CITY OF REDMOND

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REVISED

CITY COUNCIL

February 27, 2024
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

FEBRUARY 27, 2024	REGULAR MEETING AGENDA	6:00 PM

I. EXECUTIVE SESSION (Executive Session will start at 5:30 p.m.)

Oregon Law permits public bodies to meet in executive session to discuss specific matters which are not open to the public. Final actions or decisions on these matters will be made during regular session.

A. Litigation – ORS 192.660(2)(h) authorizing executive sessions "to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed."

B. Labor Negotiations – ORS 192.660(2)(d) authorizes executive sessions "to conduct deliberations with persons designated by the governing body to carry on labor negotiations."

Under the provisions of the Oregon Public Meetings Law, the proceedings of this executive session are for background information only for media attending and not for publication or broadcast.

II. CALL TO ORDER / ESTABLISH A QUORUM

III. BLESSING - Reiki Practitioner Denise English, The Sacred Lotus

IV. PLEDGE OF ALLEGIANCE

V. CITY ANNOUNCEMENTS

A. Written Comments from Councilor Evelyn

VI. COMMENTS FROM CITIZENS AT THE MEETING

Citizen comments are limited to three (3) minutes per person and will be accepted for a period of 30 minutes. Comments should be focused on City of Redmond business. Attendees are asked to refrain from interrupting, calling-out, or cheering during citizen comments.

A. Written Comments from Jay Patrick

VII. CONSENT AGENDA

A. Minutes of January 23, 2024, Council Meeting

B. Approval to bind a Builder's Risk Insurance Policy on behalf of the City for construction of the new Public Safety Facility: $253,352.98

VIII. PRESENTATIONS

A. City of Redmond and Urban Renewal Fiscal Year 2022/2023 Financial Audit Results

B. Village Squire Redevelopment Update

C. Downtown Ice Rink Update

IX. BID AWARDS / BID REJECTIONS

A. Cinder Hollow Neighborhood Project Master Developer Contract Award to Rooted Homes and authorize negotiation of a Disposition and Development Agreement

X. ACTION ITEMS

A. Resolution #2024-04: A resolution of the City of Redmond approving a property tax exemption for VBT Redmond Landing LP as authorized by Oregon Revised Statute 307.515 to 307.535 and City Council Ordinance 95-05.

B. Resolution #2024-05: A resolution of the City of Redmond referring to the voters of Redmond a ballot measure proposing City Charter Amendments related to Council and Mayoral term limits, adopting ballot titles, and authorizing related matters.

C. Resolution #2024-06: A resolution of the City of Redmond referring to the voters of Redmond a ballot measure proposing City Charter Amendments related to Council qualifications, adopting ballot titles, and authorizing related matters.

D. Eastside Arterial Project Memorandum of Understanding between the Oregon Department of Transportation and the City of Redmond

XI. ADDITIONAL COMMENTS FROM CITIZENS AT THE MEETING

XII. CITY MANAGER COMMENTS

XIII. COUNCIL COMMENTS

XIV. MAYOR'S COMMENTS

XV. 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@redmondoregon.gov. 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

I would like to take a few moments to recognize Black History month because Black History is World History. Black History represents Black influence around the world. In the month of February, we celebrate the Black Astronauts, Scientist, Inventors, Artist, and Activist of the past, we also celebrate the rise of Black businesses, Arts, and Literature that will influence the future.

Here are 5 good reasons why it’s important to celebrate Black History.

- There is still a lot to learn about Black History
- Black History unites us
- Celebrating our differences has countless benefits
- We better understand how important our stories are
- And most of all it reminds all of us to Dig Deeper and Think Bigger

We are all Human beings and we all worthy and deserving of dignity and respect. What defines us in life is the Chances we take, the People we meet, the people we Love, and the Faith we have. We as human beings must Never be discouraged and never held back. We must give it all we have all of the time. Every LIFE is precious and we must treat it as such. As a growing city in Central Oregon, Redmond will be the model of Unity and Leadership that others will look to and want to emulate. I thank Mayor Fitch and my fellow Counselors for standing together as one and understanding the importance of equality for everyone.

Respectfully,

Clifford B. Evelyn Sr.

Addressing the City Charter change:

Mayor Ed Fitch and the Council are proposing changes to the City Charter. This is going to be put on the ballot for the election in May. The City Charter is hardly ever changed and must be voted on by the citizens of Redmond to make any change, this is a good thing. We the people can make changes to it but my caution is to think clearly and thoughtfully before checking that box on the ballot to change the Redmond's City Charter. DO NOT vote to change this on a whim, an emotion or a feeling. Instead, reason and common sense need to be driving that decision. To preface my comments, I want you to know they come from me spending several years of serving the City of Redmond.

The main change the Mayor and Council are asking for is Term limits. Generally I am a big term limits supporter. This support for the mostly part is based on elected positions being paid that people seldom retire from and their goal seems to be making themselves millionaires. Too often there is little concern about doing what is best for the people they serve.

The first item to discuss that will be on the ballot is to limit the Councilor position to 2 terms. Currently we have a Councilor position with no limits and we have a $200 stipend given. So basically, it is still a volunteer position. Those who are elected are not there to retire off the salary made while being a councilor. In the last 25 years, in many of the elections which happen every two years for 3 of the 6 councilor positions we have seldom had more than 3 to maybe 4 people step forward to fill those spots. Several times 1 to 3 of those running are citizens who are currently council members. I hesitate to limit the term for this non paid position. Think about who serves and why they serve, most times it is because they care for Redmond. Wanting to do a "good thing" by enacting term limits will only limit candidates to select from. This may come back to bite us as we face the unintended consequences. I find the ones that go through the effort of gathering signatures and actually getting their names on the ballot truly care about the whole City. Therefore, I cannot support the change. We should not limit council terms but instead keep them as it is currently for those who want to do the best for Redmond and trust the voters of putting those who will do that into the position.

As for the second item which was the Mayor's term, the ask will be to change this from a 2 year to a 4 year term. This idea I struggle with for many reasons, I will share a few. The Mayor position has one unique difference and that is the amount of influence over council, the staff and the City as a whole. The Mayor is elected to represent the citizens at a shorter term of 2 years currently. This makes sure they are always be in front of the people. A 4 year term may very well change the Mayors position for the worse. And as you likely have heard in the past, if it is not broken don't try to fix it. The 2 year term is a good length of time, especially if the Mayor happens to go off the rails, there can be a correction from the people. The mayor can certainly run for multiple terms and if the people wish to keep them then in place, they will. For those reasons my position on this proposal is that a 4 years is just to long for the Mayor's term, we need to keep it at a 2 year term.

The next change that is desired is a nepotism change to the City Charter. It would affect the Mayor and Councilor positions. Keeping family from serving in these positions at the same time. This is an unfortunate change to have to make, it should be common sense. But having lived through this in my time on council and seeing the difficulties it presents for the staff, council and the city I would be supportive of making this change and adding this to the City Charter.

Thank you

Jay Patrick

DRAFT

REGULAR CITY COUNCIL MEETING OF THE CITY OF REDMOND WAS HELD JANUARY 23, 2024, IN COUNCIL CHAMBERS.

COUNCIL MEMBERS PRESENT: **Tobias Colvin – Clifford Evelyn – Ed Fitch – John Nielsen – Kathryn Osborne – Shannon Wedding – Cat Zwicker**

STAFF PRESENT: **City Manager Keith Witcosky – Deputy City Manager John Roberts – Deputy City Manager/Chief Financial Officer Jason Neff – City Attorney Keith Leitz – Planning Director Kyle Roberts – Deputy City Recorder Kayla Duddy – Police Chief Devin Lewis – Public Works Director/City Engineer Jessica MacClanahan – Finance Director James Wood – Airport Director Zachary Bass – Communications Director Heather Cassaro – Client System Administrator Tyler Roppe – Principal Engineer Jake Sherman – Associate Planner Megan Peninger – Budget Analyst Herlinda Corn**

MEDIA PRESENT: **None**

Mayor Fitch called the meeting to order at 5:59 pm. A quorum was established.

BLESSING

Father Saji Thomas from St. Thomas Catholic Church led the blessing.

PLEDGE OF ALLEGIANCE

Councilor Osborne led the Pledge of Allegiance.

CITY ANNOUNCEMENTS

There were no announcements from the Council.

COMMENTS FROM CITIZENS AT THE MEETING

Redmond resident Karin Stauder requested the City to ask Republic Services to close garbage/recycle lids so that rain and snow do not go inside the cans.

Redmond resident Stephen Schaffer asked for the status of the raccoon hate crime incident, saying the community needs closure.

Redmond resident Donna Abelein commented on the firing of a California Community College Diversity, Equity, and Inclusiveness (DEI) Director.

CONSENT AGENDA
A. Minutes of November 21, 2023, Council Meeting
B. Minutes of December 4, 2023, Council Workshop

Councilor Zwicker moved, seconded by Councilor Evelyn, to approve the Consent Agenda, motion passed. (Colvin-yes, Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

PRESENTATIONS
A. Proposed Changes to the City Charter for Consideration on the May 21, 2024, Ballot

City Attorney Keith Leitz presented an overview of proposed changes to the City Charter which includes adding term limits to the Council, making the Mayor's term four years, adding consecutive term limits, and nepotism.

Ms. Stauder expressed opposition to the nepotism language.

Redmond Resident Jay Patrick said he will speak at the February meeting.

B. 5-Year Capital Improvement Plan Review

Director of Public Works/City Engineer Jessica MacClanahan presented an overview of the 5-Year Capital Improvement Program, addressing planned projects by fund, resources by type, and highlighting the funding gap for transportation projects.

ORDINANCES

A. Ordinance #2024-03: An ordinance of the City of Redmond implementing a Rental Car Tax. (To serve as a resource for transportation infrastructure projects.)

Deputy City Manager/Chief Financial Officer Jason Neff presented an overview of the proposed Rental Car Tax, explaining that this would be a partial solution to some of the transportation funding challenges. He shared that staff placed a proposed 12.5 percent in the fee schedule which would yield about $2 million in annual revenue.

