



CITY COUNCIL
November 7, 2023
Council Chambers • 411 SW 9th Street

**COUNCIL
MEMBERS**

Ed Fitch
Mayor

Cat Zwicker
Council President

Tobias Colvin
Councilor

Clifford Evelyn
Councilor

John Nielsen
Councilor

Kathryn Osborne
Councilor

Shannon Wedding
Councilor

NOVEMBER 7, 2023

SPECIAL MEETING AGENDA

6:00 PM

I. CALL TO ORDER / ESTABLISH A QUORUM

II. CONSENT AGENDA

- A. CORE3 Intergovernmental Agreement with the Central Oregon Intergovernmental Council

III. PRESENTATIONS

- A. Housing Works Updates and Complexities of Building Affordable Housing
B. Affordable Housing Finance Tools - Construction Excise Tax
C. State Pilot Project - Northpoint Mixed-Income Neighborhood
D. Status update on the proposed amendments to various sections of the Redmond Development Code (Chapter 8).

IV. NEW BUSINESS

V. ADJOURN

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:00 p.m. on the 2nd and 4th Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:00 p.m.

The City of Redmond encourages all citizens to participate in its programs and activities. This meeting location is accessible to people with disabilities. Requests for accommodation may include sign language interpreter service, assistive listening devices, materials in an alternate format or any other accommodation. If any accommodations are needed, please contact the ADA Coordinator at 541-504-3036 or access@ci.redmond.or.us. Requests should be made as soon as possible, but at least 3 business days prior to the scheduled meeting.

The City of Redmond does not discriminate on the basis of disability status in the admission or access to, or treatment, or employment in, its programs or activities



CITY OF REDMOND

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STAFF REPORT

DATE: November 7, 2023
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
FROM: Keith Leitz, City Attorney
SUBJECT: CORE3 Intergovernmental Agreement with the Central Oregon Intergovernmental Council

Report in Brief:

The item requests City Council approval to enter into an Intergovernmental Agreement (IGA) with the Central Oregon Intergovernmental Council (COIC) for the CORE3 project.

Background:

The mission of the CORE3 initiative is to support and deliver the highest caliber training and emergency management coordination in a manner that is collaborative, supportive, and focused on enhanced public safety, risk mitigation, and building resilient communities.

COIC has now completed a formal IGA which replaces an MOU from November 2021. This IGA replaces the City Council authorized Memorandum of Understanding (MOU) from 2022.

The original MOU reflected the following principles, which are carried through to this IGA:

- There is a critical need for a dedicated, centrally-located, regional multi-agency coordination center to coordinate local, state and regional emergency operations.
- Central Oregon, and the Redmond community and Redmond airport, will serve a critical function in statewide emergency response and recovery from a catastrophic disaster such as the Cascadia Subduction Zone event.
- Central Oregon would benefit greatly by a facility to meet existing and future training needs of local, state, federal and non-profit public safety and emergency management personnel.
- Opportunities to increase the quality and efficiency of training and coordination are important to meet current and future emergency management and public safety needs of our communities."

A detailed presentation of the project is attached to this item. The presentation was made at the October 17, 2023, joint meeting between the Redmond City Council and the Deschutes County Board of Commissioners.

This IGA, between COIC, Central Oregon Community College, the Cities of Redmond, Bend and Madras, and Crook and Deschutes Counties, formalizes the following:

- Partner roles and obligations
- COIC roles and obligations
- Annual workplan and budget process

Decisions concerning the project will be made by voting members of the Executive Council (EC) composed of one appointed representative from each Core Partner, two appointed Associate Partner representatives, and two appointed Ex-Officio representatives. As a "Core Partner" the City has a representative on the Executive Council (Councilor Osborne). The EC helps shepherd the project through its various phases.

Discussion:

The following is a chronology of the governing documents:

TIMELINE	DESCRIPTION OF ACTIVITIES	OUTCOME
Spring 2022	MOU signing complete – 28 agencies sign on	Final MOU in place
July 2022	Executive Council formally designates COIC as the governing body and fiscal and administrative home for the CORE3 project *until such time as a new agency is designated.	COIC serves as “home” for CORE3
November 2022	IGA process initiated – COIC worked with attorney to develop first draft.	Draft 1 of IGA
January 2023	First round of partner and COIC Board review and comments.	Draft 2 of IGA
April 2023	Second round of partner review and comments, including legal review.	Draft 3 of IGA
September 2023	Final updates to insurance language and the budget allocation process. Staff and the Project Management Team worked in partnership with COIC’s insurance carrier, Deschutes County risk management and legal counsel, and COIC’s Community Economic Development Fiscal Administrator on the final changes.	EC approves final IGA at the September 28, 2022 meeting

At this time, the IGA has been formally approved by COIC and is being routed for partner signature. Each partner organization is now being asked to also formally approve it.

Fiscal Impact:

The IGA does not have any direct financial commitments. The commitment is to time and the partnership.

Alternative Courses of Action:

1. Accept / approve the Intergovernmental Agreement
2. Do not accept / approve the IGA
3. Take no action and request more information

Recommendation / Suggested Motion:

"I move to approve the CORE3 Intergovernmental Agreement"

Central Oregon Ready Responsive Resilient (CORE₃) Project



October 17, 2023 Joint Meeting
City of Redmond/Deschutes County

Project Update

Presentation Overview

- ▷ CORE3 Overview
- ▷ CORE3 Updates
- ▷ Next Steps
 - ▷ Updated timeline



CORE3 Overview



CORE3 is envisioned as a flexible multi-use space to house:

- ▶ A dedicated **multi-agency coordination center for emergency operations** to serve regional and statewide critical emergency coordination needs in a major event like large-scale wildfires or the Cascadia Event.
- ▶ An **emergency services training center** to meet mandatory and best-in-practice training needs of local, state, and federal public safety personnel. Including **Central Oregon Community College's** wildland and structural fire, public safety/criminal justice, and other related programs

CORE3 Overview



- ▶ **24 partner agencies** are currently working together on CORE3 – local and state agencies with a fire/law enforcement /public safety/emergency management role.
- ▶ **\$37M** Phase 1**
 - All site prep and utilities for Phase 1
 - Emergency coordination center/admin/classroom building
 - Fire training tower
 - Emergency Vehicle Operators' Course and Driver Skills Pad
- **\$100+M fully-developed** concept (next 2 slides)

CORE3 Overview

Full eventual scope of CORE3:



Emergency Operations Center	Train Car Derailment and Rescue Prop
Administration Building and Flexible Class Rooms	Off-Road Driving Course
High Bay / Indoor Drill and Training Space	Tactical / Street Grid
Gun Range:	Wildland Fire Training
25 yard / 25 lane tactical gun range	Vehicle Extraction Prop
50 yard fixed point 25 lane gun range	Emergency Vehicle Operations Course & Skills Pad
100 yard fixed point 4 lane gun range	Fire Drafting Pit - Fire Truck Pump Certification
Urban Search & Rescue Prop	Rescue - Confined Space & Trench Prop
Class A Burn Building - 2 story	ARF - Aircraft Rescue and Fire Fighting Prop
Drill Tower Building - 4 story with Class B burn props	Emergency Medical Technician (EMT) Lab
Shoot House/Reconfigurable Maze (Simunitions Facility)	Roof Training Prop - Fire, SWAT/Rappeling, Smoke/etc.
Virtual De-escalation Training	

PRIORITY SERVICES & FACILITIES: EOC



PRIORITY SERVICES & FACILITIES: EVOC



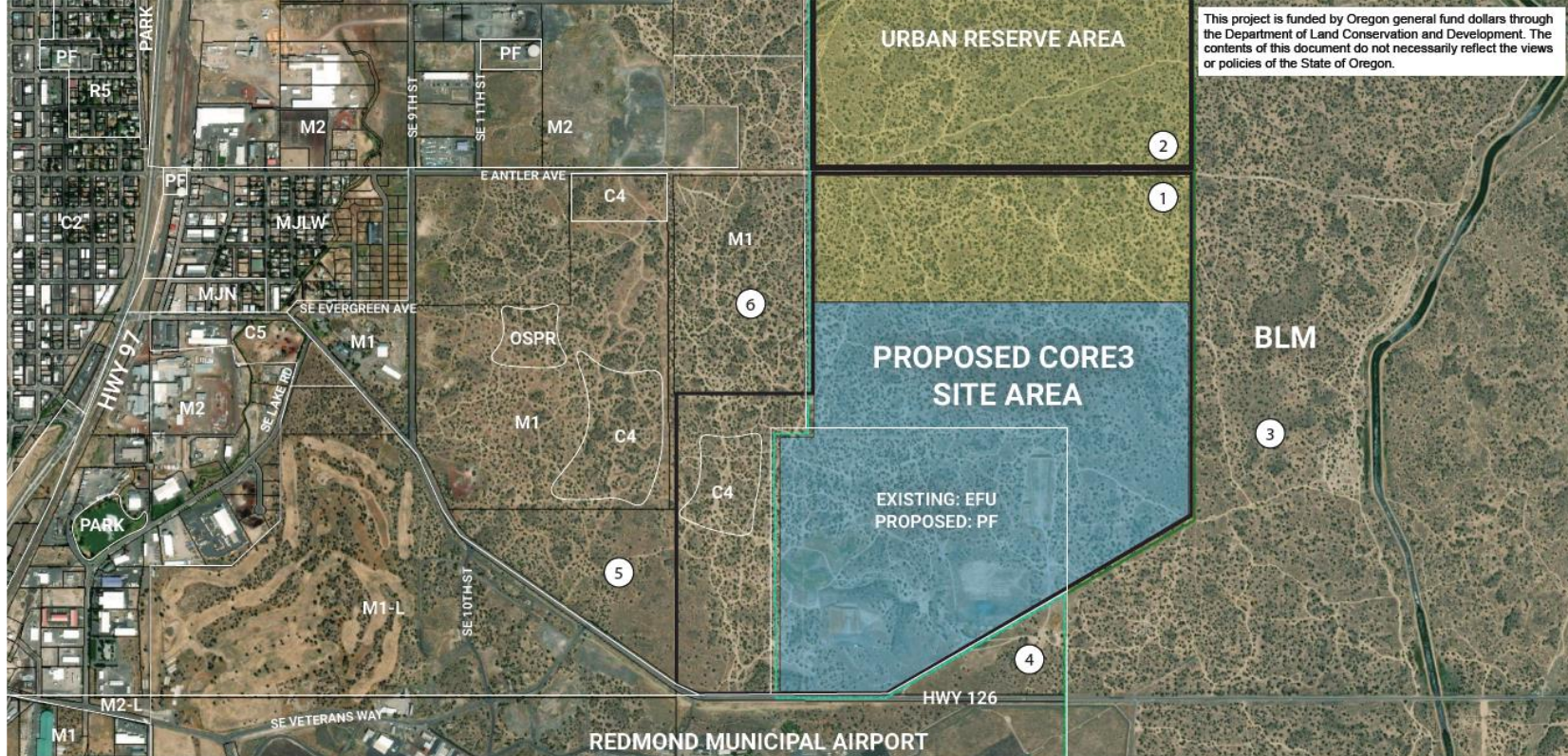
PRIORITY SERVICES & FACILITIES: SIMUNITIONS SIMULATOR



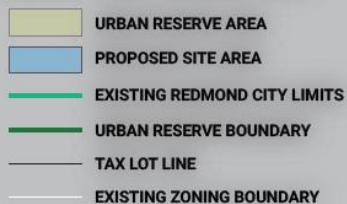
PRIORITY SERVICES & FACILITIES: SPECIALIZED FIRE TRAINING



This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.



