



CITY OF BEND

## **Meeting Minutes Affordable Housing Advisory Committee January 9, 2019**

Staff Liaisons: Lynne McConnell and Racheal Baker

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- 1. 3:00 pm Roll Call:** Cindy King, Kathy Austin, Richard Bonebrake, Matt Martino, Ian Schmidt, Keith Wooden  
Councilors Campbell and Livingston

- 2. Approve 12/12/18 meeting minutes**

Approved.

- 3. Public Comment**

Brad Donner, independent contractor and data analyst. Said that city is made up of haves and those that serve the haves. Says there is a problem with targeting for median income. Need affordable housing for people that keep city running. People shouldn't have to live with multiple people/families in one house. Need an affordable place with a roof, shower, and kitchenette.

- 4. SDC Exemption application: COVO Dekalb**

COI: Richard Bonebrake rents from COVO. Gary Firestone said okay for Richard to vote if can vote impartially.

**Kathy Austin made motion: I move to exempt COVO's Dekalb duplex from pending current City of Bend Systems Development Charges of \$25,724.90, and to authorize staff to take all actions necessary to complete such exemptions, including signing loan agreements and related documents, without further approval. If exemptions are not exercised before the expected increase on July 1, 2019, the increase will be added to the total exemption. Matt Martino seconded. Keith Wooden asked for verification that meets requirements. Response: it does. All in favor.**

- 5. Loan vs. Grant policy**

Received letter from KOR regarding request for grants as opposed to loans. Staff recommends to keep policy as is. Grants mean less funds to give out in future over the years. Roughly 1/4 to 1/3 of what we currently give out is from loan repayments. Staff has discretion within loan policies. Might lead to more work. Also can modify for unusual circumstances. Matt Martino wanted to know what can be changed - loan interest rate, length of term, amortizing. Cindy King was on sub-committee last year and looked at all

applicants and individualized. Kathy Austin: is there another community that does grants and loans. Are there different funding sources? Lynne: foundations give grants but not for construction. Lynne has had conversations with foundations regarding some of these issues. Cindy King: grants are possible. Service providers get grants.

Amy Warren, KOR, asked to clarify. KOR is actually asking for a loan at zero interest due at end of affordability period. However, for a land trust that would be forever so would effectively acts like a grant.

Terry Luelling asked if amounts funded cover 100%. No, not 100%, there is quite a bit of outside funding. Use City funding as leverage.

Matt Martino said is difficult for him to know what is best because he has not gone through a funding cycle. Richard Bonebrake: don't need to change now. Kathy Austin: staff more knowledgeable so keep at is. But wants to look at acquiring grant money.

Ian Schmidt: would more time lead to staff coming up with a different answer. Would like to look at actual dollars coming back. How soon do they need to decide? Lynne: RFP language would have to be changed.

Cindy King suggest Committee has further discussion but for next year. Keep as is for now.

## **6. Follow up to December HB 4006 Meeting and Council goal setting preparation**

Lynne McConnell: Council will hear feedback from committees on 1/16. Assume housing will be a goal for new Council. This process is to decide specifics we would like Council to look at. Current staff only has capacity to do current programs but can still recommend items that will require additional staffing.

Ben Hemson shared BEDAB's 3 year strategic plan. BEDAB weighs into Council on policy. Also outreach.

Goal 1: Increase business satisfaction for those doing business with the City of Bend.

Goal 2: Grow and develop a talented workforce

Goal 3: Ensure an adequate supply of land for employment and residential uses.

BEDAB wants to add something about housing to its goals. How does AHAC want to engage with BEDAB? Wants to facilitate communication between the two. Goal 3 interests dovetail.

Develop and distribute a quarterly report detailing buildable land inventory. Question as to whether it meant service land, only land for sale, or available vs buildable.

Council Campbell: Buildable land inventory is required by state. Carolyn Eagan: State does not care if available or not. Asked if it includes underbuilt land? Gary Firestone: yes. There are different categories. Needs to include infill.

Lynne: In response to a comment, LID being pursued via CDD. Can it be applied in

different locations? Gary Firestone said could be done but does take staffing.

