property discussion**

Jim Long asked for advice from the committee. There is an ODOT property off of Brookwood. They are willing to sell to COVO for \$305,000 based on an old appraisal. We have obligated CDBG to COVO for \$280k. Does committee want to increase amount? Jim Long mentioned they have never gone to a lender. He doesn't see a bank turning them down for \$25k. Will likely appraise out over \$305,000. Jim Long said he will go to COVO and tell them they need to get a loan. Wanted Committee's consent.

Kerri Standerwick asked what their accounting books are like. Kathleen Leppert said their financials are impeccable now. CPA has been working with them for 2 years. Is essentially a line of credit.

Julie Nash mentioned secondary market has a loan for this.

ODOT will hold. If COVO backs out, Jim Long will find another buyer. Jim Landin asked if they could subdivide. Jim Long mentioned it could be possible do an ADU later since it is a big lot. Committee agrees with Jim Long that COVO needs to get loan. Kathleen Leppert said they will do with encouragement. Julie Nash said they could write an AHP grant for Federal Home Loan bank. Julie said she can help them with process.

#### **4. Cottage Code – Wendy Robinson and Pauline Hardie**

Cottage code subject came because Audrey Allen has been trying to put together a cottage development and there have been roadblocks. Sat down with her to hear her concerns.

Maximum floor areas including garage – 1,200 feet. Would a carport count? Thinking would not. Maybe could limit. Allow open patios and porches. 325 square feet already in code. Kathleen Leppert asked why there is a difference in planning between garages and carports. Enclosed garages can be used for other uses. Scale and look is different (massing) for carport. Carport is a structure. Open space parking is not a structure. Jim Landin mentioned there is a penalty for wanting a garage. This is a cottage code. To him, 325' for carport is large for single, small for double. Carport has as much an ability to become storage and not used for cars. Questions size of carport.

Code exempts covered open porches. Set backs – thinks should stay with 10 feet. 5 feet is unuseable. Used to be 10 feet. Could budget for parking and driveway access. Keep yard set-back. Give on parking and maneuvering area. Open space for individual units in addition to open common space

Kristin Chatfield asked what the reason was for them to be at meeting. Wendy Robinson wants to respect process. Committee asked for cottage code and nothing has been built.

Kerri Standerwick said to remember spirit of cottage code in first place. Don't want to change too much. Jim Landin said code gives an opportunity for odd sites that were an acre but couldn't subdivide easily. Opportunity for other than single family development.

Wendy Robinson wants to go over at high level. Can come back based on feedback with a more refined presentation.

People want enclosed storage or at least open carport with small storage area attached.

Having the ability to do upper floor on detached garage. Could not be an ADU per code. Again seems to be trying to circumvent cottage code. Jim Landin said existing cottages have cars separate. Walk from car to house. Cottages clustered.

Wendy Robinson mentioned requirement of 400 square feet of private open space. 200 square feet minimum of contiguous usable open space adjacent to each cottage. No more than 50% can be within an unenclosed covered patio.

Jim Landin asked what private means. Does it have to be fenced? Answer is no.

Wendy Robinson asked if committee is in agreement with reducing set back for parking and maneuvering. Answer: yes. Thinks it is going to be easy fix.

Pauline Hardie mentioned set backs are rear 10 feet and 5 feet on sides. Or in center in common area.

Jim Landin – is there a landscaping requirement? No. Just open space. Wendy will look at to see if anything exists.

Wendy Robinson mentioned side yards, maybe sliding setback based on building height? Jim Landin: Could exist elsewhere in city. Are we penalizing small homes? Wendy Robinson said they will figure out how to write so makes sense. They will return.

## **5. Committee and City Council:**

Meeting with Council at work session to talk about affordable housing. Wants to talk about committee. Jim Landin wants to explain why committee is set up like it is. Originally was all advocates, no professionals. Want more professionals with diversity. Must have on committee someone from lending community, Chamber member, building community, realtor. Can tweak but don't change too much so that it no longer works.

Kathleen Leppert wanted to stress that since committee structure changed from all advocates, more has been done both in planning and building.

Kristin Chatfield mentioned that Council seems to have an appetite to move toward more advocates in all committees. Kristin is worried that they don't know how to get things done. Kerri Standerwick said comes back to non-profits need to have a business/financial person too in addition to mission focus. Kristin Chatfield mentioned they are all very service driven but still have rational and realistic conversations. Jim Landin likes the variety. Helps him look at things in a different way. Everyone's view helps round things out during decision making. Jim Long said contractors must have expertise. Very few contractors who deal with tax credits and Central Oregon is lucky enough to have two.

Kristin Chatfield asked Councilor Campbell if she had questions and if she found this helpful. Councilor Campbell said yes very helpful. Meetings could take forever figuring out information without your expertise. Hearts are in it obviously. Maybe could add one more advocate if would make a difference. Was pointed out that have two. It was mentioned that Richard Bonebrake represents affordable housing as does Kathleen Leppert as Affordable Housing Provider.

## **6. Public Comment**

Karna Gustafson said she will share thoughts on cottage code with Jim Long who can share with committee.

## **7. Adjourned at 4:28 pm.**