Councilor Zwicker moved, seconded by Councilor Nielsen, to have a first and second reading of Ordinance #2024-03 by title only, motion passed. (Colvin-yes, Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

City Attorney Keith Leitz provided the first and second reading of Ordinance #2024-03 by title only.

Councilor Evelyn moved, seconded by Councilor Zwicker, to approve (Ordinance #2024-03), motion passed. (ROLL CALL: Colvin-yes, Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

i. Resolution #2024-03: A resolution setting fees and charges imposed by the City of Redmond.

Mr. Neff explained that Resolution #2024-03 adds the 12.5 percent Rental Car Tax and a fee in-lieu related to trees in development, to the Fee Schedule.

Councilor Nielsen moved, seconded by Councilor Evelyn, to approve Resolution #2024-03, motion passed. (Colvin-yes, Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

B. Ordinance #2024-01: An ordinance approving a Comprehensive Plan & Zone Map Amendment, Master Development Plan, and Tentative Subdivision compliant with the 2040 Greater Redmond Area Comprehensive Plan and Zone Map.

Mayor Fitch re-opened the public hearing previously closed on January 9, 2024.

Mayor Fitch disclosed ex parte contact where he, Councilor Zwicker and Planning staff met with the developer, Hayden Homes, to review the conditions of approval.

Councilor Zwicker disclosed the same ex parte contact, noting the content of the meeting was only the conditions the Council had questions about from the January 9, 2024, meeting.

Deputy City Manager John Roberts explained the modifications made to the eleven conditions of approval, which included requiring notice if the project was going to increase in density, making sure the Covenants, Conditions, and Restrictions do not prohibit childcare, clarity on the provision of a Cascade

East Transit stop, clarity regarding infrastructure at NW Spruce Avenue, additional clarity on street widths, and opportunities for curb tight sidewalks versus property tight sidewalks.

Hayden Homes Forward Planning Manager Megan Norris addressed the comments heard at the January 9, 2024, public hearing for Spruce Northwest regarding home pricing and parking. Ms. Norris confirmed that Hayden Homes concurs with the City in terms of conditions.

Mayor Fitch closed the public hearing.

Councilor Zwicker moved, seconded by Councilor Colvin, to have a first and second reading of Ordinance #2024-01 by title only.

Councilor Zwicker withdrew the motion that Councilor Colvin seconded.

Councilor Zwicker moved, seconded by Councilor Colvin, to replace the existing conditions of approval in Exhibit A with the modified conditions of approval as submitted and presented in Exhibit B and have a first and second reading of Ordinance #2024-01 by title only, motion passed. (Colvin-yes, Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

Mr. Leitz provided the first and second reading of Ordinance #2024-01 by title only.

Councilor Nielsen moved, seconded by Councilor Evelyn, to approve Ordinance #2024-01 by roll call vote, motion passed. (ROLL CALL: Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes, Colvin-yes)

At this point in the meeting the Council moved to Action Items.

PUBLIC HEARINGS

A. Ordinance #2024-02: An ordinance to amend the Redmond Historic Landmarks Inventory in the City of Redmond Historic Preservation Plan. (525 SW 10th Street and 1114 SW Evergreen Avenue)

Mayor Fitch opened the public hearing.

Associate Planner Megan Peninger presented an overview of the amendment to the Redmond Historic Landmarks Inventory in the City of Redmond Historic Preservation Plan. The amendment includes two houses to be listed on the Local Landmark Register, located at 525 SW 10th Street and 1114 SW Evergreen Avenue.

Seeing no public comment, Mayor Fitch closed the public hearing.

Councilor Zwicker moved, seconded by Councilor Osborne, to have a first and second reading of Ordinance #2024-02 by title only, motion passed. (Colvin-yes, Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

Mr. Leitz provided the first and second reading of Ordinance #2024-02 by title only.

Councilor Colvin moved, seconded by Councilor Nielsen, to approve Ordinance #2024-02, motion passed. (ROLL CALL: Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes, Colvin-yes, Evelyn-yes)

At this point in the meeting the Council proceeded to Item C. under Action Items.

ACTION ITEMS

A. Resolution #2024-01: A resolution declaring certain territory as being annexed to and incorporated within the City of Redmond.

Councilor Zwicker moved, seconded by Councilor Nielsen, to approve Resolution #2024-01, motion passed. (Colvin-yes, Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

B. Resolution #2024-02: A resolution of the City of Redmond requesting the transfer of certain County rights-of-way from Deschutes County.

Councilor Colvin moved, seconded by Councilor Nielsen, (to approve Resolution #2024-02), motion passed. (Colvin-yes, Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

At this point in the meeting, the Council moved to Public Hearings.

C. Purchase of real property for future transportation project.

Ms. MacClanahan requested the City purchase property at 2639 SW Yew Avenue, which would allow the City to expand the Yew Avenue roundabout as a capital project in the future.

Councilor Nielsen moved, seconded by Councilor Zwicker, to approve the purchase of real property located at 2639 SW Yew Avenue, Redmond, for the sum of $425,000 and direct the City Manager to execute all documents required to complete the purchase, motion passed. (Colvin-yes, Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

ADDITIONAL COMMENTS FROM CITIZENS AT THE MEETING

Redmond Resident Lisa Young suggested signage be posted about the historic Spudbowl and asked the Council to include a land acknowledgment statement at the City Council meetings.

CITY MANAGER COMMENTS

City Manager Keith Witcosky commended staff for their work on the Spruce Northwest Annexation and the Rental Car Tax. In addition, she commended the Public Works Department and the Airport for their work during the snow and ice storm.

COUNCIL COMMENTS

Councilor Colvin thanked City staff for all of their hard work. He shared that today was his late father's birthday and encouraged everyone to hug their loved ones.

Councilor Osborne thanked City staff.

Councilor Wedding gave thanks to City staff for their work and keeping residents safe during the ice storms.

Councilor Evelyn acknowledged all the City workers and thanked the citizens for supporting the Council.

Councilor Zwicker thanked all City workers and shared the planning by the Public Works Department and Airport during the winter storms was appreciated. She reported on the legislative meeting she and Mayor Fitch had with the Central Oregon delegation last week.

DRAFT

Councilor Nielsen echoed the gratitude to City Staff and reported on the recent meeting with Republic Services.

MAYOR'S COMMENTS

A. Urban Area Planning Commission - Appointment of Tom Kuhn, term expiring December 31, 2026.

Mayor Fitch reported on the road conditions Sunday morning, the Ordinance process to get them approved, meeting with the Department of State Lands, and interviewing for the Planning Commission appointment along with Mr. Kyle Roberts and Councilor Colvin.

Mayor Fitch recommended appointing Tom Kuhn to the Urban Area Planning Commission.

Councilor Colvin moved, seconded by Councilor Nielsen, to approve the appointment of Tom Kuhn to the Urban Area Planning Commission with a term expiring December 31, 2026, motion passed. (Colvin-yes, Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Wedding-yes, Zwicker-yes)

There being no further business, the meeting was adjourned at 7:24 pm.

Prepared by ABC Transcription Services
Reviewed by Kayla Duddy, Deputy City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 27th day of February 2024.

____
Ed Fitch, Mayor

ATTEST:

____
Kayla Duddy, Deputy City Recorder

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STAFF REPORT

DATE: February 27, 2024
TO: City Council
THROUGH: Keith Witcosky, City Manager
Jason Neff, Deputy City Manager/Chief Financial Officer
FROM: Devin Lewis, Police Chief
SUBJECT: Approval to bind a Builder's Risk Insurance Policy on behalf of the City for construction of the new Public Safety Facility: $253,352.98

Report in Brief:
This item requests City Council approve a Builder's Risk insurance policy on behalf of the City for the construction of the new Public Safety Facility (PSF). The policy premium will total $253,352.98.

Background:
On December 12, 2023, City Council approved an amendment to the contract with Pence Contractors to begin early site-development and early procurement for the new PSF.

Early site development has begun on the PSF and the building is expected to formally break ground in April 2024. The City's Risk Management team recommended the City obtain Builder's Risk Insurance. This is a specialized type of property insurance that helps protect buildings under construction from property damage and loss due to fire, weather events, theft, and vandalism. A general rule of thumb for Builder's Risk Insurance is about 1% of the construction costs. The Redmond Library currently under construction holds a similar policy at 0.8% of construction cost and the new Airport Terminal is estimated at 1% by the contractor.

The cost of this insurance policy would be $253,352.98 (0.7%) and would cover the construction costs of the new PSF up to $35.6 million in loss and/or damages (the maximum estimated constructed cost).

Discussion:
This specialized property insurance will protect the City during the construction project from any losses or property damage resulting from fire, weather, Acts of God, theft and vandalism. It will cover the building and other areas under construction as well as materials, supplies, and equipment on site.

The City's Risk Management is tasked with securing various insurance policies throughout the City. For this project, our insurance broker of record, Brown & Brown Northwest, was utilized to solicit multiple quotes. The best quote and coverage Risk Management received came from a combination of two companies, Safehold and Eirion. These two companies will provide the recommenced Builder's Risk Insurance coverage for a total cost of $253,352.98, which is 0.7% of our $35.6 million construction costs. This is below the industry standard of 1%, and is comparable to the cost and coverage of the Builder's Risk Insurance Deschutes County is using for the new Redmond Library.

It is a better overall value for the City to carry the coverage rather than the construction company due to the increased mark-ups. The City anticipates carrying this same type of coverage for the upcoming Redmond Wetlands Project and the Redmond Airport Terminal Expansion. The insurance policy applies from February 20, 2024, through May 5, 2025.

The construction costs covered by this policy is the anticipated total cost of construction, $35.6 million, which is about 72.6% of our total $49 million budget. This proposed insurance policy has been reviewed by members of our project team, and is believed to be sufficient to cover the City during the construction phase of the PSF.

Fiscal Impact:
The fiscal impact of this Builder's Risk Insurance policy is $253,352.98. The cost for Builder's Risk Insurance was anticipated in our budget for this project, and we have the funds available within the $49 million project cap. The total cost of this insurance policy represents 0.7% of our total $35.6 million construction costs, which is below the industry average of 1%.