VICINITY AND ZONING MAP

**TAX LOT INFO**

- | | | |
|---|--|---|
| <p>① DESCHUTES COUNTY
TAX LOT: 1513000000103
500.28 AC</p> | <p>③ USA
TAX LOT 1513000000100
5280.52 AC</p> | <p>⑤ CENTRAL OREGON IRRIGATION DISTRICT
TAX LOT: 1513150000102
48.87 AC</p> |
| <p>② DESCHUTES COUNTY
TAX LOT: 1513000000103
1396.06 AC</p> | <p>④ CITY OF REDMOND
TAX LOT: 1513000000115
41.56 AC</p> | <p>⑥ DESCHUTES COUNTY
TAX LOT: 1513000000131
135.91 AC</p> |



Activities in 2023



- ▷ Land Use
 - Applications submitted June 30
 - Zoning error identified – *more on this in a moment*
- ▷ IGA finalized – *more on this in a moment*
- ▷ 2023 Legislative Session - *gearing up for 2024/25*
- ▷ Federal engagement – *BRIC?*
- ▷ State agency/Governor's Office – *very positive!*
 - State vision
 - Short session
 - Legislator tours

IGA – coming soon!



- ▶ Current organizing document is an MOU
- ▶ New agreement recognizes COIC role and relationship with Executive Council

IGA, cont.



Contents:

▷ Governance

- Relationship among signatories, and with COIC
- Roles: CORE3 Executive Council, COIC Board, COIC staff

▷ Project Phasing (acknowledgement of future phases and agreements)

- **First IGA -- Governance, Budgetary Oversight, Entitlements**
- Second IGA/ORS190: Operating agreements between agency and managing agency (likely not COIC)

IGA, cont.



▷ Budget

- Annual scope of work/budget process (FTE basis)
- Annual COIC Budget process

▷ Assets

- COIC to manage on behalf of CORE3 project
- When new CORE3 governing body; assets will be transferred

Land Use Problem – and Resolution



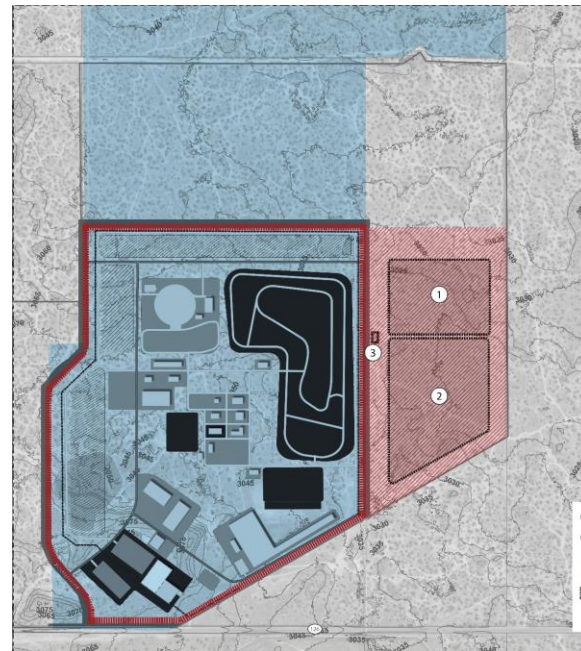
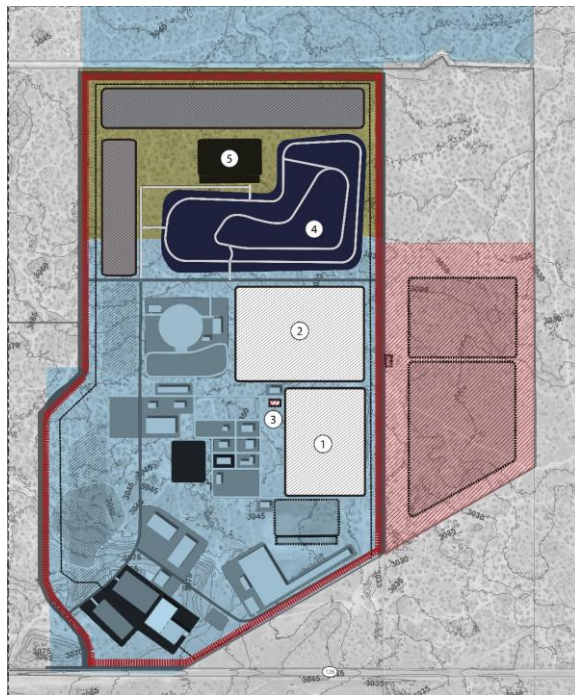
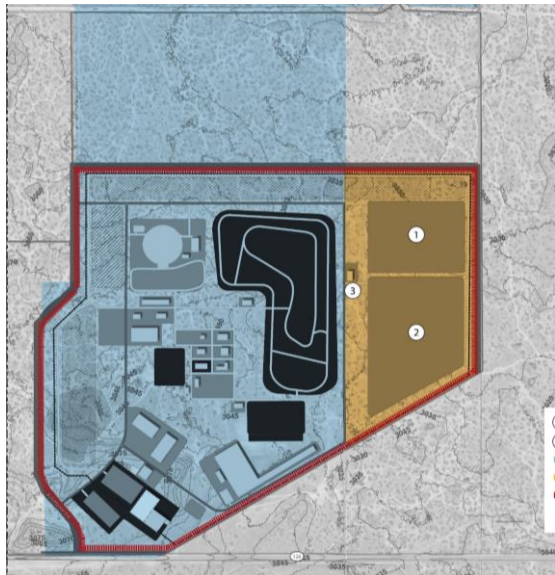
The issue

- ▷ Deschutes County determination: eastern 72 acres of the 300-acre CORE3 site are zoned EFU
 - Not Urban Reserve Area, as identified on City of Redmond and state zoning maps
 - This throws out the analysis/justification for that portion of the property

Land Use Problem – and Resolution

Consultant team identified 3 pathways forward:

- 1) Update applications and analysis to bring in 72 acres of EFU
- 2) Realign 300 acres to drop 72 acres on east side and add 72 acres on north side (URA zoned)
- 3) Drop 72 acres of the proposed use, for now, focus on the remaining 228 for now, and consider pursuing a Goal 3 exception for that portion at a later date.



Current Focus – and forward to 2024



- ▷ Land use: achieve entitlements
- ▷ Design/Engineering: goal to release November RFQ
 - ▷ *Seeking construction management guidance*
- ▷ State engagement/prep for Legislative Session
- ▷ Preparing for partition/land transfer
- ▷ Preparing for ORS 190 Development

Next Steps - Critical Development Activities/Sequencing



- ▷ **Obtain land use entitlements** – prior issue delayed
 - Also, City/ODOT required a full transportation/trip analysis
- ▷ **Environmental Remediation Plan**
- ▷ **Design/Engineering** – dedicated funding for about 1/3 of this at this time
- ▷ **Site Plan Submission/Review and all related**

Next Steps - Critical Development Activities/Sequencing



- ▷ Land use entitlements – March 2024?
- ▷ Design/Engineering for Phase 1 only – Late 2024?
 - Remediation Plan concurrently
- ▷ Site Plan review – Late 2024/early 2025?
- ▷ Break ground... see next slide

Funding dynamic



C O R E 3

Identified costs so far (all estimates):

D&E estimate of \$3.5M for Phase 1

+

Construct 21st St. to driveway + bring utilities across 126 + left-turn lane =
\$3M-\$750K = 2.25M

+

Environmental remediation = net of \$2-4M?

+

Site prep and utilities extended within site = \$4-6M

= approximately \$12-\$16M before delivering any facilities/services

Funding dynamic



Currently have \$10.75M raised for capital.

Biggest need in 2024 is to raise significant revenue. Avenues:

- ▷ Some limited federal grant programs for this type of facility
- ▷ State has interest (OEM, ODOT, ODF, OSFM, OSP, DAS, OHA, Governor's Office)
 - *Expecting a big push for 2025 session*

**INTERGOVERNMENTAL AGREEMENT
CENTRAL OREGON READY, RESPONSIVE, RESILIENT (“CORE3”) PROJECT**

This Intergovernmental Agreement (the “Agreement”) is dated effective starting the date of last signature (the “Effective Date”), and is entered into between the signatory parties collectively referred to as Party or Parties.

RECITALS:

- A. The Parties to this Agreement entered into a Memorandum of Understanding dated May 10, 2022 (the “MOU”) pursuant to which the Parties agreed to work collaboratively to support the development and construction of a regional emergency services training and coordination center (the “Project”).
- B. This Agreement replaces the MOU as further described in Section 9.5, and further outlines and defines the terms and conditions under which the Parties will complete the Project.
- C. This Agreement is made pursuant to Oregon Revised Statutes (“ORS”) 190.010, which provides for the authorization of units of local government to enter into agreements for the performance of any functions and activities that any party to the agreement, or its officers or agents, has the authority to perform.

AGREEMENT:

NOW, THEREFORE, in consideration of the Parties’ respective obligations under this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Definitions. Unless defined elsewhere in this Agreement, capitalized terms contained in this Agreement have the meaning assigned to them in the attached Appendix A.

2. Project Planning. The Parties acknowledge and agree that the following actions concerning the Project have been taken and/or memorialized by the MOU prior to the Effective Date of this Agreement: (a) representatives from various agencies have convened as an Executive Council to discuss the primary objectives of the Project and guide project development; (b) limited funding/grants have been received or obtained for the Project; (c) 300-acres of that certain Deschutes County-owned land with an appraised value of \$16.3M as of January 2022 and described on the attached Exhibit A (the “Property”) have been reserved for the Project; and (d) discussions concerning a separate written agreement between COIC and Deschutes County for the transfer and conveyance of the Property have commenced. The Parties anticipate that the Project will be completed in those Project phases identified in the attached Exhibit B.

3. Party Obligations.

3.1. Core Partner Determination. Subject to the terms and conditions contained in this Agreement, each signatory organization will determine each fiscal year if they want to be a Core Partner or an Associate Partner. Core Partners contribute to and provide funding for the Project. Core Partner funding will be determined annually in accordance with this Agreement, and as outlined in Exhibit D. Each Core Partner will appoint one representative to serve on the Executive Council; provided, however, a Core Partner may appoint an alternate representative to serve as the Core Partner’s Executive Council representative in the absence of the Core Partner’s primary representative. Each Core Partner will receive one voting seat on the Executive Council. The primary and alternate representatives will serve on the Executive Council in accordance with the Bylaws attached hereto as Exhibit C. Notwithstanding anything contained in this Agreement to the contrary, each Party will determine whether the Party will become or remain a Core Partner and continue to make the Contribution) by July

1 each year.

3.2. Associate Partner. Subject to the terms and conditions contained in this Agreement, each Associate Partner will provide support for the Project by, among other things, contributing staff time at Project-planning meetings, testifying in support of the Project before governing bodies, and performing other Project-related activities and/or obligations requested by COIC from time to time. Associate Partners are not financial contributors to the Project. Associate Partners will (collectively) appoint two representatives to the Executive Council. These representatives will hold voting seats on the Executive Council.

3.3. COIC. As directed by the Executive Council and the terms and conditions contained in this Agreement, COIC shall implement all Project related real property, personal property, and all other assets, including, without limitation, intellectual property. In addition, COIC will be responsible for all day-to-day Project-related operations, administration, and personnel functions, including, without limitation, the following: (a) contracting, employing, and supervising all contractors and personnel assigned to and/or employed for or concerning the Project; (b) managing and supervising all contractors retained for the Project; (c) incurring and paying, on the behalf of the Parties in accordance with this Agreement and the approved Budget, all Project expenses; (d) expending funds in accordance with the approved Budget; (e) providing (or causing to be provided) all Project related personnel, insurance, legal advice, and management support in accordance with this Agreement and the approved Budget; (f) administrating the invoice process and collecting from each Core Partner the Core Partner's Contribution; and (g) providing generally for the audit, accounting for, reporting, receipt, and custody of Project funds.

4. Project Management.

4.1 Executive Council. Decisions concerning the Project will be made by voting members of an executive council (the "Executive Council") composed of one appointed representative from each Core Partner, two appointed Associate Partner representatives, and two appointed Ex Officio representatives. The Executive Council may appoint subcommittees in accordance with the Bylaws.

4.2 Authority. Subject to the terms and conditions contained in this Agreement, the Executive Council will have the following authority, duties, and responsibilities: (a) oversee and have full responsibility for all matters pertaining to the Project's development and operations, including Project outreach and decision-making; (b) review and recommend the Project budget to the COIC Board of Directors; (c) form subcommittees; (d) enter into contracts subject to and in accordance with this Agreement, the Laws, and Executive Council policies; and (e) carry out such other activities as necessary, required, and/or implied to accomplish the Project's purposes and/or this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Executive Council will not have the authority to perform the following: (x) commit the taxing authority or general funds of any Party's governing body; (y) impose ad valorem property taxes; and/or (z) expend (or cause the expenditure of) funds exceeding (or inconsistent with) Budget appropriations.