Lynne: 3 main buckets. Cindy King will be making recommendations to Council next week based on this discussion. Buckets: 1) Infill, 2) Tenant Stabilization (would require reallocation of staff time) and 3) New programs. Also: Affordable housing fee expires June 2019.

Single Room Occupancy - SROs

Question asked if allowing SROs requires a code change? Lynne noted that in the Housing Needs Analysis, group living was under multi-family category. Answer: Shared kitchen/shared bath would require code change.

Kathy Austin: would require reduction of fees & parking requirements. Lynne suggested that keep high level at this time.

Matt Martino mentioned student population increasing.

Keith Wooden and Matt Martino said it is hard to finance and difficult to resell. Said only worked well on transitory basis.

Kathy Austin thinks it is worth pursuing. Kathy asked if any anti-gentrification strategies are being worked upon within city. Specifically thinking of central core and current makers district. Doesn't want to repeat mistakes other areas have made.

Richard Bonebrake: thinks will be okay with residential/living, etc in one building on different levels.

Audrey Allen: must make office space work within living situation. Need affordable business options for small business.

Kathy Austin: mentioned incentives, plexes, small homes, non-traditional housing models. Fast tracking permits with reduced fees. Tenant advocacy is important but rent control would be a disincentive to builders. LIDs. Cost of hookups for additional units within same lot. No interest loans in a different city.

Matt Martino: affordable housing means different things to many people but there are trends. A lot of people have no idea what it means and whether it applies to them. What is available to them? Education. What does low to moderate income look like? Get communication out. We need to educate people about what we do and what is available.

Cindy King: Oregon Association of Realtors has a first time homebuyer's savings program. Still in process. Get information out.

Ian Schmidt: Education also a priority of his. Infill/ land availability will provide most of opportunities. How do we address? Duplex/triplex issue. New ways of doing. He is not interested at Bend level to look at rent control. Will be at State level. Of new programs, property tax exemptions would be quickest to market.

Richard Bonebrake: rent control is problematic. Feels would decrease amount of units.

Keith Wooden: also felt rental control would mean loss of private landlords/clients who take vouchers if too many requirements. Make a priority to keep production up now. Time

and cost of construction. Permitting included. Also education but not sure if Council related.

Richard Bonebrake: should make more surplus land available. Look at all city owned land.

Kathy Austin mentioned that after RFPs and funding is done, wants to bring forward smaller homes on smaller lots.

Cindy King: land availability. Report from CDD on permits from 2014 – 2018. City of Bend permits are decreasing. County permits are increasing. Karna Gustafson mentioned that County numbers include LaPine and Sisters which include affordable units. Redmond numbers are up. Ian Schmidt asked about associated dollars.

Cindy King said she has a good outline of items mentioned and will compare with Lynne's notes and minutes.

## **7. Consolidated Plan update**

Racheal Baker: survey complete. Will now have open houses to narrow down scope. Will be held January 17<sup>th</sup> and Feb 21<sup>st</sup> in the evening. To prioritize funding and plan. Citizen participation plan. Read and suggest how to include citizens in plan. Within 25% change, plan gives discretion. Do you think that percentage is right number?

## **8. Staff updates**

Lynne McConnell: goal is to construct and complete 100 units per year. Azimuth – received COO in 2019 as opposed to 2018. 2018 – 53 units. Pipeline good. Amount available for Affordable Housing Fee RFP is \$1 million.

Regarding loan term subcommittee, looking for volunteers to serve. Matt Martino, Keith Wooden and Cindy King if no one else volunteers. Ask Priscilla Buck and Adam Bledsoe. Meeting in next month before recommendations.

SDC exemptions: 100% exemption, 5 year deed restriction. Weren't sure if parameters would allow to extend longer. They do. Intend to increase beyond 5 years.

Federal Government shut down implications. Impacts on affordable housing programs. One issue is environmental reviews (ERs). HUD has to release funds if extensive. Tax credit properties at state level. Reformatting our business process to ensure we don't hold up projects with our ERs. Have cash flow to get current invoices out door. Would notify if becomes an issue. Would tell people to stop work before they accrue expenses. CDBG for next year. 2019 funding typically doesn't come in until August. So no issues likely.

Next meeting: compliance update on existing projects. Do annually as go into funding.

## **9. Adjourned at 4:48 pm.**