Alternative Courses of Action:
1. Approve the City to bind this Builder's Risk Insurance policy, through Brown & Brown Northwest, for the construction of the new Public Safety Facility in the amount of $253,352.98
2. Do not approve Builder's Risk Insurance.
3. Take no action at this time, and request more information.

Recommendation / Suggested Motion:
"I move to approve the City to bind this Builder's Risk Insurance policy, through Brown & Brown Northwest, for the construction of the new Public Safety Facility in the amount of $253,352.98, and authorize the City Manager to sign the agreement."

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STAFF REPORT

DATE: February 27, 2024
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
Jason Neff, Deputy City Manager/Chief Financial Officer
FROM: James Wood, Finance Director
SUBJECT: City of Redmond and Urban Renewal Fiscal Year 2022/2023 Financial Audit Results

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Report in Brief:
This item provides the City's External Financial Auditor, Dickey & Tremper, LLP, the opportunity to present the results of the Fiscal Year 2022/2023 Audit.

Background:
Oregon Revised Statutes (ORS) 297.415 & 297.425 require municipalities to submit audited financial statements to the Oregon Secretary of State on, at least, an annual basis. The audit of financial statements for the year ending June 30, 2023, has been prepared and audited pursuant to ORS.

Additionally, if deficiencies are identified within the audit, ORS 297.466 requires the City Council to adopt a plan of action to settle the deficiencies.

Audited financial reports can be found at:
https://www.redmondoregon.gov/government/departments/finance/annual-audited-financial-reports.

Discussion:
The audit did not identify deficiencies pursuant to ORS 297.466 that are required to be addressed through a plan of action. No formal action is required.

Fiscal Impact:
There is no fiscal impact.

Alternative Courses of Action:
No formal action is required.

Recommendation / Suggested Motion:
No formal action required.

Dickey and Tremper, LLP
Certified Public Accountants and Business Advisors

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January 31, 2024

To the Honorable Mayor and Members of the
City Council of the City of Redmond, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Redmond, Oregon; hereafter referred to as the City, for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted audit standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note I to the financial statements. As described in Notes III.M and IV.H to the financial statements, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, for the fiscal year ended June 30, 2023. The application of existing policies was not changed during year 2023. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

> Management's estimate of capital assets and depreciation expense is based on the useful lives of acquired assets. We evaluated the key factors, and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of lease receivables and the related deferred inflows of resources is based on the net present value of the leased assets at the City's incremental borrowing rate. Lease amortization expense is based on the term of the lease. Lease liabilities are based on the present value of lease payments and are reported as other financing sources in the governmental fund financial statements. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of SBITA (subscription-based information technology arrangement) assets is based on the net present value of the SBITA assets at the City’s incremental borrowing rate. SBITA amortization expense is based on the term of the arrangement. SBITA liabilities are based on the present value of subscription payments and are reported as other financing sources in the governmental fund financial statements. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of Other Post Employment Benefits and the related deferred inflows and outflows is based on the actuarial valuation performed by Milliman and key assumptions agreed to by management. We evaluated the key factors and assumptions used to develop the liability for Other Post Employment Benefits and the related deferred inflows and outflows in determining that it is reasonable in relation to the financial statement taken as a whole. The actuarial valuation was based on the currently known facts and does not take into account changes subsequent to the measurement date.

Management determined that the liability for system development charge credits could not be reasonably estimated and the usage of any credits would result in the offset to future system development charges. An estimate of the possible commitment has been reported as note disclosure IV.D of the financial statements.

Management’s estimate of the net pension liability and the related deferred inflows and outflows is based on the actuarial valuation performed by Milliman and key assumptions agreed to by management and Oregon PERS. We evaluated the key factors and assumptions used to develop the net pension liability and related deferred inflows and outflows in determining that it is reasonable in relation to the financial statements taken as a whole. The actuarial valuation was based on the currently known facts and does not take into account changes subsequent to the measurement date.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material either individually or in the aggregate to each opinion unit’s financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 31, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our audit, we became aware of some areas other than significant deficiencies or material weaknesses, matters that are opportunities for strengthening internal controls and operating efficiency, and other observations. The comments below summarize our suggestions regarding those matters:

> The City has approximately $152,000 of the allowance for doubtful accounts set up on fund 995 rather than in the individual funds. If it is determined that an allowance should be set up at the full accrual level, it is probably doubtful at the fund level as well and should the set up in the fund, reducing the accounts receivable and related deferred inflow. Net to the fund is zero for more accounts since they are deferred, but both assets and deferred inflows are overstated.
>
> Developer contributions of $85,000 were recorded as a Sewer addition instead of a Stormwater addition by mistake. In addition, there was a difference in count for the Stormwater contributions and the developer contributions were overstated by $59,925. The City plans to correct the error in fiscal year 2024.

We also reported on the City’s internal control in our report dated January 31, 2024, which is included in the City’s financial statements. That report discloses no items reported as a material weakness over financial reporting or as significant deficiencies.

<u>Other Matters</u>

We applied certain limited procedures to the Management’s Discussion and Analysis, schedules of the City’s Proportionate Share of the Net Pension Liability (Asset), the City’s Contribution to the Oregon Public Employees Retirement System, the City’s Proportionate Share of the Net OPEB Liability (Asset), the City’s Contribution to the OPERS Retirement Health Insurance Account, Schedule of Changes in the City’s OPEB Liability and Related Ratios, and Notes to Required Supplementary Information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor funds financials statements, budgetary comparison schedules, and other financial schedules, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We are not engaged to report on the Statistical section and Transmittal letter, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Restriction on Use

This information is intended solely for the use of the Mayor, members of City Council and management of the City of Redmond and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully,

Dickey and Tremper, LLP

DICKEY AND TREMPER, LLP

City of Redmond
Unrecorded Audit Adjustments
6/30/2023

		DR	CR
1			
Developer contributions	Wastewater Fund	$ 85,605	
Capital assets	Wastewater Fund		$ 85,605
Capital assets	Stormwater Fund	$ 85,605	
Developer contributions	Stormwater Fund		$ 85,605

Passed audit adjustment to correct contributed infrastructure recording in the wrong fund.

		DR	CR
2			
Net position	Community Development Fund	$ 19,646	
Charges for services	Community Development Fund		$ 19,646

Reversal of effect of prior year passed audit adjustment to correct calculation of allowance for doubtful accounts based on a pecentage of the receivable balance that used prior year amounts.

		DR	CR
3			
Developer contributions	Stormwater Fund	$ 59,925	
Capital assets	Stormwater Fund		$ 59,925

Passed audit adjustment to correct contributed infrastructure due to count difference.

		DR	CR
4			
Net position	Water Fund	$ 8,901	
Interest expense	Water Fund		$ 8,901
Net position	Airport Fund	$ 24,532	
Interest expense	Airport Fund		$ 24,532
Interest expense	Golf Fund	$ 8,005	
Net position	Golf Fund		$ 8,005

Reversal of effect of prior year passed audit adjustment to correct calculation of accrued interest payable.

		DR	CR
5			
Cash and investments	Urban Renewal Agency	$ 5,000	
Investment earnings	Urban Renewal Agency		$ 5,000

Passed audit adjustment to account for earnings on investments during the year.

Dickey and Tremper, LLP
Certified Public Accountants and Business Advisors

110 SE First Street
P.O. Box 1533
Pendleton, OR 97801
Phone: (541) 276-6862
Toll Free: 1-800-332-6862
Fax: (541) 276-9040
Web: www.dickeyandtremper.com

January 31, 2024

To the Board of Directors of the Redmond Urban Renewal Agency
411 SW 9th St.
Redmond, OR 97756

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redmond Urban Renewal Agency for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Redmond Urban Renewal Agency are described in Note 1 to the financial statements. No new accounting policies were adopted, and application of existing policies was not changed during the year 2023. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of capital assets owned, and depreciation expense is based on the useful lives of acquired assets. We evaluated the key factors and assumptions used to report net capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of property taxes receivable is based on unpaid property taxes as of June 30, 2023. We evaluated the key factors and assumptions used to develop property taxes receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the net realizable value of assets held for sale was based on appraisals and recent sales prices. We evaluated the key factors and assumptions used to develop the net realizable value in determining that it is reasonable in relation to the financial statements taken as whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material either individually or in the aggregate to each opinion unit’s financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 31, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Agency’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

<u>Other Matters</u>

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary comparison schedules which accompany the financial statements but are not RSI. With respect to this supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

<u>Restriction on Use</u>

This information is intended solely for the information and use of the Board of Directors and the management of the Redmond Urban Renewal Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully,

Dickey and Tremper, LLP

DICKEY AND TREMPER, LLP

City of Redmond URA
Unrecorded Audit Adjustments
6/30/2023

		DR	CR
1			
Cash and investments	Urban Renewal Agency	$ 5,000	
Investment earnings	Urban Renewal Agency		$ 5,000

Passed audit adjustment to account for earnings on investments during the year.

Dickey and Tremper, LLP
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Fax: (541) 276-9040
Web: www.dickeyandtremper.com

To the Board and Management of the City of
Redmond Urban Renewal Agency:
411 SW 9th St.
Redmond, OR 97756

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Redmond Urban Renewal Agency as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Redmond Urban Renewal Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Redmond Urban Renewal Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weakness or significant deficiencies may exist that we consider to be material weaknesses.

