



CITY OF BEND

Minutes

Affordable Housing Advisory Committee

Wednesday, June 12, 2019

Staff Liaisons: Lynne McConnell and Racheal Baker

- **3:05 pm Roll Call:** Cindy King, Richard Bonebrake, David Haines, Ian Schmidt, Keith Wooden, Priscilla Buck
Councilors Livingston and Campbell

- **Public comment**
None.

- **Approve May 8, 2019 Minutes**
Approved.

- **Policy brainstorming work session**
Objective will be to come up with 3-5 ideas to bring forward for next Council check-in. Worksession is scheduled for June 25th at noon in Council Chambers. Invite anyone who might be interested.

- **Code refinements | Pauline Hardie and Brian Harrington**

Cottage Code:

Intended as clean up and tweaking since it has been in effect for several years. Preserve intent but make more effective. Wants AHAC to act as a sounding board. Eventually will bring recommendations to Planning Commission. Will bring back to AHAC again once have code language.

Cottage code concept: Principles from Ross Chapin Design. Limit number of units. Create a cluster. Active rooms of rooms facing open space. Layering of public to private space. Cars and traffic separate from shared pedestrian space.

Shared examples of existing cottage communities.

Suggested changes:

Talked to COBA, KOR, Habitat architect, Hayden Homes

- Increase max unit size to 1200 not including garage.
- Max density. Based on size of unit. % of a unit or exempt from density.
- Reduce setbacks from 10' to 5'.
- Parking - reduce setback.
- Covered porches.
 - Reduce size. 80 to 60 sq. ft.
 - Not covered.

- Not limited to facing front.
- Eliminate or clarify idea of clustering
- Open space
 - Private - simplify to 400 square feet
 - Public – allow trails within 10 feet.
- Two stories are allowed.
- Tree preservation: can look at to work around.
- Fronting onto common spaces. Define better to make clearer.

Questions and responses to presentation:

- Where is allowed. RS and RM. Flexibility to make work on lots that are difficult. Tree preservation. Incentives exist.
- Average size of home in last two years in Bend. What were numbers based on? Around 1,900 sf. What other influences/sources has City looked at? Make centered clearer especially on odd shaped lots.
- Setbacks - 5' seems small. Might generate a lot of public concerns. Can see both sides. Parking is at 5'. Maybe add buffering, screening to code.
 - Pauline will continue to look at specifically will look at set back.

Shared Courts:

More dense than cottage. To medium density and high density residential. RM and RH. One acre size or less. No minimum lot size within as long as parent property meets requirement. Private access drive. Provided examples in presentation.

Would provide different options. Allows more units. Just starting to present to developers. Question asked if there was any pushback on HOAs. Response – similar to cottage code requires to take care of open space.

Open to looking at slightly larger lots but is more for infill. Would be interested in knowing how many lots would meet this in the specified zones. Done in some cities in Washington, a few in Oregon and several in California.

Lynne asked for a volunteer to attend Planning Commission meeting when this is presented. Ian volunteered.

- **Citizen Participation Plan update**
Emailed out to Committee. RFP process will start a month earlier than in past. Updated links and language. Changed term from citizen to resident. Public hearing in July.
- **Scoring criteria sub-committee selection**
Updated Con Plan so is time to look at scoring criteria. Good timing and opportunity. Goal that sub-group would convene as a public meeting and would bring suggestions to AHAC in August. AHAC would then discuss and decide before RFP. Criteria would be included in RFP. Cindy asked if it will be tied to loan subcommittee. Creating a standard loan product with some variety.

Lynne will send out email.

- **CDBG Timeliness:**
HUD is requiring a plan. Plan sent to AHAC members.
KOR spent 2018 funding. Housing Works is on schedule to spend as is Habitat.
All CDBG subrecipients will be presenting at July meeting.
- **Supplemental Affordable Housing Fee options**
Council looking at how to find revenue to fund ambitious goals. Current fee will remain the same as is for very specific purposes.

Conflict of Interest declarations: Would affect building permit evaluation for commercial and industrial.