4.3 Meetings. Except as this Agreement and/or applicable Law requires otherwise, all Executive Council meetings will be held pursuant to and in accordance with the Bylaws. A majority of the then-appointed Executive Council voting members will constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. Except as this Agreement and/or applicable Law requires otherwise, the express concurrence (approval) of a quorum is necessary to decide any question before the Executive Council. All Executive Council meetings are subject to Oregon's Public Meetings Law, ORS 192.610 – ORS 192.690, as amended. Unless otherwise provided, Robert's Revised Rules of Order Newly Revised 12th Edition will govern all procedural matters.

5. Budget; Contributions.

5.1 Budget Preparation. COIC, with assistance from the Project Management Team, will

prepare, develop, and recommend an annual Project development work plan and associated budget (collectively, the "Budget") for the Executive Council's review and approval. The Budget will be prepared on a fiscal year basis, commencing July 1 each year and end the following June 30. The Budget will include, among other things, staff costs, consultant fees, capital management, etc. Notwithstanding anything contained in this Agreement to the contrary, the Budget will not be final, binding, and effective unless and until approved by the Executive Council and COIC.

5.2 Core Partner Contributions and Determination of Contribution Amount. No monetary contribution is required to participate in this IGA. Core Partners are determined by contribution amounts. Each signatory party will determine each year if they wish to be a Core Partner. Core Partner contributions and amounts will be determined as per the process outlined in Exhibit D

5.4 Budget Manager. Subject to the terms and conditions contained in this Agreement, COIC will manage and administer the Budget. COIC will maintain one or more independent bank account(s) for the purpose of recording financial transactions concerning the Project (the "Project Account(s)"). Funds contributed to the Project will be maintained in the Project Account. Project funds will not be commingled with any COIC and/or other Party funds (and will be maintained in accounts separate from COIC and/or any Party accounts).

5.5 Books, Records and Reporting. COIC will maintain separate books and records concerning this Agreement and the Project (i.e., the books and records will not be combined or mixed with any other COIC matters). COIC will make books, records and reporting concerning this Agreement and the Project available to the Executive Council at every meeting.

5.6 Executive Council Budget Obligations. The Executive Council will appoint of one member to serve on COIC's budget committee (the "Budget Committee"). All Budget Committee financial decisions concerning the Project must include the concurrence of the then-appointed Executive Council member. The then-appointed Executive Council member shall receive prior approval authority from the Executive Council before concurring with the Budget Committee. Notwithstanding the above in Section 5.6, the Executive Council's authority and/or involvement with the COIC budget is only to the extent the COIC budget concerns the Project. The Executive Council will have no other authority and/or control over the COIC budget.

6. Insurance; Indemnification; Relationship.

6.1 Insurance.

During the term of this IGA, all parties shall maintain in force insurance coverage required by law.

If requested, complete copies of insurance policies shall be provided to CORE3. There shall be no cancellation, material change, reduction of limits without 60 days prior written notice from the Party or its insurer(s) to CORE3.

6.2 Indemnification. To the fullest extent permitted under applicable law, each Party will defend, indemnify, and hold the other Party and the other Party's Representatives harmless for, from, and against all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees and costs, resulting from or arising out of the party's breach and/or failure to perform the party's representations, warranties, covenants, and/or obligations contained in this Agreement. Each party's indemnification obligations provided under this Section 6.2 will survive the termination of this Agreement.

6.3 Relationship. Each Party is an independent contractor of the other Parties. This Agreement does not create a joint venture and/or agency relationship between the Parties. No Party has the authority to bind the other Party or represent to any person that a Party is an agent of the other Party. No Party will provide any benefits to any other Party; each Party will be solely responsible for obtaining the Party's own benefits, including, without limitation, insurance, medical reimbursement, and retirement plans. Notwithstanding

anything contained in this Agreement to the contrary, the Executive Council will not have the authority to bind and/or encumber a Party in any manner except as the Party agrees through both the policy and administrative authority granted to the Party's appointed Executive Council member.

7. Intent; Formation of ORS 190. The Parties anticipate that the Project may require formation of an intergovernmental entity under ORS chapter 190 ("CORE3"), which intergovernmental entity may be the sole operator of the Project. CORE3 will be a legal entity separate and distinct from the Parties and will have the following general powers: (a) adopt, through action of the Executive Council, such bylaws, rules, regulations, standards, and/or policies necessary to carry out the purposes of the Project and/or this Agreement; and (b) perform and exercise all powers pursuant to the Laws, including, without limitation, ORS chapter 190, which are necessary and/or appropriate to carry out the objectives of the Project. After formation of CORE3, COIC will transfer and convey all Project related assets subject to this Agreement to CORE3, contingent upon the approval of the Executive Committee.

8. Term; Termination

8.1 Term. Subject to the terms and conditions contained in this Agreement, the term of this Agreement commenced on the Effective Date and will remain in full force and effect until Project construction is complete (the "Initial Term"), unless sooner terminated as provided in this Agreement. Project construction will be deemed complete when the local government issues a Certificate of Occupancy. Upon expiration of the Initial Term, this Agreement may renew for one or more term(s) of one year each, upon the mutual written agreement of the Parties. This Agreement may be terminated (a) at any time by the written agreement of all Parties, and/or (b) by majority vote of the Executive Council.

8.2 Voluntary Withdrawal by a Party. Any Party may elect to terminate its participation in this Agreement (and the Project) by providing prior written notice to the Executive Council. Termination of this Agreement does not relieve any Party from its obligations incurred prior to the effective date of termination.

9. Miscellaneous.

9.1 Coordination; Assignment; Binding Effect. The Parties will maintain adequate levels of communication to ensure maximum cooperation and coordination between the Parties. No Party may assign the Party's rights and/or obligations under this Agreement to any person without the prior written consent of all other Parties. Subject to the immediately preceding sentence, this Agreement will be binding on the Parties and their respective administrators, successors, and permitted assigns and will inure to their benefit. The Parties will execute all documents or instruments and will perform all lawful acts necessary or appropriate to carry out the intent of this Agreement. All exhibits, schedules, instruments, and other documents referenced in this Agreement are part of this Agreement. Subject to the Laws, the Executive Council may authorize a new party to join the Executive Council only if approved by the unanimous vote of the Executive Council and the additional party agrees to the terms of this Agreement and signs a copy of this Agreement, as amended.

9.2 Notices; Severability; Remedies. Any notice will be deemed given when personally delivered or delivered by facsimile or email transmission (with electronic confirmation of delivery), or will be deemed given three days following delivery of the notice by U.S. mail, certified, return receipt requested, postage prepaid, by the applicable Party to the address shown in Appendix A (or any other address that a Party may designate by notice to the other parties), unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed delivered on the next following business day. Each provision contained in this Agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law. Subject to the terms and conditions contained in this Agreement, each Party will pay all wages and benefits due the Party's personnel, including, without limitation, overtime, workers' compensation, and death benefits. If a Party breaches and/or otherwise fails to perform any of the Party's representations, warranties, covenants, and/or obligations

under this Agreement, the non-defaulting Parties may, in addition to any other remedy provided to the non-defaulting Parties under this Agreement, pursue all remedies available to the non-defaulting Parties at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

9.3 Waiver; Entire Agreement; Amendment; Counterparts. Notwithstanding anything contained in this Agreement to the contrary, no provision of this Agreement may be modified, waived, and/or discharged unless such waiver, modification, and/or discharge is agreed to in writing by the Parties. No waiver by a Party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement will be deemed a waiver of other provisions or conditions hereof. This Agreement contains the entire agreement and understanding between Parties with respect to the subject matter of this Agreement and contains all the terms and conditions of the Parties' agreement and supersedes any other oral or written negotiations, discussions, representations, and/or agreements, including, without limitation, the Memorandum. No addition, modification, amendment, or alteration to this Agreement will be effective against the Parties unless specifically agreed upon in writing and signed by the Parties. This Agreement may be signed in one or more counterparts.

9.4 Applicable Law; Venue; Attorney Fees. This Agreement will be construed, applied, and enforced in accordance with the laws of the State of Oregon. Any action or proceeding arising out of this Agreement will be litigated in courts located in Deschutes County, Oregon. Each Party consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon. With respect to any dispute relating to this Agreement, or if a suit, action, arbitration, or other proceeding of any nature whatsoever is instituted to interpret or enforce the provisions of this Agreement, including, without limitation, any proceeding under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law or any action, suit, arbitration, or proceeding seeking a declaration of rights or rescission, each party shall bear its own costs and attorney fees.

9.5 Legal Representation; Memorandum. The law firm of Bryant, Lovlien & Jarvis, P.C. ("Law Firm") has been contracted by COIC to prepare this Agreement. Law Firm represents only COIC in the negotiation and preparation of this Agreement. The Parties have thoroughly reviewed this Agreement with their own legal counsel or have knowingly waived their right to do so. The MOU is terminated and deemed null and void and of no further force and effect as of the Effective Date; provided, however, the Parties are not released from (and remain obligated for) any liabilities and/or obligations that have arisen out of or under the MOU prior to the Effective Date. This Agreement will not be construed as an actual or implied waiver and/or release of any Party's obligations and/or liabilities arising out of or under the Memorandum.

9.6 Person; Interpretation; Signatures. For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. This Agreement may be signed in counterparts. A fax or email transmission of a signature page will be considered an original signature page. At the request of a Party, the other Party or Parties will confirm a fax or email transmitted signature page by delivering an original signature page to the requesting party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be binding and effective for all purposes as of the Effective Date.

[PLACEHOLDER FOR SIGNATURE PAGES]

Appendix A
Definitions

“Agreement” has the meaning assigned to such term in the preamble.

“Associate Partner” has the meaning assigned to such term in Section 3.2.

“Budget” has the meaning assigned to such term in Section 5.1.

“Bylaws” means the CORE3 Executive Council Bylaws adopted September 22, 2022, and attached hereto as Exhibit C, as amended.

“COIC” means Central Oregon Intergovernmental Council, an intergovernmental entity organized under ORS chapter 190, whose address is 334 NE Hawthorne, Bend, Oregon 97701.

“COIC Budget Committee” means the then-appointed budget committee of COIC.

“CORE3” has the meaning assigned to such term in Section 7.

“Core Partner” has the meaning assigned to such term in Section 3.1.

“Deschutes” means Deschutes County, Oregon whose address is 1300 NW Wall Street, Bend, Oregon, 97703.

“Effective Date” has the meaning assigned to such term in the preamble.

“Executive Council” has the meaning assigned to such term in Section 3.1.

“Initial Term” has the meaning assigned to such term in Section 8.1.

“Law(s)” mean all federal, state, and local laws, statutes, ordinances, and/or regulations directly or indirectly affecting this Agreement, including, without limitation, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder) and ORS chapter 190, all as now in force and/or which may hereafter be amended, modified, enacted, or promulgated.

“Law Firm” has the meaning assigned to such term in Section 9.5.

“MOU ” has the meaning assigned to such term in Recital A.

“Party” or “Parties” means the parties to this Agreement, individually and collectively.

“Project” has the meaning assigned to such term in Recital A.

“Property” has the meaning assigned to such term in Section 2 and is more particularly described in the attached Exhibit A.

“Project Management Team” (PMT) means an advisory committee to the CORE3 Executive Council, composed of members appointed by the Executive Council. The PMT meets monthly and serves as an initial review and idea generation group working with COIC staff.

“Representative(s)” mean the officers, employees, volunteers, and authorized representatives of the identified person or Party.