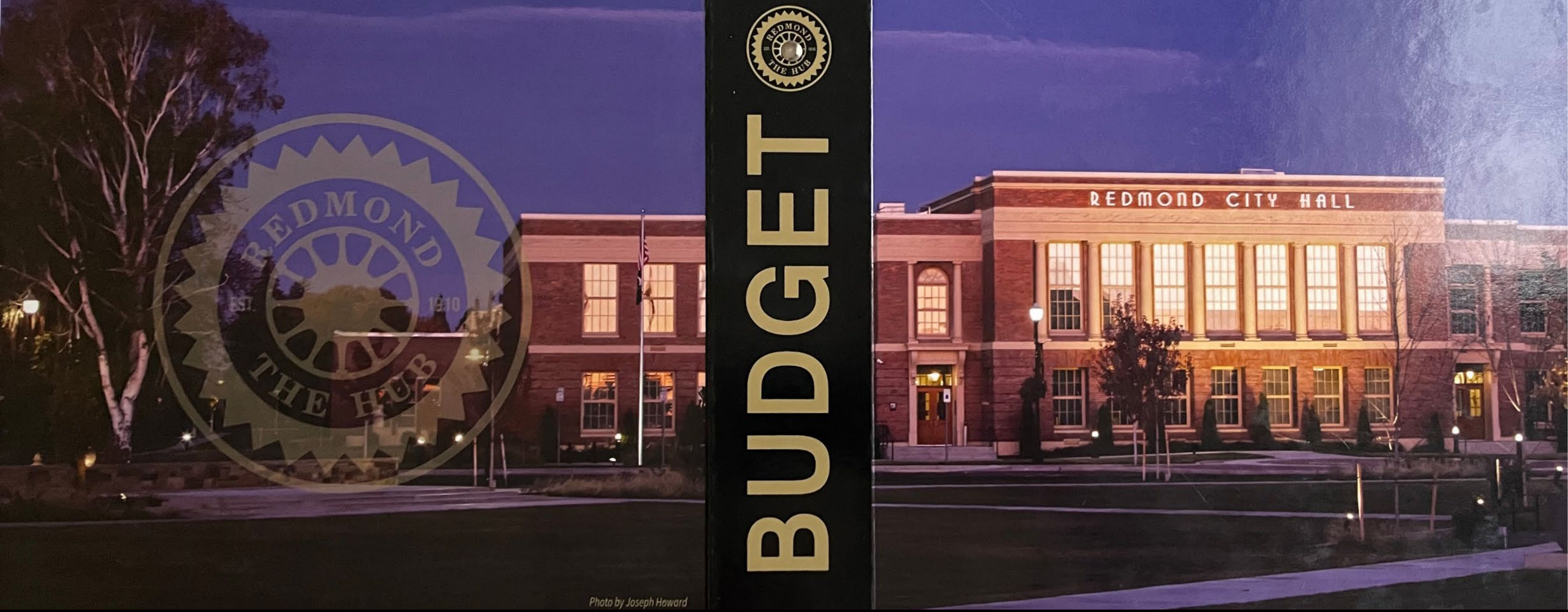
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be a material weakness, as defined above.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Redmond Urban Renewal Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.

Dickey and Tremper, LLP

Dickey and Tremper, LLP
Certified Public Accountants
Pendleton, Oregon

January 31, 2024



ANNUAL AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2023

REDMOND CITY COUNCIL FEBRUARY 27, 2024

OVERVIEW

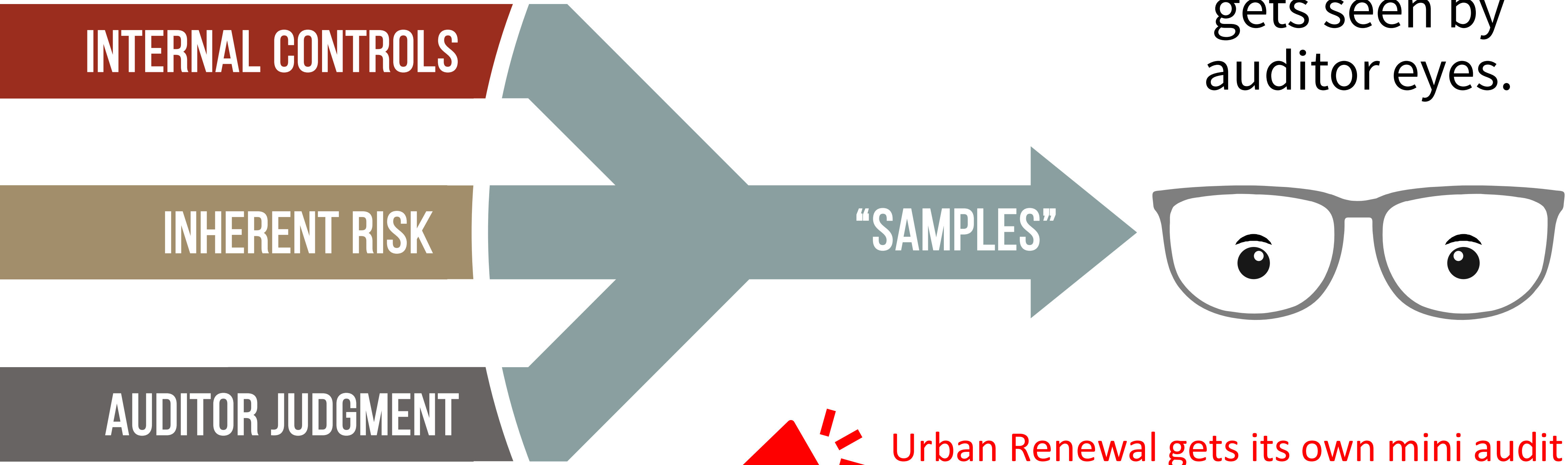
- AUDIT LIMITATIONS
- AUDIT REQUIREMENTS
- AUDIT PROCESS
- ACFR* COMPONENTS
- AUDITOR FINDINGS

SLIDE / 2

*ACFR = Annual Comprehensive Financial Report

AUDIT LIMITATIONS - THE "WHAT"

What actually gets seen by auditor eyes.



Urban Renewal gets its own mini audit too!

The goal is to determine if the financial statements are ***"reasonably presented",*** *<u>not to find fraud</u>.*

AUDIT REQUIREMENTS

THE "WHY"

REPORTING

Financial statements are prepared annually for each year ending June 30.
(ORS 297.415)

Required by bond covenants

FORMATTING

Financial statements must be presented in accordance with GAAP*, as outlined by the GASB**

*GAAP = Generally Accepted Accounting Principles

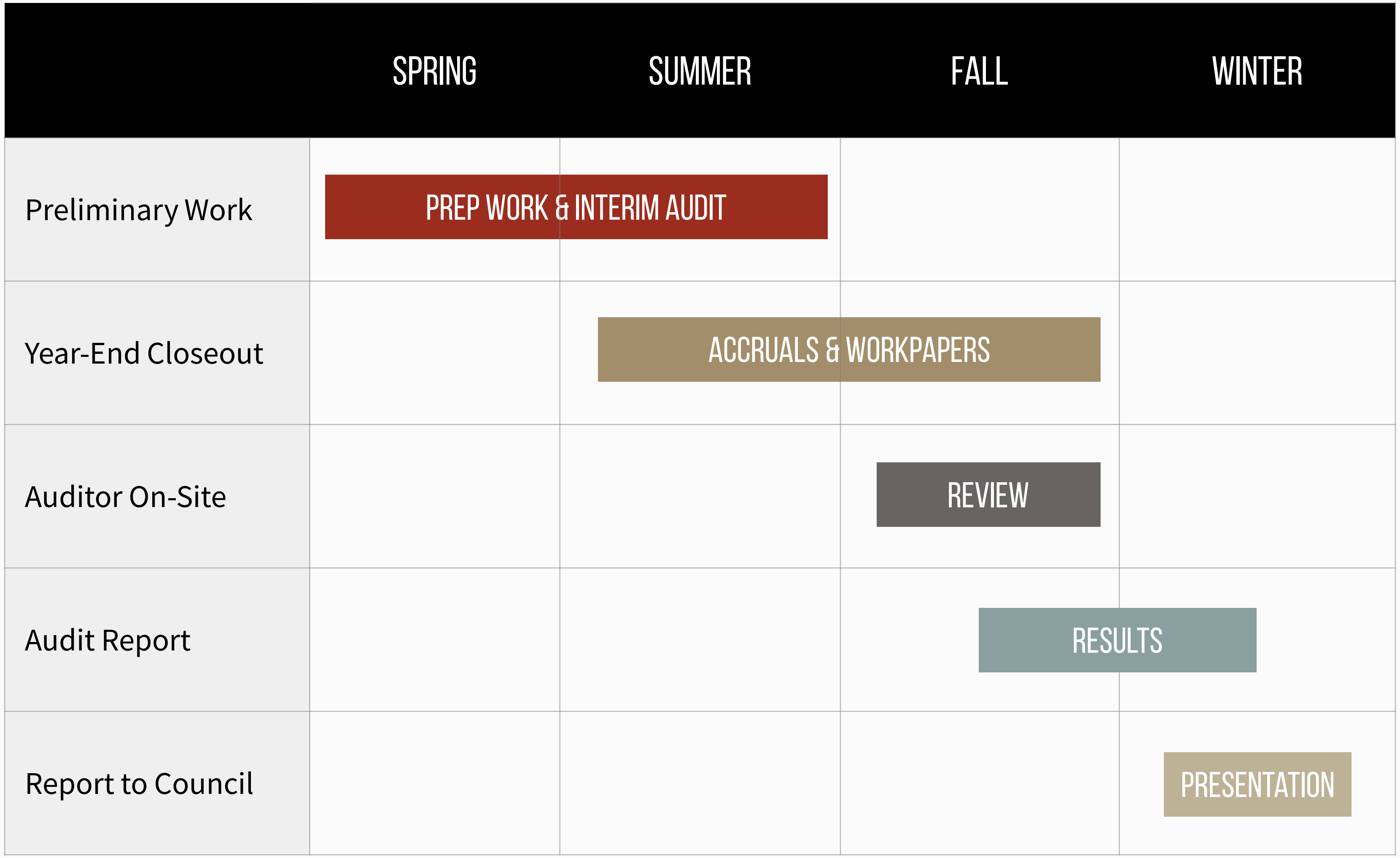
**GASB = Governmental Accounting Standards Board

OVERSIGHT

Annual audits must be conducted by a certified independent auditor licensed in Oregon.
(ORS 297.425)

AUDIT PROCESS

THE "WHEN"



REQUIRED COMMUNICATION

(AUC 260)

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

- Financial statements contain estimates made by management.
- Management selects accounting policies.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

- No significant difficulties were noted.
- No disagreements with management occurred.

