



CITY OF BEND

Minutes

Affordable Housing Advisory Committee

3:02 PM, Wednesday, October 9, 2019

Staff Liaisons: Lynne McConnell and Racheal Baker

Roll Call: Cindy King, Keith Wooden, Kathy Austin, Richard Bonebrake, Priscilla Buck, David Haines, Matt Martino

- **Public comment**

Audrey Allen, architect for Habitat James Drive cottages. She has a wish list for adjustments to cottage code which she presented to the Committee. Difficulty of lava piles with lots of trees. Preserving trees, many of which were Junipers, came at cost of livability. Conflicting codes between engineering and planning. Other properties: open space requirements with other requirements meant couldn't fit in more units - a duplex would have worked instead of one and two bedroom and studios.

- **Approve August and September meeting minutes**

Kathy Austin stated she wanted to stress flexibility. Minutes approved.

- **Public hearing – CDBG Amended Annual Action Plans 2017 and 2018**

COI – Keith Wooden has a potential conflict as Housing Works is a recipient. Matt Martino has a possible conflict as he works with clients for loans.

2017 amendments: An amount of \$230,000 remains available due to influx of NSP funding. HUD requires amendment. Redirected to COVO and KOR at last meeting via RFP process.

2018 amendments: \$20,000. Most went to Connors. Remaining to KOR.

Staff recommendations for Plans. There were no comments or questions from public or committee. No additional information so can close public hearing.

Kathy Austin moved to recommend approval by Council of 2017 and 2018 Annual Action Plan Amendments. Keith Wooden seconded. All in favor.

- **Loan policies**

COI – Keith Wooden has a potential conflict as Housing Works accepts these loans. Cindy King has a potential conflict as licensed realtor. Matt Martino has a potential conflict as he works with financing.

Wanted more structure to loan terms. List in RFP. 5 different loan term packages.

- Homebuyer assistance - silent non-amortizing for 30 years. In year 31, becomes fully amortized at 5% for a term of 10 years. Repaid by year 40. Repaid upon transfer or affordability non-compliance.
- Acquisition for a land trust - 20 year at 0% interest with terms revisited at year 20
- Acquisition, construction, rehabilitation, clearance of land, infrastructure - 40 year amortizing at 1%

- Acquisition, construction, rehabilitation, clearance of land, infrastructure - 40 year interest only for first 10 years, amortizing at 3%
- Shelters - due upon sale, refi, or non-compliance, 0% interest

Discussion: Any questions or comments?

Priscilla – why land trusts are free of interest? Matt looked at everything as a whole. Down payment – 30 years or transfer. Land trust 20 years. Shelters – no income or return on investment while under affordability. Financial analysis has been looked into. Priscilla wants a definition. Matt – given grants in state majority. Don't refinance land. Had to look at ways to potentially recoup some money and not jeopardize feasibility/affordability of land trust/project. Keith wants to add /land lease in addition to land trust. Kathy – what she heard in presentation by KOR. KOR takes role that City would have to do. Keith – loans 0%, never paid back. Typical with federal/state funds with restrictions. Is the nature of this type of financing. Priscilla – equity for not for profits.

Cindy - Options to see when applying. We can look at in the future. Any other discussion? Priscilla asks for definition for community land trust. A qualifier. Lynne – staff can bring back a definition before make funding decisions.

Matt to add structure and not have to reinvent the wheel.

Cindy King – add term land lease. Will come up with definition for next month.

Motion made by Keith Wooden – add land lease to acquisition for land trust.

Otherwise approve policy on loans and grants. Kathy Austin seconded. All in favor.

- **Policy prioritization for Council Check-In (next Wednesday)**

COI: Kathy Austin, licensed architect, could have a potential conflict. Keith Wooden, Housing Works, developer of Affordable Housing in Bend could have potential conflict.

Cindy King could have a conflict as a realtor. Matt Martino could have conflict as a licensed lender.

Process:

(Thumbs up/ down straw poll)

Lynne mentioned that realistically won't start until mid 2020 due to what is already lined up. Some topics need a lot of work. Difference between want to enact versus want to explore. Keep it simple for next week's meeting. Certain topics are already slated for deeper dives. Examples: SDCs, parking.

Top items from survey:

SDCs

- *Tie SDCs to square footage – all thumbs up.*
- *Defer SDC payments to CO on all residential development -* Kathy suggested to maybe add qualifier of up to 150%. Priscilla need more info. Keith said City requires a lien so not effective for them. Matt said would add staff and time. Creates more problems than worth. **All thumbs down.**
- *Create a flat SDC rate, plus deferral, for all residential units sold for less than \$300,000 –* Cindy asked if refers to sales price or permit value. Matt said would be tough to deal with. Also what about inflation. Seems that first item and sliding scale is better due to complication. Keith asked if deferral would help builders. Matt is not much different. Too

complicated. What is doable and effective? First SDC suggestion makes more sense to Priscilla. **All thumbs down.**

Fees

- *Waive City fees for deed restricted affordable housing.* What does this include? Would be a lot of money. Fees are to recapture cost of staff. Lynne could bring in staff to discuss. Need more information. Seems draconian right now.