I. Site

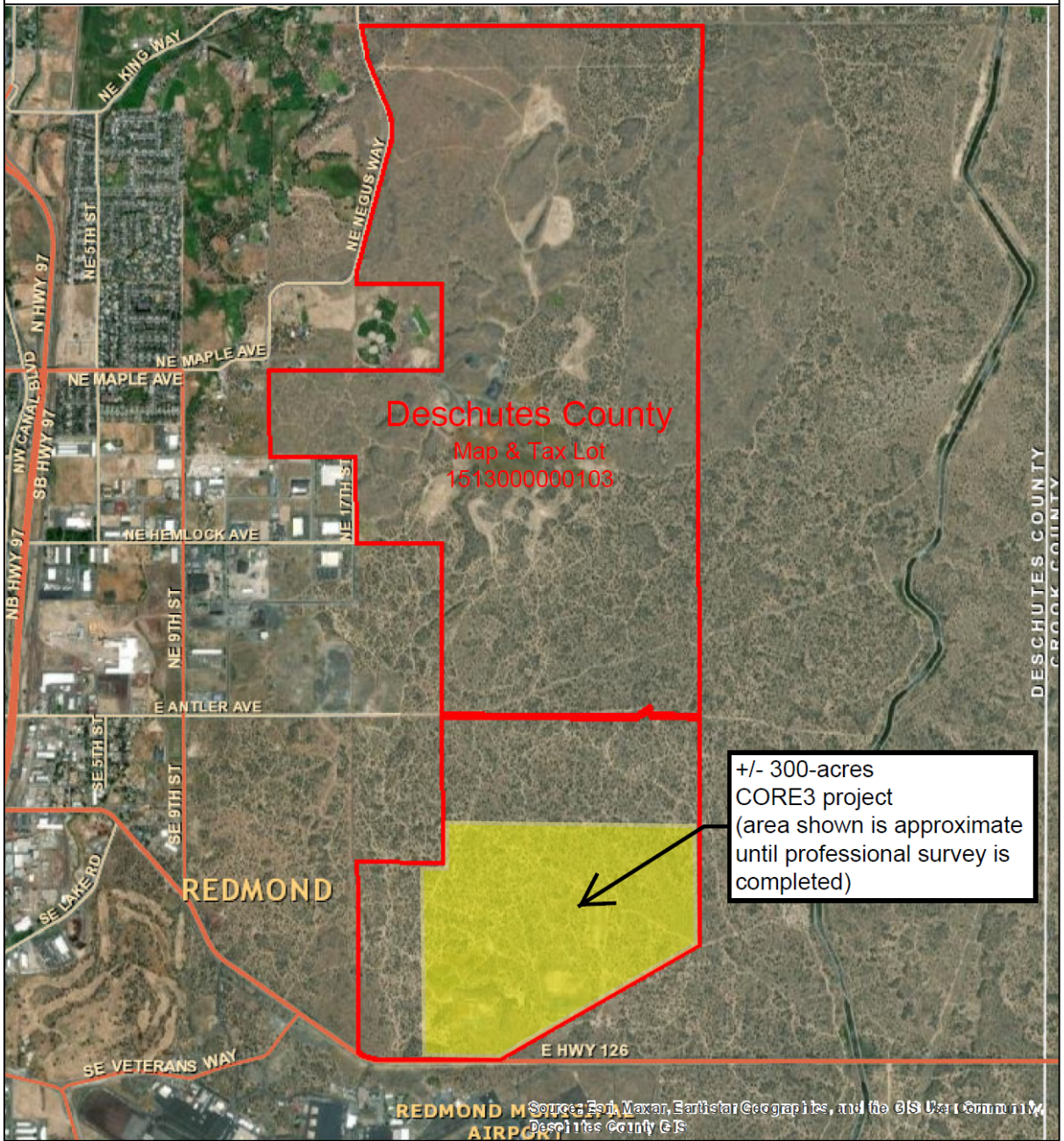
- a. The Deschutes County Board of Commissioners hereby supports and agrees to reserve a +/- 300-acre area of County-owned property in east Redmond and is specifically located within Map and Tax Lot 1513000000103 (“Property”) for the purpose the CORE3 project and future expansion (“Approximate Project Area”).
- b. The Approximate Project Area as shown on Exhibit B1, is attached hereto and incorporated herein.
- c. After a thorough review of property in Redmond, Oregon, the Property was selected as the Approximate Project Area for the following reasons:
 - i. Redmond is the center of the region, thereby providing efficient access by public safety agencies for emergency response and training purposes; and
 - ii. Redmond Airport is designated as the primary Incident Support Base in the event of a Cascadia Subduction Zone event; and
 - iii. Property is of sufficient size for current needs and future potential expansion as needed; and
 - iv. Property is publicly owned; and
 - v. Property does not have incompatible surrounding land uses.
- d. The Board of County Commissioners wish to state the property value as of a point in time for the 300-acres reserved by the County for the CORE3 project.
 - vi. A third-party appraiser was engaged to provide a property valuation. Given that the property is zoned Exclusive Farm Use (EFU) and it is the intent to annex the property to the City of Redmond and to the Urban Growth Boundary, the appraised value was determined based on industrial zoning, which in essence would be the highest and best use of the property.
 - vii. The appraisal report was received January 5, 2022 and the appraised property value is \$54,450/acre or \$16,300,000 (rounded to the nearest \$100,000).

II. Land Use and Infrastructure

- a. The Approximate Project Area is currently outside the Redmond Urban Growth Boundary and Redmond city limits.
- b. Project stakeholders, with oversight from the Executive Council will:
 - i. Develop a Master Plan; and
 - ii. Pursue an Urban Growth Boundary (UGB) amendment; and
 - iii. Pursue annexation to the City of Redmond; and
 - iv. Complete any other associated and/or required process for land use entitlement and the provision of infrastructure.

- c. It is anticipated COIC, the City of Redmond, and Deschutes County will enter into a separate Memorandum of Understanding regarding the land use entitlement, amendment, and annexation processes.

1513000000103



Date: 2/21/2023

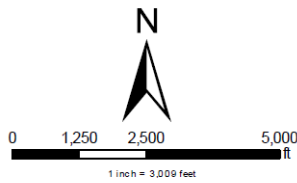


Exhibit B
Project Phases

- Phase 1: Conceptual/Business Plan
- Phase 2: Master Plan, Land Use, Site Securement, Design/Engineering
- Phase 3: Development and Construction
- Phase 4: Operations

CORE3 Executive Council Bylaws *Adopted September 22, 2022*

I. Purpose

This document presents the CORE3 Executive Council's process for working together. Members of the CORE3 Executive Council have agreed to honor and adhere to the principles and guidelines set out in these Bylaws. It is also a living document, and is meant to evolve and grow with the needs, opportunities, and membership of CORE3.

II. CORE3 Mission, Vision, and Goals

Mission: To deliver a high caliber public safety training and emergency coordination facility that enhances public safety, builds resilience, and mitigates risk.

Vision: A model center in Central Oregon for public safety providers which delivers superior, collaborative emergency services training and coordination across disciplines, creating a safe and resilient Oregon.

All members at the table agree that:

- A. There is a critical need for a dedicated, centrally-located, regional multi-agency coordination center to coordinate local, state and regional emergency operations;
- B. Central Oregon, the Redmond community and Redmond airport, will serve a critical function in statewide emergency response and recovery from a catastrophic disaster such as the Cascadia Subduction Zone event;
- C. Central Oregon would benefit greatly by a facility to meet existing and future training needs of local, state, federal and non-profit public safety and emergency management personnel; and,
- D. Opportunities to increase the quality and efficiency of training and coordination are important to meet current and future emergency management and public safety needs of our communities.

III. Executive Council Structure

The Executive Council will make all final and substantive decisions regarding CORE3, and will be composed of the following membership:

- a. Core Partner seats (all)
- b. Ex Officio seats:
 - i. County Emergency Managers (3 seats)
 - ii. State agencies: OEM (1 seat), Governor's Office (1 seat)

- c. Associate seats (2)

IV. Subcommittees

A. Executive Leadership Team

The Executive Leadership Team is comprised of the CORE3 Executive Council Chair, Vice Chair, and an Advisor. The team should include a representative for each of the following interests: fire, law enforcement, and local government. The Executive Leadership Team meets bi-monthly, and is responsible for guiding the Executive Council by setting meeting agendas and directing and advising staff. Executive Leadership Team shall be elected by the voting body of the Executive Council on an annual basis.

B. Project Management Team

The Project Management Team meets monthly, and is responsible for supporting the development of draft agendas, building a draft budget and regular budget check-ins and management, creating recommendations for Executive Council consideration, and moving various project work forward. The Project Management Team is not a decision-making body, and reports out to the Executive Council on work accomplished/ongoing.

C. Political Leadership Team

The Political Leadership Team meets monthly, and supports CORE3 through strategic political leadership. The team provides guidance to the Executive Council, works to identify and support strategic funding and partnership opportunities, and help address barriers.

V. Partner Roles & Responsibilities

- A. **Core Partners:** are those committing ongoing and regular funding (direct or in-kind) during each of the following stages of project development:
 - Stage 1: Conceptual/Business Plan
 - Stage 2: Master Plan, Land Use, Site Securement, Design/Engineering
 - Stage 3: Development and Construction
 - Stage 4: Operations

Core Partners are automatically given a single voting seat on the Executive Council.

B. **Ex Officio Seats:** The following organizations have an ongoing voting seat at the Executive Council by virtue of the role they play in the region/state emergency services.

- i. County Emergency Managers (3 seats)
- ii. State agencies: OEM (1 seat), Governor's Office (1 seat)

C. **Associate Partners:** Are those not committing funding at this time, but that are committed to the project in other ways such as signing letters of support, contributing occasional staff time at committee meetings, testifying before governance bodies, etc.

Associate Partners do not have decision making power, but will be represented by 2 voting seats on the Executive Council. These associate seats will be elected by the full body of Associate Partners on an annual basis.

D. **New Project Partners:** New project partners (Associate or Core) may be added at any point by signing onto the MOU (or future IGA). New Core Partners will also need to commit to supporting the project via ongoing funding. Existing partners acknowledge these new partners as active once they've completed the above.

VI. Decision Making Structure

The Executive Council will follow Robert's Rules of Order Newly Revised 12th Edition procedures for decision making.

A. Reaching Consensus

The Executive Council will strive for consensus. Consensus on a decision about a project, recommendation, or action the group plans to take will be reached when all meeting participants can make one of the following statements about a decision:

- I agree with the decision and will publicly support it
- I agree with the decision but will refrain from publicly supporting it
- I can live with the decision (and won't disparage it in public)

A quorum of the Executive Council must be present when making decisions. The quorum is defined as 50% of the Executive Council voting membership plus one member.

B. Inability to Reach Consensus

If consensus is not possible

- a. Fiscal decisions will require yes votes of at least two-thirds of the members present to approve.
- b. Other decisions will require majority (51%) yes votes of members present to approve.

Dissenting votes will be recorded in the meeting notes. Individuals/organizations in dissent will be given an opportunity to share their reasoning and any actions they intend to take as a result.

C. Primary/Alternate Membership and Proxy Voting

All voting agencies/organizations shall designate a primary member and an alternate member. In the event the primary is unable to attend a meeting or respond to a request for an Executive Council vote, the alternate may step in in their place. Alternates will be designated by the voting organization and shall be reported to COIC to document in the membership and contact lists. It is the responsibility of the primary and alternate members to ensure each is apprised of the current project status, and can effectively participate in decision making on behalf of their organization.

In the event an organization's primary and alternate members are unable to respond to an Executive Council vote, the primary voting member may designate a proxy. To designate a proxy, the primary member must notify the Executive Council Chair and project staff in writing in advance of the meeting/vote submission.

D. Issue Summaries and Motions

The proponent of a proposed action will be responsible for reading an issue summary and suggested motion at the meeting where the proposed action or decision is being brought forward. Staff will support the development of issue summaries and suggested motions ahead of the meeting, and will include the information as part of the meeting materials.

VII. Meeting Protocols, Ground Rules, and Communications Protocols

A. Ground Rules

- i. Come willing to learn. Respect the range of knowledge present in the group.
- ii. Come to meetings prepared.
- iii. Present interests, not positions.
- iv. Critique constructively and ask clarifying questions.
- v. Share all relevant information including any concerns.
- vi. Only one person speaks at a time. Allow people to finish their thought. No interrupting or side conversations.

- vii. “Share the air” and do not dominate the conversations. Make space for others to share their thoughts.
- viii. Keep your colleagues and constituents informed about the process.
- ix. Respect one another in and outside of meetings.