CORRECTED AND UNCORRECTED MISSTATEMENTS

- Misstatements were not material to the financial statements (i.e. not significant enough to record).

OVERALL AUDITOR FINDINGS

01 FINANCIAL STATEMENTS

- Opinion
- Government-Wide Statements
- Governmental Fund Statements
- Enterprise Fund Statements

02 INTERNAL CONTROLS

- Internal Controls
- Prior Year Findings Corrected
- Governmental Auditing Standards

03 FEDERAL AWARDS

- Major Programs (Airport, C.D.B.G.)
- $6.4M Grant Expenditures
- **Two (2) Significant Deficiencies**

04 PASSENGER FACILITY CHARGES

- Revenues collected/applied $1.8M

APPRECIATION

CITY LEADERSHIP

DEPARTMENT HEADS AND STAFF

CENTRAL SERVICES

SLIDE / 8

NEXT STEPS

01 RESOLUTIONS (NOT REQUIRED)

02 BACK TO WORK
FISCAL YEAR 2024 AUDIT PREP

ANNUAL COMPREHENSIVE FINANCIAL REPORT

THE "REPORT"

ACFR Components	
Independent Auditor's Report	Audit Report to the Mayor & City Council from Auditor • Opinion on financial amounts reported
Management Discussion & Analysis	Report from Management to ACFR Readers
Basic Financial Statements	City-wide financial reports with notes
Supplemental Information	Budget-to-Actual financial reports by fund
Statistical Section	Long-term financial data of the City
Reports of Independent CPA	Additional Audit Reports to the Mayor and City Council from Auditor • ORS Compliance • Internal Controls • Passenger Facility Charges • Federal Grant Awards • Schedule of Findings

VILLAGE SQUIRE REDEVELOPMENT

CITY COUNCIL – 2/27/24

TONIGHT'S DISCUSSION

- SITE BASICS
- OWNERSHIP STATUS
- EXPECTED TIMELINE

SITE BASICS

- FORMER 24-ROOM MOTEL
- ½ ACRE SITE, 2 BUILDINGS @ 14K SF
- KEY VISUAL GATEWAY TO DOWNTOWN

SLIDE / 3

OWNERSHIP STATUS

SLIDE / 4

- DEVELOPER IN DILIGENCE
- INTENTION TO CONVERT TO HOUSING
- MIX OF WORKFORCE & MARKET RATE

EXPECTED TIMELINE

- CITY PARTNERSHIP REQUEST MARCH
- PLANNING REVIEW INTO SUMMER
- RENOVATION COMPLETE LATE 2024

SLIDE / 5

CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: February 27, 2024
TO: City Council
THROUGH: Keith Witcosky, City Manager
John Roberts, Deputy City Manager
FROM: Linda Cline, Housing Program Analyst
SUBJECT: Cinder Hollow Neighborhood Project Master Developer Contract Award to Rooted Homes and authorize negotiation of a Disposition and Development Agreement

---

Report in Brief:
This item requests City Council award the Request for Qualifications (RFQ) for the Master Developer of the Cinder Hollow Neighborhood Project to Rooted Homes and authorize the negotiation of a Disposition and Development Agreement.

Background:
In January 2024, the City issued an RFQ seeking an entity to manage the development of the Cinder Hollow Housing Project. The respondents could include a single developer, a partnership, consortium, or other arrangement that brings together the necessary development capacity, experience, and capital to achieve the vision of Cinder Hollow.

The Project:
Cinder Hollow is located at a former cinder quarry. In spring 2023, the 8.34-acre parcel was purchased from Deschutes County for $247,000. The source of funds used for the purchase was federal Community Development Block Grant (CDBG) dollars. The site is located at the base of Forked Horn Butte near schools and parks. The City envisions at least 30 units of ownership housing, including a mix of detached single family homes, and duplex units. Because CDBG funds were used for the acquisition of the property, 100% of the units must be affordable at or below 80% AMI.

The cross streets to the site are SW 31st Street, between SW Wickiup Street and SW Xero Street, directly west of Redmond Memorial Cemetery, and is zoned Limited Residential R-2. Given the topography, approximately 5-acres are buildable.

Project Objectives:
The vision of Cinder Hollow is to incorporate sustainable design in affordable home ownership units for citizens of Redmond. The Cinder Hollow neighborhood anticipates attracting families, individuals, professionals, and seniors, of varied socio-economic backgrounds and first-time homeowners. The unit type and count may vary due to the flexibility needed in this type of development at this early stage. As a previously undeveloped site, infrastructure needs for this project are considerable.

Discussion:
An RFQ was issued in January 2024 to solicit a Developer with demonstrated qualifications and experience to enter into a collaborative public-private partnership with the City to develop Cinder Hollow. A pre-submittal meeting was conducted as an opportunity to ask questions about the Project and RFQ process. Subsequently, a request for clarification was posted on the City's website during the recruitment period.

One submission to the RFQ for Master Developer of Cinder Hollow was received and evaluated by staff and members of the Housing and Community Development Committee (HCDC). Staff and HCDC members recommend the Council award the RFQ to Rooted Homes. Rooted's proposal is attached to this staff report. Rooted Homes will attend the Council meeting to discuss their vision for the project.

The minimum qualifications identified in the RFQ for the Developer were:

1. Be a non-profit organization, or be in a partnership in which a non-profit organization is the primary Developer of record.
2. Have demonstrated experience in developing affordable and workforce housing projects (planning, permitting, financing, building, and ensuring professional operations of developed affordable and workforce housing).
3. Have familiarity with the federal CDBG program and related requirements.
4. Have a minimum of five-years of experience with relevant projects of similar scope of services or objectives.
5. Have demonstrated experience with similar public/private partnerships for development.
6. Have a commitment to diversity, equity and inclusion as demonstrated through project development, construction, and operations.

The next step is negotiating a Disposition and Development Agreement (DDA) with Rooted Homes. The DDA serves as an agreement between a property owner (most often a public entity) and a property developer where the owner agrees to convey property to the developer in exchange for the developer agreeing to develop the property according to the terms of the agreement. The main elements often address the entity's goals, the project's financing, benchmarks that the developer must achieve, conditions associated with the entity's conveyance of the property to the developer and an allocation of responsibility for infrastructure financing and improvements.

Fiscal Impact:
The City may use CDBG funds for the expenses associated with conveying the real property to Rooted Homes. CDBG funds may also be used in subsequent years for Homeownership Assistance.

Financial resources to improve 31st Street to City standards and sewer extension are needed to make the project successful. The associated off-site and on-site infrastructure costs are estimated to be ~$2M. To this end, the City has applied for $2.63 million in Housing and Urban Development (HUD) PRO Housing grant funding intended for improvements necessary for development of the site. If awarded, the City will enter into a sub-recipient agreement with the developer for use of these funds, similar to agreements executed for the use of HUD CDBG funding. In addition, the City has submitted a request through the Congressional Direct Spending process for associated infrastructure costs as well as with the League of Oregon Cities.

Public funding is critical to keep the project moving forward and successful development of affordable housing. If funding is not obtained from the above sources, the City will need to continue to work with Rooted Homes to find additional resources. The City has started internal conversations regarding the off-site costs associated with improving 31st Street and sewer capacity, and opportunities that might exist through leveraging Capital Improvement Projects.

Alternative Courses of Action:
1. Award the RFQ for Master Development of Cinder Hollow to Rooted Homes.
2. Request additional information.
3. Do not award the RFQ.

Recommendation / Suggested Motion:
"I move to award the Cinder Hollow Project Master Developer Request for Qualifications to Rooted Homes, and authorize the City Manager to enter into a Development and Disposition Agreement consistent with the requirements imposed by the Housing and Urban Development Community Development Block Grant program."

A. Letter of Transmittal

1/23/24

City of Redmond
Attn: Kayla Duddy, Deputy City Recorder
Cinder Hollow RFQ
411 SW 9th Street
Redmond, OR 97756
kayla.duddy@redmondoregon.gov

RE: Cinder Hollow RFQ Response Letter of Transmittal

Dear Kayla Duddy,

Kor Community Land Trust (DBA RootedHomes) respectfully submits to the City of Redmond's Master Developer of the Cinder Hollow Neighborhood Project RFQ. As one of the premiere non-profit affordable homeownership developers in Central Oregon, RootedHomes has the capacity, interest, and expertise to transform the identified parcel into a thriving and sustainable community for homebuyers with low-incomes. The following information identifies the duly constituted official legally authorized to bind the applicant to both its qualifications and schedule, with authority given by RootedHomes' Board of Directors as a co-signer.

Jackie Keogh, Executive Director
Kor Community Land Trust (DBA RootedHomes)
150 NE Hawthorne Ave #150, Bend, OR 97701
(541) 247-1244
jackie@rootedhomes.org

The respondent identified above is both the person responsible for submission, as well as authorized to represent RootedHomes and correspond with directly.

Thank you for your consideration,

Jackie Keogh
Executive Director
RootedHomes

Brett Dery
Board Secretary

RootedHomes

B. Table of Contents **Starts On**

C. Executive Summary

Non-profit affordable housing developer, RootedHomes, proposes developing the Cinder Hollow Neighborhood project. As lead developer, RootedHomes will oversee the development of the site, construction of the homes, and selection of and sale to the qualified homebuyers. As Central Oregon's Community Land Trust, RootedHomes will continuously own the land to ensure that these homes are permanently affordable for households earning up to 80% AMI. With each subsequent resale, this will create a revolving and permanent pipeline of affordable homeownership units in the City of Redmond.

In the past three years, RootedHomes has completed 17 affordable homeownership units across three projects in Bend, 40 affordable homeownership units in one project under construction, and 41 affordable homeownership units in Redmond in pre-development. To assist RootedHomes in capacity given this current pipeline, RootedHomes will work with development consultant, Rick Hayes of Hayes Project Management. Hayes' former experience as a Board Member for RootedHomes for eight years, twice as Board President, and Brooks Resource's Real Estate Director for the past four and a half years will ensure a strong partnership to meet the City of Redmond's timeline and development needs.