Keith Wooden stated he works for Housing Works and deals with residential and possibly commercial. Ian Schmidt stated he works for Ascent Architecture and will likely work on a project.

Current Fee: On all building permits. .33%. \$1,290,300 Affordable Housing Fee funding annually projected.

Breakdown historical - 46% residential and 54% commercial/industrial

Any change to current fee or new residential fee would be subject to state rules.

- Residential: may not exceed 1%
- May not be charged on affordable housing construction
- 50% allocated for Affordable Housing
- 15% returned to State.
- 35% may be allocated for program staffing.

Any new commercial/industrial fee must:

- Be adopted by ordinance or resolution.
- Use of fees are at Councils discretion.

As part of Council goals there is possibility of RFP to fund infrastructure, middle income housing. Council Goal states up to 150% AMI. Uses discussion later.

Option A

- New for commercial/industrial only
- .17%
- \$344k total annual revenue

Option B

- New for commercial/industrial only
- .33%
- \$669k total annual revenue

Option C

- New for commercial/industrial only
- .67%
- \$1.3m total annual revenue

Reminder that permit valuation is not market value or sales price. Hope is that AHAC will make recommendation and then take to BEDAB and then to Council.

Discussion:

What does at Council's discretion mean? Should set specific goals instead of a blanket vague statement. Council Livingston suggested that AHAC make recommendation. However, can only bind if debt service tied to or building into code.

Lack of infrastructure is core and everything moves from there. Need to help developers.

Asked if we have examples from similar communities. There are already complaints about high fees. What other impacts to business community does this have? Look at in conjunction with SDC fee structures. Do support funding infrastructure. Lynne stated that most communities are going to 1% but there are speedbumps.

Concern regarding title of fee. If supplemental affordable housing fee, then is awkward.

Comment regarding government funds going toward for profit developers. Could it be targeted toward 5 units in whole development or partial tax exemption. Maybe Affordable Housing or maybe middle market.

Councilor Livingston provided context of Council discussion. Goal of 3,000 units. Infrastructure and intersection improvements are currently holding up projects. Building around hospital is being held up by Neff/Purcell intersection. Would have a scoring criteria (housing units) but would not be deed restricted. For the broader community good in areas where would not be high cost. Transportation costs have not been spread out. One development could not pay for these improvements.

Comment made that all housing is good. Is a question of messaging. Must know up front what fee is and how it will be used. Lynne pointed out that name is a holding place. Councilor Livingston pointed out that businesses would benefit by more housing for their employees. Construction excise tax is correct term. He stated it is about leverage, leverage of infrastructure vs leverage of AHF dollars.

Cindy asked if AHAC is ready to decide on a level? Or is more information and research on impact of all fees wanted.

Question asked if another committee is better to be the primary committee for the recommendation. Worried that doesn't fit AHAC's charter and charge even though support infrastructure. Lynne stated that AHAC has the knowledge and contacts on how this might work. David Haines stated that AHAC is the closest thing to a good home for this due to housing. Lynne reminded committee that have already expanded beyond Affording Housing in terms of policy.

Is about access to housing but is worried about unintended consequences of a backlash.

David Haines stated that to make a difference, we have to go with C. Keith Wooden agreed. Easier sells pitch if targeted to certain projects. Unlocking restricted areas (not UGB). Must be targeted or is a harder sell.

Elizabeth Oshel mentioned concern that City is not back dooring another SDC charge if make too specific. Need to look at.

Motion: Keith Wooden moved to recommend Option C in substantially the form presented and call it a Housing Access Fee. Ian Schmidt seconded. All in favor to recommend to Council.

- **Staff report**

Parks and Rec. officially approved SDC Waiver for Affordable Housing. AHAC will have a number of exemptions at July meeting. Due before the first of each month so can process at AHAC meetings.

- **Public Comment:**

Audrey Allen mentioned that the James Drive cottage (Habitat) will be on the COBA tour. Jaden said he hadn't heard about the Affordable Housing Fee. Seems to him that is pushing more growth of Bend. Committee responded on how original fee is used. Kim Smith – League of Women voters. Thanks for stressing affordable housing on new fee.

- **Adjourned at 5:02 pm.**