B. Communications Protocols

Internal: A website will be maintained for storing and sharing all information. Internal documents will be available to CORE3 members online via a document sharing service maintained by CORE3 staff.

External: Information about CORE3 will be made available to external stakeholders via the public website and other venues as appropriate.

Media Interactions: The Executive Leadership Team and staff will be the primary points of contact and only authorized sources for presenting official CORE3 statements to the media. They may choose to designate other representatives to specific topics or issues. This does not preclude members from talking to the media in regards to their individual or their organization’s interest in the project, but should clarify that they are not speaking on behalf of the full Executive Council. Anyone, including Executive Leadership Team members and staff, must inform the full Executive Leadership and staff team of any intended contact with the media regarding the CORE3 project.

VIII. AMENDMENTS

The Bylaws may be amended, repealed, or added to, or new Bylaws adopted by a vote of a 2/3 majority of the membership, provided notice of the purpose of the proposed amendment(s) has been stated ahead of the meeting and included in the agenda. Additionally, for any vote on Bylaw amendments, any member not attending can vote by proxy using the proxy process outlined in section 6: Decision Making Structure. Any member may make a recommendation for changes to these Bylaws.

Exhibit D

Work Plan and Budget Process for Core Partners

CORE3 operates on a July 1 through June 30 fiscal year (FY).

Timeline	Process	Lead	Anticipated outcome
Sept/Oct of preceding FY	Staff creates draft SOW and associated cost estimates, workshops with PMT	COIC Staff & PMT	Recommended budget and work plan for following FY
November/December of preceding FY	Executive Council reviews and conditionally approves Draft budget and workplan for next FY (final confirmation in January/February, see below) COIC staff works with partners to confirm desire to support financially as a Core Partner*	Executive Council/Executive Leadership	Final draft budget and work plan for following FY Confirmed list of Core Partners for following FY
December/January of preceding FY	Confirm Core Partners' FTE involved in public safety** Draft each confirmed Core Partner's projected contribution based on FTE. <u>Formula as follows:</u> Total required budget for FY minus grant funding/any funding not provided by core partners = total to be allocated by FTE formula.	COIC Staff	Updated FTEs Local FTE allocations created
January of preceding FY	Work with each Core Partner to confirm their contribution, then revise and finalize the budget and work plan together with the PMT as necessary.***	COIC Staff & PMT	Revised Final Budget and Work Plan
January/February of preceding FY	Executive Council meeting – formally approve budget and work plan for FY		Final budget and contribution amounts for following FY
August of subject FY	Invoices prepared	COIC Staff	Invoices emailed to each confirmed Core Partner, as per their agreed-upon contribution amount.
September of subject FY	Bills due	Core Partners	

*No signatory to this IGA is required to contribute funding to the project in any fiscal year.

**Some Core Partners will use a different unit than FTE, for instances Central Oregon Community College which will allocate their contribution based on student enrollment in public safety programs.

*** FTE allocation is a minimum contribution – some partners have and may continue to elect to provide more than the minimum, in which case their “overage” will be dedicated to project contingency.



CITY OF REDMOND

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STAFF REPORT

DATE: November 7, 2023
TO: City Council
THROUGH: Keith Witcosky, City Manager
FROM: John Roberts, Deputy City Manager
SUBJECT: Housing Works Updates and Complexities of Building Affordable Housing

Report in Brief:

The purpose of this presentation is for City Council to hear from affordable housing experts regarding current initiatives by Housing Works and the challenges associated with financing affordable housing projects.

Background:

Housing Works serves as Central Oregon's Regional Housing Authority. Housing Works has built and manages over 308 units in Redmond and has a portfolio of nearly 1,300 units throughout Central Oregon. Executive Director David Brandt will provide an overview of current Redmond projects and possible future developments.

Discussion:

Assembling the financing required to build affordable housing is complex. The greater the affordability (60% and below and 80% and below), the more complex and competitive the process.

Among the most sought after tools is the Low Income Housing Tax Credit (LIHTC). This presentation provides an overview of the two types of LIHTC (9% and 4%) used for affordable housing developments. Additionally, a Portland affordable housing project (Halsey 106) will help illustrate the other types of financing needed to assemble a project (e.g., Local Innovation and Fast Track Housing Program, loans, waivers, incentives, land donation).

Key takeaways from the discussion include:

- No two deals are ever alike.
- 9% tax credits and gap money are very competitive.
- Developer fees generate more outside money.
- Smaller properties (in scale and density) are inefficient due to fixed transaction costs and lack of investor appetite.

Fiscal Impact:

This item is for informative purposes only.

Alternative Courses of Action:

No action requested.

Recommendation / Suggested Motion:

N/A



We know the way home.

Presentation to Redmond City Council

November 7, 2023



Downtown Redmond Office

Our Core Program Centers



Housing
Choice
Voucher
Program

1,430
Households
Served
\$11.5 M in
Rental
Assistance

Real Estate
Development

Developed
and own
1,250 Rental
units
200 in
Pipeline

Portfolio
Management

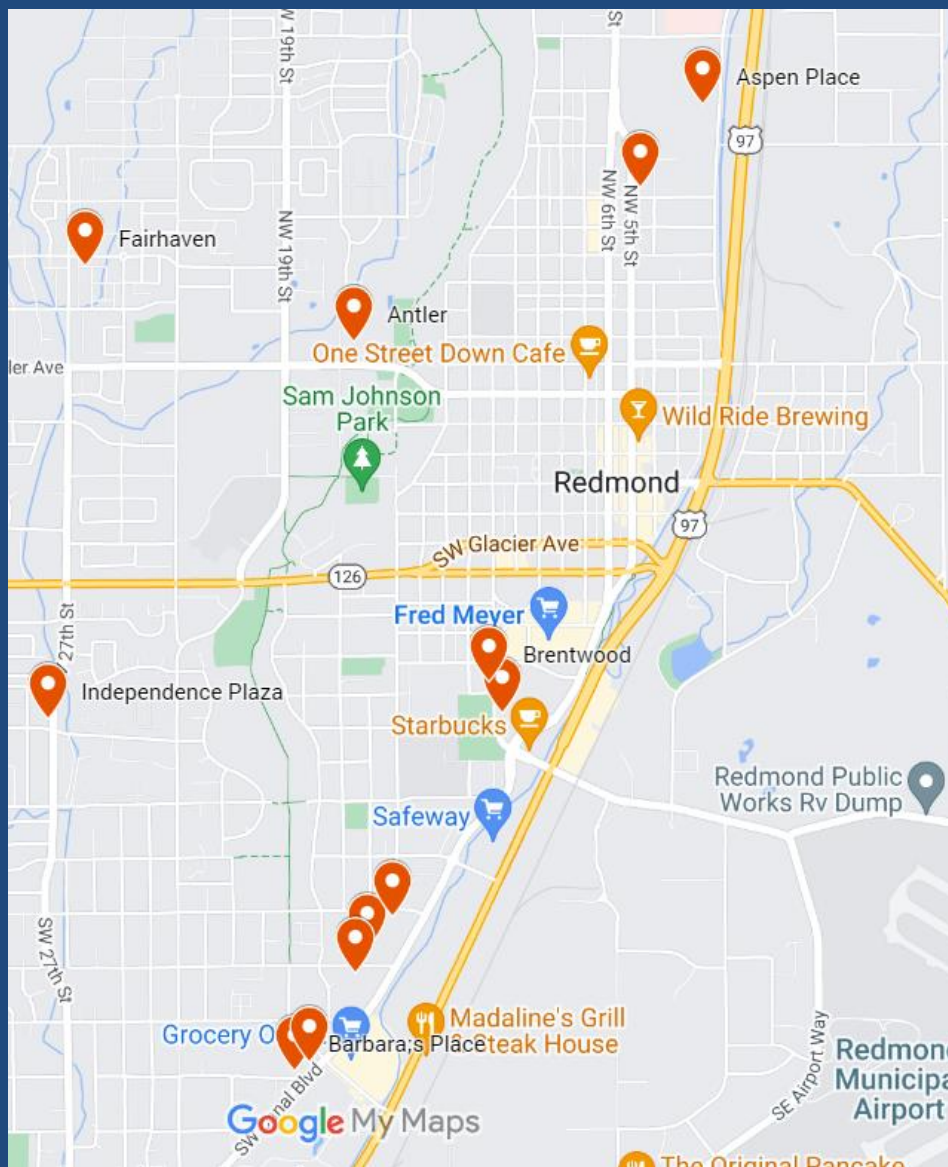
EPIC Property
Management
1,300 units

Resident
Programs

Families
Forward
501(c)(3)
Over 2000
people
served

Investing in Community

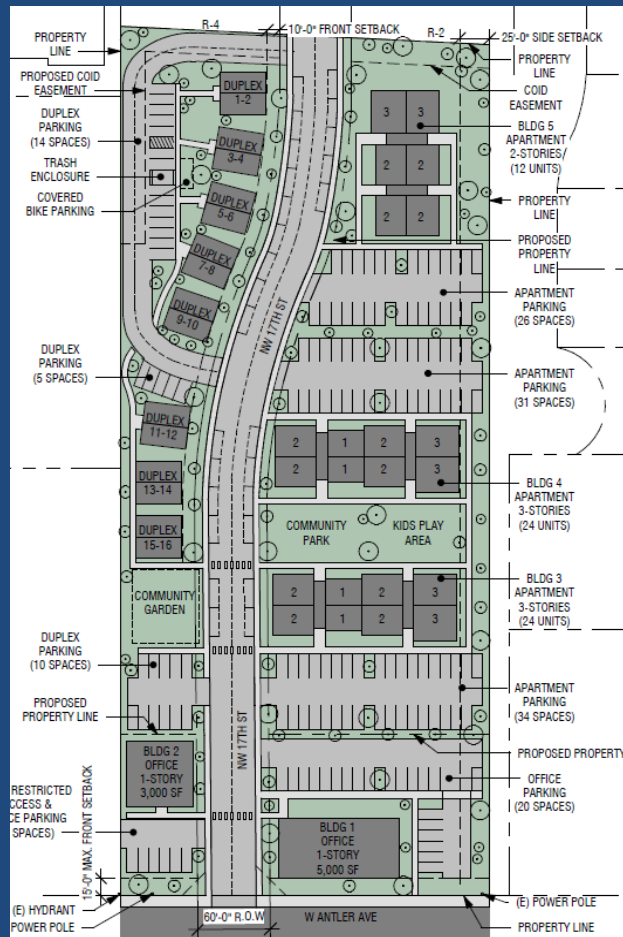
1. Cook Crossing
(47 Senior Units)
2. Aspen Villas
(40 family Units)
3. Reindeer Meadows
(50 Senior Units)
4. Barbara's Place
(6 Special Needs)
5. Quartz Apts.
(5 Special Needs)
6. Brentwood Manor
(8 Senior Units)
7. Spencer Court
(60 Family Units
under construction)
8. Fairhaven Vista
(11 Family Units)
9. Independence Place
(2 Homeless Units)
10. Canyon Edge
(67 Family
Units)
11. Liberty Lodge
(8 Special
Needs)
12. Midtown Place
(47 Family)
13. Antler
(60 units planned)



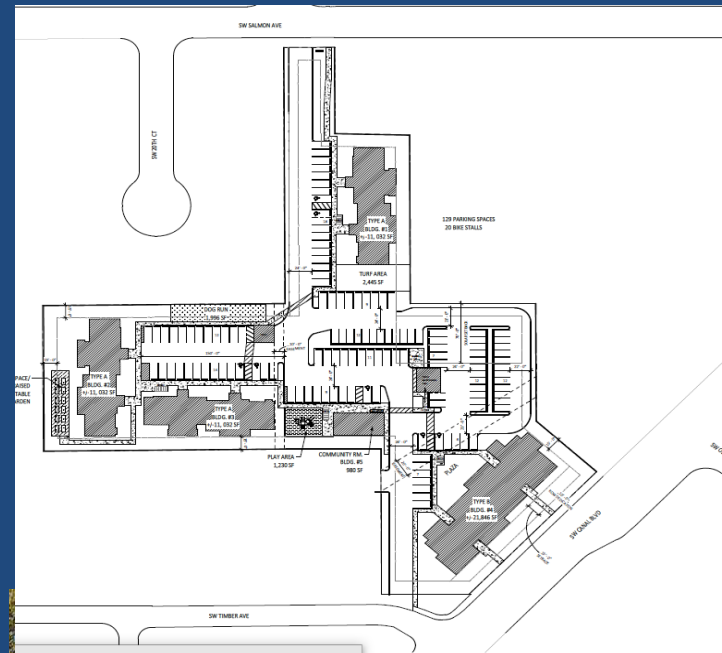
291 Rental units
plus another 120
units planned or
under construction

Redmond Pipeline

Antler Project



Spencer Court Construction



BUILDING AFFORDABLE HOUSING

**It's no secret we need it,
so why aren't we building
more of it?**

Land
Zoning
Utilities / Infrastructure
\$ Money \$

**What does it take to build
60 new apartments
in Central Oregon?**

\$23 mil
for 60 apartments

Developer Fee
\$1.2m

Cost of
Construction
\$17.9 mil

Legal & Loan Fees
\$1.4 mil

City & County Fees
\$670,000

Arch & Engineering
\$530,000

Land
\$1.3 mil

\$23 mil
for 60 apartments

Cash
Investment
of \$6 mil

Mortgage
75%
=
\$17 mil



1 br rent =
\$1,700

2 br rent =
\$2,500

3 br rent =
\$3,000

**In 1986, government creates
Low Income Housing Tax Credit
LIHTC
to help create more
affordable housing**

Tax Credit

**Rather than pay tax to the IRS,
make a direct investment in
Low Income Housing**

**LIHTC has created 3.5 million
affordable homes in 35 years**

Tax Credit

Two Types of LIHTC:

9% tax credits

4% tax credits

What's affordable?