RootedHomes proposes transforming the Cinder Hollow Neighborhood project's approximately 5 acres of buildable land into at least 30 units of permanently affordable homeownership units. The Cinder Hollow Neighborhood project, as designed by RootedHomes, will meet the organization's three values of affordability, sustainability, and equitable access. RootedHomes will design the community to serve its priority population of first-time homebuyers earning less than 80% AMI, with family housing needs and outreach priority given to People of Color. To meet these needs, RootedHomes is committed to residential-driven design that will include the Redmond community in site and home design. RootedHomes has a strong track record of this community design and based on other Redmond projects anticipates community feedback will result in a design mix of single family and duplex homes split between 3-bedroom, 2 bath homes and 2-bedroom, 2 bath homes, averaging 1300 square feet. A majority of the homes will ideally have a bedroom, laundry, and bath on the first floor to ensure homeowners can age in place and support accessibility needs.

With the second organizational value of sustainability, all RootedHomes communities are built to goal-net-zero energy standards and each home includes solar panels. This increases the affordability and ensures the homeowners' utility bills will average to no more than $12 per month. To expand beyond a sustainable home to a sustainable community, each household will likely receive an electric bike, in addition to their single parking space. The parking will also have electric vehicle charging stations available. Moreover, community gardens, green space, bike and walking paths, and a playground are considered in the site design.

In support of RootedHomes third value of equitable access, first-generation homebuyers and local workforce will be given preference to purchase a home in the Cinder Hollow Neighborhood Project. While RootedHomes' housing lotteries are open to the public, these preferences will increase access to local households who have been locked out of the opportunity to build wealth through ownership. In its most recent housing lottery using these preferences, RootedHomes homeowners were 100% first-time homebuyers, 100% local workforce, 71% first-generation homebuyers, and 58% People of Color.

D. Experience, Qualifications and Reference

1. IRS determination letter attached

2. RootedHomes is a Bend-based non-profit with 7 employees. RootedHomes is led by Executive Director, Jackie Keogh, who brings over a decade of experience in managing local, state, and federal public subsidies to develop affordable housing. Keogh's previous affordable housing development experience includes managing LIHTC projects in Boston, MA; managing homeownership policy for the Portland Housing Bureau, and serving as Deputy Director at the largest Community Land Trust in the Pacific Northwest. Under Keogh's supervision, RootedHomes has completed 17 units of affordable housing across three communities, has 40 in construction, and has over 100 units in pre-development.

RootedHomes recently promoted Karl Dinkelspiel to Deputy Director at RootedHomes. Karl brings over 26 years of experience in the field of real estate development, finance and planning. He previously served as a Development Manager at Prosper Portland and the Affordable Housing Programs Manager (Assistant Director) at the Portland Housing Bureau. Karl was instrumental in the creation of Portland's first-ever affordable housing bond and inclusionary housing programs and co-led the North/Northeast Neighborhood Housing Strategy which, among other things, sought to assist over 70 new homeowners who had experienced racially-based housing discrimination by the city. Karl also became PHB's expert in affordable homeownership development projects managing nearly all the agency undertook with partners such as Proud Ground and Habitat for Humanity.

Gina Franzosa serves as RootedHomes' Real Estate Director. Franzosa has worked in the fields of engineering and project management for over 20 years, with an emphasis on sustainable building strategies in public and not-for-profit institutions. Prior to joining RootedHomes, Gina managed major development projects for Bend-La Pine Schools, Lewis & Clark College, and Trimet. She was also the inaugural State Director for the Cascadia Green Building Council and was influential in advancing sustainable development practices statewide.

3./4. Since 2018, RootedHomes has leveraged private-public partnership to act as lead developer of its affordable housing communities in Central Oregon, as follows:

Korazon - 5 units of cottage cluster, single-family affordable homeownership development located at 21221 Hurita Place in Bend. These deed-restricted units were designed as 2 bedroom homes for households earning 40-120% AMI. The $1.5M project began in 2018 and was completed in 2021 using funds from Bend Community Development Block Grant (CDBG); Oregon Housing and Community Services (OHCS) Local Innovation Fast Track (LIFT), and WaFd Bank.

Crescita - 5 units of cottage cluster, single-family affordable homeownership development located at 2500 NE 8th Street in Bend. These deed-restricted units were designed as 1 bedroom homes for households earning 40-120% AMI. The $2M project began in 2019 and was completed in 2023 using funds from City of Bend CDBG; OHCS LIFT; and WaFd Bank.

Rooted at Poplar- 7 units of cottage cluster, single-family affordable homeownership development located at 19946 SW Poplar Street in Bend. These deed-restricted units were designed as 3 bedroom homes for households earning 40-120% AMI. The $3.5M project began in 2022 and was completed in 2024 using funds from City of Bend CDBG; OHCS LIFT; Deschutes County, and construction lender Washington Trust.

Rooted at Simpson - 40 units of cottage cluster, single-family affordable homeownership development located at 19755 SW Poplar Street in Bend. These deed-restricted units were designed as 2 and 3 bedroom homes for households earning less than 80% AMI. The $20M project was awarded land by Deschutes County in 2022 and homes are scheduled to be completed in phases from 2024 into 2025 using funds from City of Bend CDBG; OHCS LIFT; Bend MPO; Deschutes County; and construction lender WaTrust.

In addition to these completed and under construction projects, RootedHomes also has 41 homes across two communities in pre-development in the City of Redmond located at 345 NW

19th Ave and 1699 W Antler. If funded by OHCS in May 2024, RootedHomes expects to begin construction as lead developer in 2024 with completion by 2026.

5. The Cinder Hollow Project would be managed by RootedHomes' senior staff (Jackie Keogh, Executive Director and Karl Dinkelspiel, Deputy Director) and its consultants as follows. RootedHomes anticipates leveraging its strong development team to complete the Cinder Hollow, all of which have 3+ years of experience working with RootedHomes. This includes: General Contractors Solaire Homebuilders and O'Brien Build + Design; Local architect, Ten Over Studio; Civil and structural engineers, Ashley Vance Engineering and Lord Consulting; Transportation engineer, Transight Consulting; Land use consultant, Blackmore Consulting; mechanical, electrical and plumbing engineer, Solara Consulting; Environmental Engineer, Wallace Group; and Sustainability consultants from Energy Trust of Oregon. Personnel of each firm are subject to change based on availability.

6. To ensure the Cinder Hollow project can fit within RootedHomes' pipeline, the organization has contracted with Rick Hayes of Hayes Project Management. Rick's passion for affordable housing developed over time in Central Oregon as the price of housing rose to a point where median wage earners were forced to commute for their jobs or were not able to buy a house at all. In response, Rick joined the Rooted Homes board of directors eight years ago in an effort to mitigate the housing crisis. With Rooted Homes now in such a strong position and to allow new leadership to take the lead on the board, Rick has finally termed off the board and is excited to work with Rooted Homes as a Development consultant and partner in this project. Rick has over 30 years of construction and development experience in Central Oregon and recently shepherded development of the Discovery West neighborhood for Brooks Resources during his tenure at Brooks Resources. Rick had sole responsibility for subdivision phase design management, permitting, construction, and platting. While pursuing private development work in the late 2000's, Rick developed subdivisions in Bend and entitled projects in Bend, Redmond, and Idaho. Rick has been president of two homebuilding companies in the past and brings a unique perspective having been involved in the details of both land development and home building projects, fostering an integrated approach in the delivery of both.

7. Letters of support from Rick Hayes and OHCS are attached.

E. Response to Scope of Services

1. RootedHomes' strategic plan (https://rootedhomes.org/strategic/plan-2022-2025) identifies the goal for RootedHomes to step into its role as Central Oregon's Community Land Trust by expanding its pipeline beyond the City of Bend. Moreover, the City of Redmond's homebuyers better match RootedHomes' priority population. RootedHomes has thus expanded to the City of Redmond with 41 homes in pre-development and relocation of its offices. The Cinder Hollow Neighborhood project meets both the City of Redmond and RootedHomes' shared goals to increase its Redmond affordable homeownership production. Since 2022 RootedHomes has been familiar with the Cinder Hollow Neighborhood site, having met with the City of Redmond

on and off site many times to discuss feasibility, proforma, and timeline to support the City in meeting its goals for the site.

2.Given this deep understanding of Cinder Hollow, RootedHomes estimates 1-2 hours per week from housing staff to support coordination of the project. This may result in a weekly meeting between housing, public works, and community development to efficiently move the project forward in order to meet the City of Redmond's timeline. Specifically, the City of Redmond can exemplify a true private public partnership by: assisting in bringing infrastructure funding to the site; prioritizing this project with its affordable housing and legislative funding; and coordinating with Deschutes County property tax exemption as necessary. Most importantly, in order to meet the City of Redmond's timeline, RootedHomes requests that all of its permits, submittals, and review processes be expedited (defined as moved to first in line with for submittal and resubmittal).

3.RootedHomes' outline strategies to facilitate development of needed infrastructure is as follows: Redmond's 2023 Pro Housing proposal provides useful insight into how infrastructure would be extended to the site. The sketch prepared by the city's engineering department and included with the application shows water and sewer services placed in a new roadway connecting in a "L" shape SW 32st St. on the north and SW 31st St. on the east. The engineering department estimated total cost for this (and other related) infrastructure work at approximately $2.5M including contingency and developer fee. The application also shows water service available in SW 31st St with sewer service planned there as well, connecting to existing lines to the north. If awarded, RH will discuss this layout and these plans with the city. However, RH's conceptual thinking to date has centered on a "U" shaped layout with one or two access points from SW 31st St. (only). The advantages of this layout include not disturbing the slopes where a new SW 32st St. would run, thus avoiding potentially extensive grading costs and impacts, and concentrating development on the east side of the site, leaving even more open space, something that may appeal to the surrounding neighbors. While the proforma uses the city's engineering cost estimates, RH believes infrastructure costs could be lowered somewhat with this configuration.

