



CITY OF BEND

## Meeting Minutes

### Affordable Housing Advisory Committee

3:04 PM, Wednesday, May 8, 2019

Staff Liaisons: Lynne McConnell and Racheal Baker

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- **Roll Call:** Cindy King, Adam Bledsoe, Richard Bonebrake, Priscilla Buck, Matt Martino, Ian Schmidt, Keith Wooden
  - **Public comment**  
Elizabeth Casey – wrote letter a year ago about NW Roanoke Ave. How many have looked at? Neighbors came to Council meeting a year ago. People are using trail everyday. Avoid Portland. Encourages Committee to look at.

- **Council-Committee work session recap**

Work session recap. Looking for AHAC to come up with more ideas about affordable housing and also AMI up to 150%. One big goal: 3,000 housing units permitted. Maybe 3-5 procedural changes to get things moving out door. Big picture fixes in permitting system. Smooth delays out. Work with Planning Commission and BEDAB. Deep dive on infrastructure. RFP for solutions. Outreach to development community. Also look at transportation spending. Supplemental fee work. Will set up a brainstorming session. Lynne mentioned that focusing on housing types issue is more immediate (by July). AHAC recommendation to Council at July quarterly work session. Send ideas to Lynne so can be discussed at June meeting. CityView coming online – wait to dig into process. Keep ideas/notes. Big picture/high level okay to bring forward.

Would like another meeting with all to discuss focus. Invite Councilors. Priscilla would like them to articulate Council ideas. Sooner rather than later.

- **Developments and Activities update**

CDBG: are activities being carried out in a timely manner? On May 2<sup>nd</sup>, amount of current year funding remaining (unspent) is checked. Must have less than 1.5 times annual entitlement. We had a higher level of unspent for 2018. We are in communication with HUD. We could lose \$250k. Reasons include 2017 – 2018 influx of NSP dollars as we had to spend them done first. We could redistribute some of the funds through RFP. Potentially \$320k.

2018 allocations: Housing Works about to spend large amount in near future. COVO and Habitat have not spent any of money. COVO could have potential to reallocate. Habitat just spent rest of 2017 so will start on 2018. Mission Church in limbo. They are waiting on approval from higher up in organization.

Staff recommending that agreements going forward have some milestones. Need to check in with recipients again and ask them to list their project milestones. Put milestones into sub agreements. If not hit, would bring back to committee to see if want to recall or if comfortable with explanation and plan going forward.

Conflict of Interest disclosure: Keith Wooden works for Housing Works.

Volunteers In Medicine, Thrive, Saving Grace, NeighborImpact, Mission Church, KOR, Housing Works, COVO, Habitat.

Can think about and discuss. Matt Martino likes idea of check ins and thinks should have. Cindy King asked about reasonable time frame – every quarter from when funds are approved. Matt Martino moves to give staff ability to have quarterly progress check ins. Keith Wooden seconds. Priscilla Buck suggested having staff come back with actual wording. Also on recipients' end to check in with quarterly updates. Want teeth with time line written into agreements. Lynne said we ask subs to present benchmarks and timelines. Best practice: 30% spent out by 50% of year.

Process is in place but has not been tested. Gives us a 6 month window to process. Shortens the window a bit. Only for CDBG.

**Motion: Move to allow staff to allow to discuss benchmarks with recipients, put in contract, act on and bring back to committee. Matt Martino made motion. Richard Bonebrake seconded. All in favor.**

Priscilla asked about what is action on current recipients. Racheal will touch base with them and bring back next month.

- **Surplus land recommendation**

NW Roanoke. (See public comments above.)

Property was evaluated to see anyone could make affordable housing work there. Ultimately 4,000 sf. Roughly \$100k infrastructure required to develop. Water line would have to be built and street repaved and make street to code. And move power pole. Housing Works and Habitat could not see how to make it work. Lot does however have value. Staff recommends to sell lot on open market. Proceeds less \$100 cost to Affordable Housing Fund. Recommended listing price of \$125k. Lynne –stated they tried to make it work due to Fair Housing. Council chose to surplus. Recommending that want to put on market.

COI: Adam Bledsoe works for Compass Commercial, the real estate company of record for City.

Options: Sell on open market staff recommendation. Alternative: RFP.

**Motion: I move to recommend to City Council that the City-owned lot at NW Roanoke and NW Third, previously declared as surplus, be sold on the open market and proceeds from the sale be deposited in to the Affordable Housing Fund. Adam Bledsoe made motion. Priscilla Buck seconded. All in favor.**

- **Opportunity Zone summary**

New tax law in 2017 – addresses Opportunity Zones. 3 census tracts - most of Bend east of river. Tax incentives. New investment must create significant improvement equal to adjusted basis. Rules still being developed. Investment time frames written in. Currently 2026 is end of program but it may be extended.

Priscilla Buck: Any concerns that could reduce affordable housing and gentrify? Response; for Affordable Housing no, but for “lower case” affordable housing maybe but could also bring more supply. Intended to improve. Have not seen a bump in prices here in Bend.

- **Central Area update** | Matt Stuart and Allison Platt.  
What urban renewal is. How relates to affordable housing. Is one tool in the tool box. Tax Increment Financing. Improve an area. Address blight including inadequacy of infrastructure. Increase tax base. Feasibility study first. Then adopt urban renewal area. At that point freezes tax base. Increment over frozen base goes into urban renewal fund.

Potential projects infrastructure, transportation, housing etc. 3 main programs related to affordable housing.

1. Set-Aside Policy

Portland certain amount of Tax Increment Financing (TIF) revenue goes into affordable housing. Works better in more mature district.

2. Renovation & Rehabilitation

Denver, Provides dollars per units. Very staff intensive.

3. Partnerships/Support

Corvallis, Redmond. Partner with existing affordable housing groups and partners.

Limitations: in regards to affordable housing. Timing: takes a while to build up credits. Lack of Tax Increment revenue for some residential. Can only be used in designated urban renewal area. Administrative costs high.

Core Area Project:

Looking at Core Area to create an Urban Renewal District. Doing a feasibility study. Up-zoned recently but projects are still not penciling. What are barriers? To identify programs and projects needed. What are costs? Develop implementation tool.

AHAC can make recommendation to Urban Renewal Advisory Board (URAB) or can provide input as individuals.

- **Staff report**

Affordable Housing Fee first reading with removal of sunset clause has been done. Second reading next week and into effect 30 days later before current fee expires.

Council approved Con Plan.

Work session – talked about a supplemental affordable housing fee. If increased, would be supplemental due to rules. Asked Council for recommendations. Focused on commercial and industrial. Overview of possibilities. Next meeting will have information with scenarios. AHAC can make a recommendation. Will also take to BEDAB. Make sure people know this is out there. Spread the word.

Parks and Rec will vote on SDC exemptions May 21st. Good to attend the meeting. Goal to have in place by July 1 if parks vote to exempt.

Should we engage youth in affordable housing? Council enjoyed having kids testifying at meetings. Do we want to add an at-large youth member. Think about.

- **Adjourned at 4:47 pm**