Councilor Livingston mentioned that CDD is fee supported and receives no general funds. Money would have to be recaptured and fees to others would increase.

Interesting topic to look into but not now. Change word waive to evaluate reduction of city fees for deed restricted affordable housing. **Thumbs up for additional research.**

Process Improvements

- *Staff an “expeditor” role for AH, or pre-application navigator position to help public get to “complete application”* Is it possible to do this alternative way to deal with issue such as a pamphlet or video. City View may address by showing a path. Cindy suggested Affordable Housing have a defined route. Matt asked if number of applications justifies. Further investigation/discussion needed. Priscilla said we don’t have enough staff resources. Kathy asked how much impact this would make. What does staff have to deal with? What is problem? **Get more information. Thumbs up. 6**

- *Remove internal approval of condos –* State has a definition of condos. No actual determination is made. Plat is signed off and goes to state. Karna said that few cities do this. Shannon Levine says City sign off allows for addressing and multifamily vs condo rate for SDC. Karna said causes a delay. Shannon said if didn’t go through the city first, would need to see after the fact. **Explore if streamlines. 5 thumbs up. 1 neutral.**

Code Amendments

- *Reduce off street parking requirements across all zones/ create parking maximums in more zones* Lynne said this is being discussed beyond affordable housing. Matt said for City to get out of way and let it take its course. Kathy doesn’t want to ignore.

Recommendation for further discussion. 5 thumbs up.

- *Encourage RV park zoning/ development -* currently exist in City in mobile home park zones. Hearing current zones are full. Richard said that is not true, that is for manufactured homes. Is there a process to change a zone? Would need a comp plan amendment. They are allowed in campgrounds. Is this a problem that needs to be changed? David said seems that is not a priority. Priscilla mentioned that seems to represent homeless community group and would be valuable to understand issue. Kathy agrees. **Worth getting more information. 4 thumbs up. Others undecided.**

- *Create a streamlined garage to ADU code-* Kathy said is taking place in other communities. Converting a garage or part of garage to a unit. **6 thumbs up.**

- *Allow additional FAR for AH –* Now only for ADUs. 60% of sf of house. Might not be able achieve to due to other restrictions. **Not worth it. Thumbs down.**

- *Create a density bonus for missing middle housing -* **Explore – 6 thumbs up.**

- *Create additional transit oriented development tools/ incentives -* Russ said core area is looking into. Mentioned HB 3450. Not necessarily around transit corridors. We don’t have transit corridors. **Not necessary, 6 thumbs down.**

Misc.

- *Workforce development for trades/ construction* – Be supportive but let BEDAB handle. **6 thumbs down for not looking into.**
- **Supplemental Housing Fee discussion**
Had been discussed at AHAC earlier. Questions on cost in Bend versus other cities. Also regarding uses of revenue. Hoping to bring back today for a vote; however, there is an ongoing parallel process happening. Developer survey will go out next week. Goals is to identify projects that stopped due to lack of financing/infrastructure. Council Subcommittee will discuss at next meeting. Will bring additional information back to Committee and vote then, November or December. Encourage folks to complete survey. Approximately 3 weeks to respond. Russ agreed need to find out problems and also how would fee be used.

Audrey's letter. Cindy asked if AHAC wants to try to rush through or wait and vet but don't want to get lost. Good time to weigh into and look at further. Include as part of discussion. Cindy King suggested to let code reviews go ahead. Include in discussion as move forward.
Add to list, thumbs up.

- **Staff report**

Upcoming dates of interest. Will send out in email. Encourage to attend Council check-in.

Policy work flow: Designate 2 Planning Commission liaisons

- Overview of process to debut next week at Council work session on October 16
 - Attempting to streamline due to many needed code updates
 - Staff proposing to create interactive work session at Planning Commission meetings when needed—AHAC, BEDAB, NLA invited to designate 2 members each
 - Info will be presented at PC, not individual committees, so members will have to be ready to provide feedback & later recap for AHAC
 - Can be same 2 or switch up based on topic. Kathy Austin, Matt as alternate. Cindy King as alternate. Check in with Ian Schmidt.
 - Always a seat at table for AHAC but don't have to go to all.
 - Get 1 volunteer for technical advisory work group for Pauline's HB 2001 work
 - 2 meetings per month, 2 hours each, November through March
 - Kathy would have more to offer.
 - Developer survey being released—spread the word
 - RFPs are out! Due November 8th. Will send out to Committee ASAP as meeting is on November 13th and November 11th is a holiday. Review applications and think of questions for applicants. Goal to match up with state funding. AHF to Council in February. January 22nd, from 3 – 5 at Muni Court has been scheduled in case need additional meeting time.
 - Final reports from CDBG to HUD. Will email at end of month. Spend down and achievements.
- **Adjourn 5:06 pm.**