F. Proposed Timeline to Complete the Development

- Q1 2024 City of Redmond (COR) tentative award.
- Q2 2024 RH begins conceptual design in partnership with COR staff and leadership. In parallel, COR captures funding for off site improvements.
- Q3 or Q4 2024 RH completes conceptual design and funding and finance plan. Presentation to city leadership as desired. Rooted Homes is assigned funding for offsite improvements and works with City Staff to design and gain approval for off site improvements.
- Q3-Q4 2024 COR and RH partner on creation of a draft purchase and sale agreement.
- Q1 2025 PSA executed. RH submits a funding application to OHCS. Off site improvements are bid out and work begins in late Q1.

- Q2 - Q3 2025 OHCS awards project funding, project closes. Off site improvements are completed.
- Q1 - Q3 2025. Design and permitting for on site improvements. Construction team assembled. Secure commitments for necessary funding. Master Permitting for structures approved by the City of Redmond.
- Q4 2025. Final plan and permit approval, closing of property purchase and all financing. Construction begins in October.
- Q2 2026 Begin homebuyer marketing.
- Q3 2026 Run housing lottery to select homebuyers.
- Q3 2026 Income verify selected homebuyers.
- Q4 2026 Homebuyers sign PSA and complete HUD classes and counseling.
- Q2 2027 Homes completed.
- Q2 2027 Homeowners close on homes, deed restrictions recorded on homes.

The above timeline assumes an application to OHCS for funding in early 2025. However, it might be possible to speed up this timeline by targeting application submission immediately before the end of OHCS' 2024 cycle which closes in late August. If awarded, RH would discuss the pros and cons of this approach with the city. This faster timeline would be dependent on the COR's pace in managing the first four bullet points in the timeline.

G. Demonstrated Financial Capacity and Ability

1.T**he Land Trust Model at RootedHomes**. RootedHomes was developed in line with the national Community Land Trust standards and recently completed an internal program audit to ensure its policies and practices were best incorporating all elements of the Community Land Trust model. In this model, RootedHomes permanently owns the land under the home and leases it back to the homeowner through a 99 year renewable land lease. This deed restriction structure allows RootedHomes to ensure that upon resale the new owner will also be income qualified. RootedHomes' shared-equity program uses a fixed-rate resale formula of 1.5% compounded annually.

2. RootedHomes' proforma is based, in part, on the following assumptions:

Subsidy: RootedHomes has successfully accessed a multitude of state funding programs through OHCS, as well as ODOT and Business Oregon. In OHCS' most recent LIFT round, RootedHomess application was ranked second in the state and was one of only two that received the full amount of its funding request.

RootedHomes has built a preliminary development proforma for this application process. Based on RH's past and current/in construction projects the initial total cost is estimated at roughly $14M. Of that, RH currently estimates a need for approximately $4.8M in OHCS LIFT funds to balance the budget. If awarded the site, RH would apply for these funds in either OHCS' 2024 or 2025 round. Application submission timing is dependent on at least two major factors: 1) when the City of Redmond can provide RootedHomes with a signed purchase and sale agreement for the site (this is a threshold requirement for OHCS); and 2) if Redmond's HUD PRO Housing Application is awarded to help fund the site's infrastructure needs. If the PRO Housing application is not successful, RH would partner with the city to identify other potential city sources while also potentially seeking other public and/or private sources.

RootedHomes has strong relationships with private and pre-development and construction loan sources which have included Washington Trust Bank, Washington Federal Bank, Oregon Community Foundation, Network of Affordable Housing (NOAH), and Central Oregon Health Council. RH has already contacted Washington Federal Bank and they have indicated an openness to consider a construction loan for the project.

Pricing: Rooted Homes uses its home pricing procedure policy to price homes based on the following: 1) eligible household size equals the bedroom size plus one. This means three bedrooms are priced for four-person households and two-bedrooms are priced for three-person households; 2) current Oregon Bond Residential Loan Program ("Oregon Bond") interest rate plus 100 basis points as a hedge. Currently this equates to a 6.25% interest rate; 3) RH permanently restricts homes to buyers earning 80% of area median income (AMI) or less. However, homes are typically priced 15% lower, at 65% AMI, to account for price appreciation and wealth creation for buyers; 4) pricing includes property taxes, insurance, the homeowners association (HOA) fee, lease fee, lender approved back-end ratio, and required down payment; 5) comparative analysis of the minimum required salary to salaries of the workforce in the City of Redmond. RH has regularly accessed down-payment assistance for it buyers. The draft project proforma has not included these resources. However, if RH is successful in obtaining them, homes would become even more affordable for buyers. Given the above, the proforma shows 2-bedroom homes priced at $227,069 and 3-bedroom homes at $259,229 - these are subject to change as the project is further refined.

Budget: The proforma's development budget and timeline for construction is based on an actual, similar RootedHomes city of Redmond project of 22 homes at 345 NW 19th St. currently in the early application phase. Total development cost is estimated at an average of roughly $470,000/home with (hard) construction costs of the homes (only) at roughly $235,000/home. Other costs including infrastructure, planning, design, permitting, city system development charges, financing and compensation to the general contractor and Rooted Homes comprise the rest. RootedHomes has also factored in approximately 5% escalation to account for an extended timeline of the Cinder Hollow project. Additionally, RootedHomes carries 5% contingencies for each of hard and soft costs.

H. Compliance with State and Federal Provisions

1. RootedHomes has a strong history of successfully executing and managing compliance of its HUD federal and state funding for the past 5 years. In addition, RootedHomes' Deputy Director, Karl Dinkelspiel, managed and oversaw all Portland Housing Bureau (PHB) programs including the city's federal entitlement funds, Community Development Block Grant and HOME. PHB made available its federal funds to affordable housing developers and owners in nearly every

year of Karl's approximately ten year tenure with the agency. Karl also managed a team of three construction coordinators, who among other things, were charged with ensuring implementation of the city's minority, women and emerging small business (MWESB) goals and programs. With only a handful of minor exceptions, PHB's goals of 20% MWESB participation were met or exceeded in every project. RH will leverage Karl's experience with all these programs and initiatives should it be awarded the Cinder Hollow site. In its past three completed projects, RootedHomes has achieved 21% MWESB participation by project cost.

BOLI. For residential projects, triggering the Oregon Bureau of Labor and Industries (BOLI) prevailing wage requirements can increase (hard) construction cost by between 5% and 15%. RH strongly supports paying living wages to all people working on its projects. However, BOLI's involvement in a project adds significant complication and diminishes the flexibility of the project's contractors to price and administer their work. While the budget anticipates the project receiving more than $750,000 of "funds of a public" agency, the BOLI threshold, RH plans to structure the project so as to meet the exemption criteria contained in ORS 279.C. which apply if at least 60% of homeownership units are affordable at 80% AMI or below. If this is not possible, feasible, or desired by the city, RH will adjust its plans for the project, including increasing estimated project costs.

Davis-Bacon. RH understands that CDBG was used to purchase the property. However, this in and of itself would not trigger application of Davis Bacon (D-B) requirements for construction on the site. Redmond has applied for a PRO Housing grant (the program follows CDBG rules) and may have access to other CDBG funds which might be used to fund infrastructure either off or on site or both. While using federal dollars to fund infrastructure would be highly beneficial, it might complicate the project by triggering Davis Bacon wages and related compliance and reporting. It is anticipated that D-B requirements would apply to the aspects of the infrastructure directly funded by CDBG, however, additional research would be required to understand potential impacts, if any, to the construction of the housing units themselves. As with BOLI, if Davis Bacon wage rates were required, RH would likely increase estimated project costs. Historically, RootedHomes has applied to BOLI and BOLI has exempted all aforementioned projects.

Copeland and Build America Acts and Section 3. As discussed in the Davis Bacon section, utilizing CDBG for property purchase only would not automatically lead to application of the Copeland and BABA acts or Section 3 requirements. If Redmond receives and applies additional CDBG for aspects of construction, RH will partner with the city to understand and implement those federal requirements including compliance and reporting.

2. RootedHomes has managed the City of Bend Community Development Block Grant for the past 5 years. In its 2023 HUD review of the management of these federal funds, the City of Bend had no findings. RootedHomes has also managed HUD's SHOP program and ARPA funds.

3. RootedHomes acknowledges the systemic racism in the country and acutely in the state of Oregon that has disproportionately limited People of Color households from building wealth through homeownership. In Central Oregon, this significantly impacts the Latino community, where in Deschutes County only 39% of Latino households own a home compared to 68% white households. RootedHomes' own data collected from interested homebuyers demonstrates a strong need from the Latino community. Overall, 20% of all RootedHomes prospective homebuyers identify as Latino, which is greater than the City of Redmond's demographics where only 14.13% of the population identifies as Latino (2021 American Community Survey (ACS) Housing Estimates).

RootedHomes has committed to programmatic strategies and community design that break down homeownership barriers to its priority population - People of Color households, earning less than 80% AMI, with family housing needs. RootedHomes ensures equitable access using its civil rights legal opinion that allows RootedHomes to give 1 preference point to first-generation households; 1 preference point to Housing Works clients who are extremely and very low-income (40-80% AMI); and 2 preference points to the local workforce. This ensures more equitable access to RootedHomes' affordable housing for its priority population. In its last housing lottery using these preferences, RootedHomes housed 71% first-generation homebuyers, 58% People of Color households, and 100% local workforce households.

RootedHomes has a native Spanish-speaker on staff, as well as a Spanish specific communications and outreach plans. Additionally, RootedHomes' homeownership program policy includes a translation, interpretation, and reasonable accommodations. All of these policies are readily available upon request.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: MAY 22 2015

KOR COMMUNITY LAND TRUST
1384 NW SAGINAW AVE
BEND, OR 97701

Employer Identification Number:
47-1089244
DLN:
17053316329044
Contact Person:
MRS T FARR ID# 52404
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
July 16, 2014
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,

Tamera Ripperda

Director, Exempt Organizations

Letter 947

OREGON HOUSING and COMMUNITY SERVICES
725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

1/22/2024

City of Redmond
Attn: Kayla Duddy, Deputy City Recorder
Cinder Hollow RFQ
411 SW 9th Street
Redmond, OR 97756

RE: Master Developer of the Cinder Hollow Neighborhood Project

To Whom It May Concern,

Oregon Housing and Community Services (OHCS) is Oregon's housing finance agency. OHCS has funded Kôr Community Land Trust's (DBA RootedHomes) affordable homeownership communities since 2018. RootedHomes' expansive pipeline and attention to compliance has solidified its strong relationship with OHCS. In 2023, OHCS awarded RootedHomes their full LIFT ask as well as a Pre-Development and Capacity Building grant to support future developments.