Affordable = 30% of your income for housing

Deschutes County AMI = \$80,400 (4 pers HH)

LIHTC serves HH incomes up to 60% AMI
= \$48,240

Rent should be **\$1,206**

Not \$2,500

\$23 mil
for 60 apartments

Developer Fee
\$1.2m

Cost of
Construction
\$17.9 mil

Legal & Loan Fees
\$1.4 mil

City & County Fees
\$670,000

Arch & Engineering
\$530,000

Land
\$1.3 mil

\$17.1mil
GAP

Mortgage
26%
=
\$5.9 mil



\$75,000
less per
month

1 br rent =
\$950

2 br rent =
\$1,100

3 br rent =
\$1,300

9% Tax Credits

- **Very Powerful and Very Competitive** (only 1/3 wins)
- **Only 6 awards annually across the state**
- **\$277m requested; only \$94 million awarded**
- **2022 Oregon awards created 239 new homes and preserved 138**
- *2015 Oregon awards created 359 new homes and preserved 189*

9% Tax Credit Calculation

Total Project Costs	\$ 23m
Less non-eligible costs	<u>(2m)</u>
Eligible Basis	\$ 21m
X 9%	\$ 1.9m
X 10 years (investor credit period)	\$ 19m
X .90 (90 cents vs. \$1 to gov't)	\$17.1m

Investor saves \$1.9m in cash by investing in LIHTC rather than paying taxes.

\$23 mil
for 60 apartments

Developer Fee
\$1.2m

Cost of
Construction
\$17.9 mil

Legal & Loan Fees
\$1.4 mil

City & County Fees
\$670,000

Arch & Engineering
\$530,000

Land
\$1.3 mil

\$23 mil
for 60 apartments

fills
\$17.1 mil
GAP

Mortgage
26%
=
\$5.9 mil

**9% Tax
Credits**

1 br rent =
\$950

2 br rent =
\$1,100

3 br rent =
\$1,300

4% Tax Credits

- Less powerful because investment is lower
- **Historically Not Competitive** (that has changed)
- Must issue bonds (makes it more expensive)

4% Tax Credit Calculation

Total Project Costs	\$ 23m
Less non-eligible costs	<u>(2m)</u>
Eligible Basis	\$ 21m
X 4%	\$ 840k
X 10 years (investor credit period)	\$ 8.4m
X .90 (90 cents vs. \$1 to gov't)	\$ 7.6m

\$23 mil
for 60 apartments

Developer Fee
\$1.2m

Cost of
Construction
\$17.9 mil

Legal & Loan Fees
\$1.4 mil

City & County Fees
\$670,000

Arch & Engineering
\$530,000

Land
\$1.3 mil

\$23 mil
for 60 apartments

**\$9.5 mil
GAP**

**LIHTC
\$7.6 mil**

**Mortgage
26%
=
\$5.9 mil**

**4% tax
credits**

1 br rent =
\$950

2 br rent =
\$1,100

3 br rent =
\$1,300

\$23 mil
for 60 apartments

\$9.5 mil
GAP

LIHTC
\$7.6 mil

Mortgage
26%
=
\$5.9 mil

Lower Costs

Total cost per/unit is \$383k
Hard cost per/unit is \$298k

If Hard Cost was \$200k
GAP is still \$3.6 mil

Find More Money



\$23mil
for 60 apartments



LIHTC
\$7.6 mil

Mortgage
26%
=
\$5.9 mil



Filling the Gap

Land Donations **\$1.2m**

SDC Exemptions **\$579k**

State LIFT Grants **\$4m**

Local Gov't Loans **\$2m**

30% Basis Boost **\$1.8m**

Deferred Dev Fee **\$1.2m**

Pro Bono Service

Crowdfunding

**More
ideas?**

\$23mil
for 60 apartments



LIHTC
\$7.6 mil

Mortgage
26%
=
\$5.9 mil

Tax Credit Pricing @ 90 cents

Tax Credit Pricing @ 86 cents
= LIHTC \$7.2 mil

4 pennies = \$400k gap

BUILDING AFFORDABLE HOUSING

is a lot harder than you think!

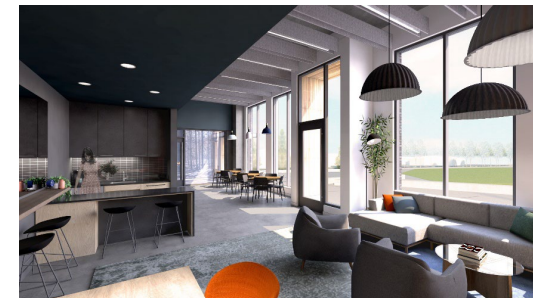
The Nick Fish



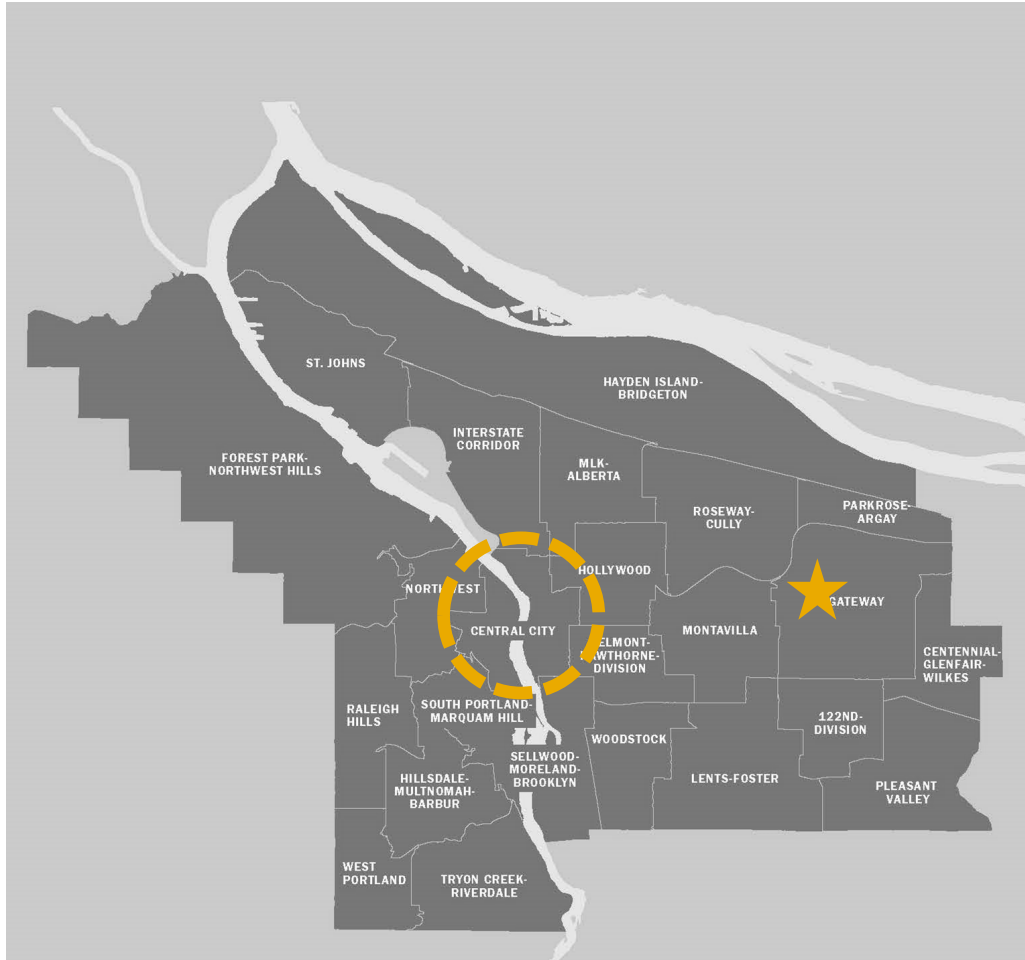
The Nick Fish

Goals for the Project

- Public/Private partnerships;
- Synergies between retail, park, office/service center and housing;
- Housing for a range of incomes;
- Place based development;
- Community engagement and listening;
- Honoring Former Commissioner Nick Fish



Location



Project Program



7 units
30% AMI

5 units
80% AMI

45 units
60% AMI

18 units
unrestricted



11,000 sq. ft. office

11,000 sq. ft. retail



1 acre development site
next to a 3-acre park



Project Funding

Total = \$32M+



+ Free Land

 \$0.9M

Developer equity

 \$1.1M

Grants + SDC Waivers

 \$3.5M

Prosper Portland equity

 \$4.0M

Bank loans

 \$6.0M

Prosper Portland TIF loans

 \$7.4M

PHB TIF loan

 \$9.6M

NMTC + LIHTC Tax Credit Equity



CITY OF REDMOND

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redmondoregon.gov

STAFF REPORT

DATE: November 7, 2023
TO: City Council
THROUGH: Keith Witcosky, City Manager
John Roberts, Deputy City Manager
FROM: Linda Cline, Housing Program Analyst
SUBJECT: Affordable Housing Finance Tools - Construction Excise Tax

Report in Brief:

This item introduces the Construction Excise Tax (CET) provisions allowed through passage of Senate Bill (SB) 1533 in 2016, to be used as a resource to fund affordable housing projects.

Background:

1. The Growing Need

Lack of affordable housing is among Central Oregon's most significant public policy issues.

The 2022-2023 Habitat for Humanity Income Guidelines for 80% Area Median Income (AMI) for a family of four in the Bend-Redmond Metropolitan Service Area (MSA) is \$71,900. The Redmond median home price, according to local Beacon Appraisal Group, for September 2023 is \$505,000. Based on interest rates in early October 2023, a family of four living at 80% AMI with 10% down can afford a ~\$333,000 home (using Intuit Home Affordability Calculator).

According to UpForGrowth.org, the Central Oregon region had over 50% of renters in 2019, spending more than 30% of their gross household income on housing. The Bend-Redmond MSA was ranked #9 for inadequate production of housing.

Data from the Oregon Housing and Community Services' March 2021 report on Implementing a Regional Housing Needs Analysis Methodology in Oregon, predicts that the Central Oregon region will underproduce more than 4,000 affordable housing units over the next 20 years.

2. The Tool

In 2016, the state expanded local control of affordable housing policy through the passage of SB 1533. The law, in addition to allowing for voluntary implementation of inclusionary zoning, authorizes local governments to impose a fee on improvements to real property in order to fund affordable housing initiatives. Based on research, eight Oregon cities and one county are currently collecting this fee (i.e., Construction Excise Tax).

If implemented in Redmond, a CET would be collected from developers and property owners by the Building Division at the time building permits are issued. Specifically, the CET would be imposed on building permits for new construction and additional square footage. The CET would be based on a percentage of the permit valuation and collected revenues would be deposited in the General Fund.

"Permit valuation" is the value of the improvements for which the permit is sought and uses a statewide formula created by the State Building Codes Division to calculate.

While this report covers information pertaining to both a Residential and Commercial/Industrial CET, staff recommends piloting a CET only on Commercial/Industrial development. A CET on Commercial/Industrial permits would utilize a tool to help the City fund affordable and workforce housing initiatives, without encumbering residential housing producers.

Discussion:**1. Requirements of SB 1533:**

SB 1533 distinguishes between residential and non-residential property improvements with respect to the tax rate and allowable use of tax revenue:

Property Type	Definition of Real Property Improvement	Tax Rate	Allowable use of Revenue (less 4% admin fee)
Residential	• New residential structures • Additional residential square footage on an existing structure, including remodeling that adds living space	Not to exceed 1% of the permit valuation	• 50% dedicated to fund developer incentives pursuant to ORS 197.309 • 35% for affordable housing programs and incentives • 15% to State HCSD for downpayment assistance
Commercial / Industrial	• New structures • Additional square footage on existing structures	Rate determined by City	• 50% dedicated to fund programs related to housing • 50% unrestricted

2. CET Revenue Estimates Using 3-year average, 2020-2022:**Residential**

	0.5% CET on Permit Valuation	1% on Permit Valuation
Total Available (after 4% admin fee)	\$620,970	\$1,241,940
50% Developer Incentives	\$310,485	\$620,970
35% Affordable Housing Incentives	\$217,340	\$434,679
15% State HCSD	\$93,146	\$186,291

Commercial/Industrial

	0.5% CET on Permit Valuation	1% CET on Permit Valuation	1.5% CET on Permit Valuation
Total Available (after 4% admin fee)	\$133,175	\$266,352	\$399,527
50% Housing Programs	\$66,588	\$133,176	\$199,754
50% Unrestricted	\$66,58	\$133,176	\$199,763

3. CET Examples (Commercial/Industrial Projects)

a. C-1 Strip Service Commercial: Large manufacturer addition valuation of \$4,501,977:

CET 0.5% = \$22,510

CET 1% = \$45,020

CET 1.5% = \$67,530

b. C-1 Strip Commercial: Fast-food restaurant new construction valuation of \$950,000:

CET 0.5% = \$4,750

CET 1% = \$9,500

CET 1.5% = \$14,250

c. The City of Bend charges 1/3 of 1% on all building permits: ~\$800,000 annually for their Affordable Housing Fund. A similar rate for Redmond would generate about \$435,000 annually (based on the last 3-year average).

4. Dispersement of Funds

All CET revenue for the City of Bend is held in an "Affordable Housing Fund" and dispersed through a Request For Proposal process alongside the Community Development Block Grant (CDBG) funds, for projects consistent with their CDBG 5-year Consolidated Plan. Other options that can be considered by Redmond include providing downpayment assistance to low and moderate income programs, or providing housing-related infrastructure (which could include providing infrastructure and utility improvement or System Development Charges (SDC) buydown). Moreover, up to 50% of the Commercial/Industrial CET could be used for workforce housing at 80-120% AMI.

5. Timeline to Date

- 2016: SB 1533 passes, allowing cities to opt into a CET.
- Oct. 5, 2021: City Council presentation on affordable housing tools including CET.
- Oct. 13, 2022: Housing and Community Development Committee (HCDC) identifies CET as a "high impact/high rate of return" strategy to champion funding of affordable housing.
- Oct. 12, 2023: Discussed CET with Redmond Economic Development, Inc. staff.
- Oct. 18, 2023: Discussed CET data with HCDC.

6. Other Housing Tools for Consideration

There are a range of other tools that cities can use to incentivize and encourage affordable housing development. However, it is important to consider before implementing a new tool, whether the City has the capacity to manage the tool, and if the tool meets the needs of the local building community.

Redmond currently has a "Property Taxes Exemption for Low Income Housing of Charitable Non-profit Organizations" provision in Chapter 2.800 of the City Code. Since adopted in 1995, the exemption has only been used once, with a second application currently under review.

The "Affordable Housing SDC Credit Transfer Program" was adopted by Redmond in 2011. The SDC credit bank is "funded" when a publically-owned single family dwelling unit is demolished or relocated. The City infrastructure from that unit is credited to the bank and may be used to off-set the SDC costs on a new qualifying project. This bank is funded infrequently and is depleted quickly after an infusion of credit. Since inception, \$153,110 has been allocated from this program.

The City could further address SDCs for affordable housing through two avenues: 1) provide an exemption on SDCs for all or some affordable housing types, and 2) annual fund the SDC credit bank from other City fees or the General Fund.

With the recent hiring of a Housing Specialist, the City will continue to research and examine other available tools (e.g., property tax exemptions) available that could be tailored to Redmond.

Fiscal Impact:

There is no fiscal impact at this time. If implemented, building permit fees would be increased. The CET is a tool and mechanism to generate additional resources to incentivize affordable and workforce housing.

Alternative Courses of Action:

1. Request more information.
2. Direct staff to draft an ordinance for Council approval that would implement a CET.
3. Do not explore the use of a CET.

Recommendation / Suggested Motion:

Direct staff to bring an ordinance for a CET to the City Council for adoption, with an effective January 1, 2024.



AFFORDABLE HOUSING FINANCE TOOLS

Consideration of a Construction Excise Tax (CET)

City Council Meeting, November 7, 2023

SLIDE / 1



CONTENTS



SB 1533 PROVISIONS



REVENUE ESTIMATES



INVESTMENT STRATEGY



OTHER AFFORDABLE HOUSING TOOLS



HB 1533 PROVISIONS

01 RESIDENTIAL CET

- New construction and additional living space
- Not to exceed 1% of permit valuation
- 50% dedicated developer incentives
- 50% affordable housing
- 15% State HCSD for local downpayment assistance

02 COMMERCIAL / INDUSTRIAL CET

- New construction and additional square footage
- No limit on % of permit valuation
- 50% dedicated housing programs
- 50% unrestricted



REVENUE ESTIMATES

ANNUAL AVERAGE,
2020-2022

0.5% COMMERCIAL / INDUSTRIAL CET

50% Housing Programs
= \$66,588

50% Unrestricted =
\$66,587

Total = \$133,175

1% COMMERCIAL / INDUSTRIAL CET

50% Housing Programs
= \$133,176

50% Unrestricted =
\$133,176

Total = \$266,352

1.5% COMMERCIAL / INDUSTRIAL CET

50% Housing Programs
= \$199,754

50% Unrestricted =
\$133,763

Total = \$399,508



INVESTMENT STRATEGIES

ANNUAL RFP PROCESS

Projects would be selected based on competitive submissions, allowing for a broader scope of uses.

DOWN-PAYMENT ASSISTANCE

Very helpful and if administered as loans, could provide a revolving fund.

INFRASTRUCTURE IMPROVEMENTS

Could be used to install and improve infrastructures for neighborhoods.

Could be utilized as an SDC buy-down program.



CURRENT FUNDING TOOLS

SLIDE / 6

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

- Land Acquisition
- Infrastructure
- Renovations
- ADA and other Upgrades

PROPERTY TAX EXEMPTIONS

1st property tax exemption approved in August 2020 for Bridge Meadows, a 36-unit rental complex for families and seniors earning no more than 60% AMI.

SDC CREDIT PROGRAM

Qualified projects:

- 60% AMI or less
- Eligible for a 50% reduction of SDCs/dwelling unit

Allocated over \$153,110 in SDC credits since June 2011



TWO TOOLS TO INVESTIGATE/ EXAMINE FURTHER

01

**OTHER AVAILABLE TAX EXEMPTION
OPTIONS**

02

**SDC EXEMPTIONS FOR AFFORDABLE
HOUSING OR FUNDING OF SDC BANK**



QUESTIONS / COMMENTS

SLIDE / 8



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STAFF REPORT

DATE: November 7, 2023
TO: City Council
THROUGH: Keith Witcosky, City Manager
FROM: John Roberts, Deputy City Manager
SUBJECT: State Pilot Project - Northpoint Mixed-Income Neighborhood

Report in Brief:

This item requests the City Council authorize staff to move forward with the two items related to Northpoint: 1) Authorize deChase Miksis to develop Master Infrastructure Plan; and 2) Direct staff to work with deChase Miksis to assemble the financing and other elements for a 0-80% affordable housing project for the site.

Background:

The Project

The 2016 Oregon Legislature passed House Bill 4079 aimed to boost affordable housing by allowing two Oregon cities to develop affordable and market rate housing on lands currently outside Urban Growth Boundaries (UGBs) without going through the standard UGB expansion process.

Both Bend and Redmond received a pilot project.

Property Location: The site for this new neighborhood will be 40 acres in the northeast part of Redmond. The subject property is situated between NE Maple Ave to the north and NE Kingwood Ave to the south. Deschutes County agreed to donate the 40-acre site to the City.

Key Features: The Project includes land zoned for a range of Middle Housing (i.e., cottages, triplex, quadplex, townhomes), multi-family, streets and other infrastructure, open spaces, access to transit, and area for community services. House Bill (HB) 4079 and 2336 require a minimum of 50 years of affordability for this project's affordable housing units. Rent controls, deed restrictions, HOA/CCR's will be used to ensure affordability requirements.

Notable Steps:

- 2019: HB 2336 awarded to Redmond authorizing UGB expansion through an expedited process for affordable housing.
- January - June 2020: Topographic survey, environmental assessment, traffic impact analysis conducted.
- April - July 2022: RFQ developed and solicited for a Project Manager (no responses received).
- October 2022 - February 2023: RFQ for Master Developer solicited from development teams to manage the development and build-out of Northpoint. RFQ was awarded to deChase Miksis Development.
- August 2023: Exclusive Negotiating Agreement (ENA) with deChase Miksis Development finalized.
- Summer 2023: City Council leadership secures a commitment of \$5M in state resources for the site (for infrastructure and related investments).
- September 2023: Meeting with the Department of Land Conservation and Development held to provide clarity regarding statutory requirements and ability to deviate from the City's Pilot Project submittal to Land Conservation and Development.
- October 2023: In-house Affordable Housing Policy and Financial Specialist retained.
- November 2023: Sewer extended on NE Kingwood Avenue to serve Northpoint.

Although there have been significant steps forward, Northpoint has illustrated the difficulty of financing affordable housing and investing in necessary infrastructure for publicly owned land. The City has learned important lessons since being awarded the Pilot Project in 2019. As such, two concurrent next steps are suggested to continue to advance Northpoint in a meaningful way.

Discussion:

Pilot Project - Lessons Learned

A pilot project is an initial small-scale implementation that is used to prove the viability of a project idea. Only two cities in Oregon (of approximately 241) applied for the Pilot Project designation. Those being Bend and Redmond. At the time, in August 2018, Redmond's application estimated building 485 units on 40-acres (around 12 units per acre).

The application contemplated a first phase project of 150 units.

Some of the salient takeaways and lessons learned since the inception of the Pilot Project include:

- **Land Use Entitlements** - Processing the required series of land use entitlements in-house had a significant impact on staffing capacity and was time consuming (i.e., UGB expansion, surveying, partitioning, rezoning, master development plan, annexation).
- **Land Subsidy** - Even with the land being donated by Deschutes County, the land value ~\$4M (assuming \$100,000 per acre for 40 acres of raw land) is not enough to incentivize or accelerate affordable housing when taken in the context of \$30+ million for infrastructure (water, sewer, streets).
- **Infrastructure Costs** - The 2018 application did not include in depth estimates on infrastructure. Current projections for developing 40 acres outside the UGB brings with it an infrastructure cost of greater than \$30 million.
- **Developing affordable housing** (particularly 80% and below AMI) requires significant subsidies and staking of financial capital. The financial stacking is complex and accessing state and federal funds is very competitive.
- **Incentives** - Redmond has a lack of approved or advanced tools to incentivize affordable housing (e.g., comprehensive property tax abatement program, construction excise tax, SDC exemptions).

Recommended Next Steps

The City has secured the expertise of an experienced public sector housing finance expert (Four Spokes Consulting). This is an important step towards getting results envisioned by the City Council. Two immediate next steps are recommended to advance Northpoint.

1) Work with deChase Miksis to develop a more comprehensive Master Infrastructure Plan. The existing Master Development Plan lacks needed detail. An updated Master Infrastructure Plan will thoroughly vet the infrastructure planning, traffic circulation, land use and improvements needed. Such a plan takes a global look at the entire site and stitches together the envisioned build-out with the infrastructure to support that build-out. Additionally, the plan will analyze site constraints (such as topography) to align infrastructure design and constraints with the strategic location of the development.

The end result is a plan, owned by the City, that serves as a blueprint for the buildout of the 40-acres. The Plan will be able to be used as the phasing mechanism for all developments that follow.

2) With the retention of in-house affordable housing financing expertise, there is momentum to immediately apply for state funds (e.g., 4% or 9% LIHTC) to realize the first affordable housing project. To apply for these funds, it is necessary to create an actual site (e.g., 5 acres) to apply state or federal monies to.

Fiscal Impact:

The cost to produce the Master Infrastructure Plan is expected to not exceed \$400,000.

The City also secured \$5M in State Lottery grant funding awarded for infrastructure at Northpoint. The State has indicated the cost associated with the Master Infrastructure Plan can be applied against the grant.

Alternative Courses of Action:

1. Request more information.
2. Proceed concurrently with Master Infrastructure Planning and partitioning.

Recommendation / Suggested Motion:

Concurrence to proceed with a Master Infrastructure Planning Contract and with assembling the first affordable housing project for the site.

Motion: Council moves to concurrently:

- 1) Authorize the City Manager to execute a contract, not to exceed \$400,000, with the joint venture of deChase Miksis & Edlen & Co for Master Infrastructure Planning, and
- 2) Authorize staff to initiate necessary land use entitlements and partitioning of the subject property, advancing the first affordable housing phases of Northpoint, enabling affordable housing developers to apply for necessary state funding.



NORTHPOINT MIXED-INCOME NEIGHBORHOOD

State Pilot HB 4079 & HB 2036

City Council Meeting, November 7, 2023



←
Walmart

**High Desert
Sports Complex**

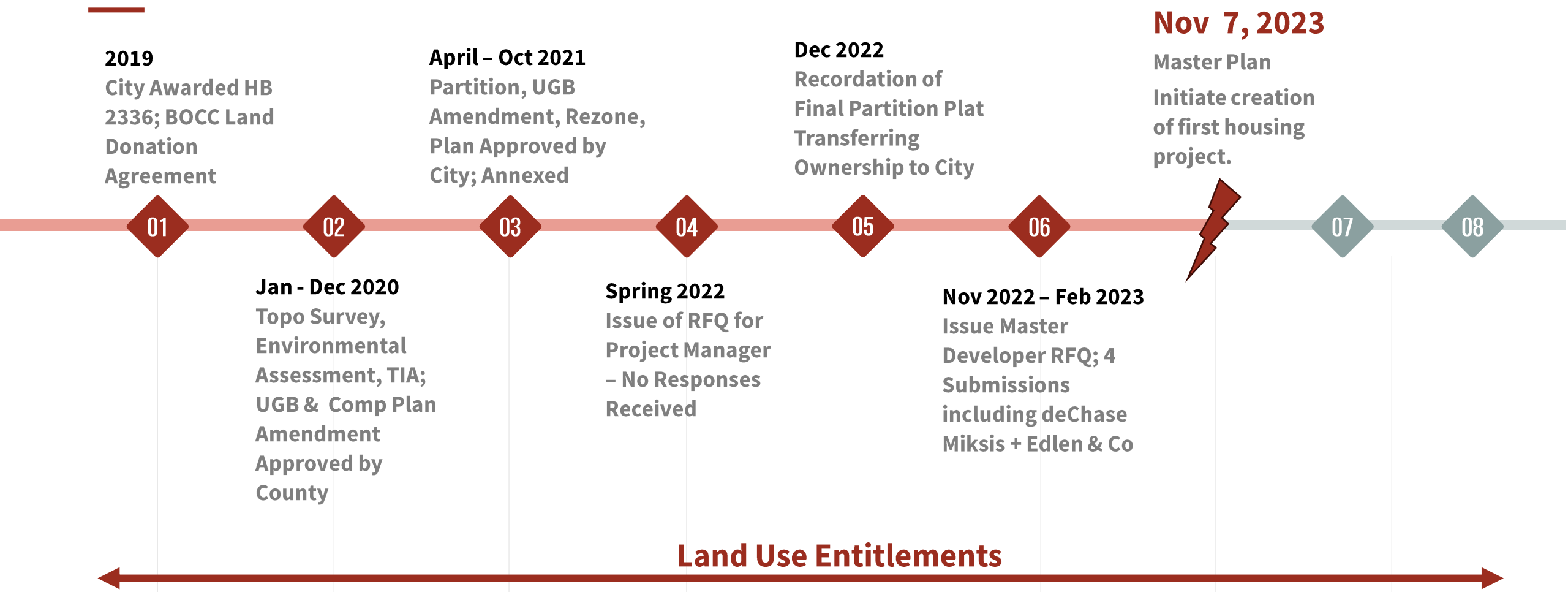
Radlands ↗

Negus/Maple

NORTHPOINT

Kingwood

TIMELINE





07

Council authorizes staff to execute a contract, up to \$400,000, with the joint venture of *deChase Miksis + Edlen & Co* for **Master / Infrastructure Planning**

08

Concurrently with Master / Infrastructure Planning, staff and housing contractor **initiate land partition and funding structure for first affordable housing units**

SLIDE / 4



NEEDED MASTER PLAN



ADVANTAGES OF THIS APPROACH

Harnesses the experience of
a broad team of experts for
plan development

City will own Master /
Infrastructure Plan

Much needed affordable
housing will get started first

Offers more flexibility in
type, build timeline, and
financing of remaining units
and amenities

SLIDE / 5



QUESTIONS / COMMENTS





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STAFF REPORT

DATE: November 7, 2023
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
John Roberts, Deputy City Manager
FROM: Kyle Roberts, Planning Director
SUBJECT: Status update on the proposed amendments to various sections of the Redmond Development Code (Chapter 8).

Report in Brief:

This is an informational item intended to update the City Council on the status of the proposed amendments to the Redmond Development Code (RDC) and City of Redmond Standards and Specifications. The specific amendments anticipated to overview in depth at upcoming work sessions are identified.

Background:

Starting in early 2023, staff have been working on concurrent and comprehensive amendments to both the RDC (Chapter 8) and City Standards and Specifications. An overview of the scope of the amendments and process was provided to City Council on September 26th. Due to the breadth and diversity of code topics, the Planning and Engineering divisions have also enlisted the technical expertise of Public Works staff, JET Planning, Century West Engineering, and Transight Consulting (traffic engineers).

The RDC is the primary mechanism to implement the City's Comprehensive Plan, regulate zoning, growth and development, land use activity, and other City policies related to Great Neighborhood Principles. As a living document, periodic amendments to the RDC are needed to adapt to changing conditions, comply with Comprehensive Plan policies, new state legislation, or simply to improve administration of provisions within the code. Code amendments touch on many different aspects of the community, livability and have significant implications regarding providing certainty, flexibility and modernization of regulations all at the same time.

Planning Commission Involvement and Public Process:

The Urban Area Planning Commission (Planning Commission) serves in an advisory role to the City Council on the development and implementation of both the City's Comprehensive Plan and RDC. Beginning in spring 2023, staff has held seven work sessions with the Planning Commission to overview all the amendments. The last of the work sessions was held on November 1st. All of the amendments and topics have been presented with a detailed staff analysis followed by discussion.

The subject areas for the amendments include:

- Aligning code with legislative requirements
- Modifying some zoning and overlays to the Comprehensive Plan Map
- Sign Code
- Resiliency
- Modifications to certain kinds of new development
- Modifications to the Engineering Standards and Specifications
- Administrative improvements

Feedback:

As part of the amendment process, a concerted effort has been made to involve important community stakeholders. To date, these stakeholders have included, the Downtown Urban Renewal Advisory Committee, three local sign companies,

arborists, the Oregon Department of Forestry, Redmond Fire and Rescue, housing developers, and the Central Oregon Builders Association. The draft code has also been sent to other transportation and civil engineers. All the feedback received has been generally incorporated into the draft amendments.

Discussion:

The code amendment package addresses a significant range of topics and covers a lot of content. In preparation of the public hearings process and to help facilitate review, staff categorized the amendments into seven different exhibits covering nearly 27 different topics (Exhibits A - G). The topics staff will present in detail to City Council on November 14th and 21st include:

November 14 (Engineering focus)

- Transportation System Analyses
- Grading and stormwater management
- Street trees and tree preservation
- Landscaping (water conservation)

November 21 (Planning focus)

- Sign Code
- Mobile Food Units (Food Carts)
- Police Station rezone
- Airport Compatibility zone updates
- High Density Overlay

Next Steps

Staff will seek feedback regarding the above nine topics at the November 14th and 21st work sessions. Moreover, staff is available to provide more detailed information on any of the amendments.

No more work sessions are scheduled with the Planning Commission. The first public hearing is scheduled for November 15th, which will be continued to November 29th.

A public hearing with the City Council is scheduled for December 12.

Fiscal Impact:

There are no anticipated direct fiscal impacts. The modifications to, and modernization of, the RDC and City Standards and Specifications are intended to create more certainty and clarity to help save individuals, businesses, developers and staff time and money on reviewing, permitting and construction functions. Moreover, the amendments are intended to provide more modernized and functional standards to guide infrastructure development and capital improvements to support the continued growth of Redmond.

Alternative Courses of Action:

No action is being requested.

Recommendation / Suggested Motion:

N/A



REDMOND DEVELOPMENT CODE (RDC) AMENDMENTS

CITY COUNCIL | NOVEMBER 7, 2023



DISCUSSION

SLIDE / 2

I.

SCHEDULE & PROCESS

II.

EXHIBITS & FEEDBACK RECEIVED

III.

UPCOMING WORK SESSIONS & CONTENT

Redmond Development Code (RDC) Amendments 2023: Timeline & Adoption Schedule

Meetings (2023)	May	June	August	September	October	November	December
Planning Commission Work Session	3-May						
Planning Commission Work Session		21-Jun					
Planning Commission Work Session			16-Aug				
Planning Commission Work Session				20-Sep			
City Council Work Session				26-Sep			
Planning Commission Work Session					4-Oct		
Planning Commission Work Session					18-Oct		
Planning Commission Work Session						1-Nov	
City Council Work Session						7-Nov	
City Council Work Session						14-Nov	
City Council Works Session						21-Nov	
Planning Commission Public Hearing						15-Nov	
Planning Commission Public Hearing						November 29 (Decision Point)	
City Council Public Hearing							December 12 (Adoption)

NEXT STEPS

1

CITY COUNCIL WORK SESSIONS NOVEMBER

- **November 14**
- **November 21**

2

PLANNING COMMISSION – PUBLIC HEARINGS

- **November 15**
- **November 29**

3

CITY COUNCIL PUBLIC HEARING DECEMBER

- **December 12**

REDMOND DEVELOPMENT CODE (RDC) EXHIBITS

(A)

LEGISLATIVE
COMPLIANCE

(B)

MAP
AMENDMENTS

(C)

SIGN CODE

(D)

RESILIENCY

(E)

STANDARDS FOR
NEW TYPES OF
DEVELOPMENT

(F)

ENGINEERING-RELATED
STANDARDS

(G)

ADMINISTRATIVE
ITEMS



WORK SESSION TOPICS

01 NOV. 14 ENGINEERING FOCUS

- Transportation System Analyses
- Grading and Stormwater Mgmt.
- Street Trees & Tree Preservation
- Landscaping (water conservations)

02 NOV. 21 PLANNING FOCUS

- Sign Code
- Mobile Food Units (Food Carts)
- Police Station Rezone
- Airport Compatibility Zone updates
- High Density Overlay



QUESTIONS