At a time when Oregon's Governor calls for a significant increase in affordable homeownership opportunities, RootedHomes' pipeline makes a real impact in achieving that goal in Central Oregon. OHCS supports RootedHomes' submission to the City of Redmond to serve as the Master Developer of the Cinder Hollow Neighborhood Project. RootedHomes has more than 100 units in development in the City of Redmond, and the Cinder Hollow Neighborhood Project would build from that strong pipeline and relationship with the City of Redmond.

OHCS supports the City of Redmond's consideration of awarding RootedHomes as the Master Developer of the Cinder Hollow Neighborhood Project

Thank you for your consideration,

Keeble Giscombe
Director of Homeownership at
Oregon Housing and Community Services

Rick Hayes
Hayes Project Management
3194 NW Celilo Ln #1
Bend OR 97703

1/22/2024

City of Redmond
Attn: Kayla Duddy, Deputy City Recorder
Cinder Hollow RFQ
411 SW 9th Street
Redmond, OR 97756

RE: Master Developer of the Cinder Hollow Neighborhood Project

To Whom It May Concern,

As one of the first board members of RootedHomes (formerly Kor Community Land Trust) as a nonprofit entity, I have seen the capabilities and capacity of the organization grow tremendously, furthering the important mission of affordable home ownership opportunities in Central Oregon. For much of that time, I have been the Director of Real Estate Development for Brooks Resources. As an organization, Brooks Resources leadership has become very impressed with RootedHomes progress in furthering the affordable housing mission in Central Oregon and has also been impressed with the rapid establishment of Rooted Homes as the community driver for affordable housing development in Central Oregon.

At a time when Oregon's Governor calls for a significant increase in affordable homeownership, RootedHomes' pipeline makes a real impact in achieving that goal in Central Oregon. I support RootedHomes' submission to the City of Redmond to serve as the Master Developer of the Cinder Hollow Neighborhood Project. RootedHomes has more than 100 units in development in the City of Redmond. The Cinder Hollow Neighborhood Project would build from that strong pipeline and relationship with the City of Redmond.

I wholeheartedly support the City of Redmond's consideration of awarding RootedHomes as the Master Developer of the Cinder Hollow Neighborhood Project

Thank you for your consideration,

Rick Hayes

Rick Hayes,
Hayes Project Management
Former Brooks Resources Real Estate Development Director
Former RootedHomes Board member

Hayes Project Management Scope of Responsibilities:

Leadership and Team Management:

- Lead Project development under the supervision of Rooted Homes Executive team , providing strategic direction and leadership to Rooted Homes staff and consultants.
- Foster a collaborative and high-performance culture, mentoring team members for professional growth.

Project Oversight:

- Coordinate and facilitate design and construction activities for offsite and on site infrastructure improvements to provide a single-family lot development, emphasizing timely delivery.
- Ensure compliance with project schedules, budgets, and partner requirements.

Financial Management:

- Assist in the preparation of project budgets and monitor costs throughout the project life, including quarterly reprojecting.
- Oversee financial aspects of projects, collaborating with finance and investment teams.

Contractor and Consultant Management:

- Directly monitor, supervise, and review contractors' work, ensuring alignment with budget, schedule, and contracts.
- Hire and direct the activities of architects, engineers, and other necessary consultants. Rooted Homes contracts and legal team will be utilized to develop necessary contractual documents.

Documentation and Reporting:

- Prepare construction updates for the Rooted Homes executive staff and Board of Directors.
- Prepare and monitor cost estimates, budget updates, and change order reports.

Design and Construction Oversight:

- Review working drawings, house plans, and elevations from builders, approving builder elevations and plans in conjunction with Rooted Homes project team.
- Design and construct amenities and signage with landscape architects, overseeing space planning, budgeting, and material selection.

Safety and Compliance:

- Foster a safe working environment, reviewing OSHA and Worker's Compensation reports with the General Contractor.
- Review and execute contracts from contractors and consultants.

Infrastructure Coordination:

- Work with City of Redmond Engineering and Public Works to coordinate work to be completed off site to bring necessary infrastructure to the site.
- Work directly with home builders, coordinating builder contracts, approvals, and land planning.

Utility and Government Coordination:

- Coordinate with utility providers to ensure timely delivery of services to the community.
- Interface with Redmond City Staff to facilitate plan filing and permit processes.

Project Approvals:

- Attend various meetings for project approvals as needed, including Planning Commission and City Council sessions.

CINDER HOLLOW/RFQ AWARD

TO ROOTED HOMES/AFFORDABLE HOUSING DEVELOPER

REDMOND CITY COUNCIL
FEBRUARY 27, 2024

THE SITE

- **8.35 acres/~5 buildable**
- **May 2023: Purchased from Deschutes County using Community Development Block Grant funds in May 2023**
- **Vision: 30+ homeownership units affordable at 80% AMI and less**
- **Developer must be a non-profit organization**

DEVELOPER SELECTION PROCESS

DEC. 2023

Request for Qualifications (RFQ) for a Master Developer

JAN. 2024

One submission: Rooted Homes

FEB. 2024

The City's Housing and Community Development Committee recommends awarding development to Rooted Homes

SUSTAINABLE + AFFORDABLE HOMEOWNERSHIP

ROOTEDHOMES
BUILDING SUSTAINABLE COMMUNITIES

YOUR COMMUNITY LAND TRUST

- **NON-PROFIT** affordable homeownership developer
- **COMMUNITY-LED** Board of Directors includes homeowners
- **HOUSING WORKS** serves as partner and guarantor
- **$1M BUDGET; $5M ASSETS**

ROOTEDHOMES
BUILDING SUSTAINABLE COMMUNITIES

AFFORDABLE + SUSTAINABLE

- **PERMANENTLY AFFORDABLE** create long-term affordability at no cost
- **NET-ZERO HOMES** reduce utility bills to $12/month
- **AFFORDABILITY RANGE** from 30% AMI - 120% AMI

ROOTEDHOMES
BUILDING SUSTAINABLE COMMUNITIES

QUESTIONS

CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: February 27, 2024
TO: City Council
THROUGH: Keith Witcosky, City Manager
John Roberts, Deputy City Manager
FROM: Linda Cline, Housing Program Analyst
SUBJECT: Resolution #2024-04: A resolution of the City of Redmond approving a property tax exemption for VBT Redmond Landing LP as authorized by Oregon Revised Statute 307.515 to 307.535 and City Council Ordinance 95-05.

Report in Brief:
This item requests City Council consider Resolution #2024-04, granting VBT Redmond Landing LP a 20-year property tax exemption for the development of qualified affordable rental housing.

Background:
Redmond Landing is a proposed affordable housing community located at 1850 SW Umatilla Avenue. The 156-unit development will be built on approximately 9 acres and is designed for individuals, seniors, and families. It will consist of two, three, and four bedroom units, all of which will be energy efficient and deed-restricted at or below 60% of the Area Median Income (AMI).

Redmond Landing has a reservation for the 4% Low Income Tax Credit (LIHTC), and during staff review of the application, Oregon Housing and Community Services expressed high confidence in being able to provide tax-exempt conduit bonds for the project. According to the applicant, at this point, due to rising interest rates and construction costs, the financing is dependent upon use of the City's tax exemption policy in order to allow reduced rents to the 60% AMI level. Without the local tax exemption, the project could not successfully generate enough cash flow without raising rents above 60% AMI.

The City has an existing property tax abatement program that was established February 14, 1995, when City Council adopted Ordinance No. 95-05, allowing property tax exemptions for qualified rental housing development for low-income persons, pursuant to Oregon Revised Statute (ORS) 307.515 to ORS 307.523. Property tax abatement programs are authorized by the State of Oregon and available to local taxing jurisdictions. They are typically used to incentivize the development of specific kinds of housing that are needed in a community.

The City Ordinance #95-05 implemented Sections 2.800 - 2.805 of the City Code. The provisions have only been used once, by Bridge Meadows Redmond LP through a City Resolution in 2020.

The applicant asserts the property tax exemption will result in lower rents for eligible/income qualified residents of Redmond Landing. As required under ORS 307.517, the full value of the property tax exemption will be passed through directly to the residents.

This Council action is just one step towards Redmond Landing receiving the total property tax abatement. The Developer needs to receive approval from at least 51% of effected taxing jurisdictions in order to fully abate the project, and the City represents approximately 26%. If the City approves the abatement, Redmond Landing will next seek approval from the Redmond School District, whose share of the local property taxes is ~37% (which more directly affects the State School Fund vs. a local school district). Agreements from both the City and School District will exceed 51% of the taxing districts, thereby allowing the tax exemption for the entire tax bill for the 20-year exemption period (as allowed under ORS 307.519(2)).

Discussion:

VBT Redmond Landing LP has completed an application for Tax Exemption with the City and meets all the following criteria established in ORS 307.517 and the Ordinance:

- Offered for rent, or held for the purpose of developing qualified low-income rental housing.
- The required rent payments reflect the full value of the tax exemption.
- Submitted sufficient evidence of enforcement mechanisms to assure that the housing to benefit from the exemption will be maintained in decent, safe and sanitary conditions for the occupant.
- Submitted sufficient evidence that the use of the rentals received from low income persons meet the goals and objective of the low income rental housing exemption under ORS Chapter 307.

In addition:

- VBT Redmond Landing and their parent company, Vaughn Bay, have a verified nexus for site control.
- Housing staff from Vancouver, Washington recommend Vaughn Bay as a community partner for building quality housing and hiring responsible management for ongoing operations.

The Resolution approving the property tax exemption is conditioned on the following:

- The Redmond School District approves the tax exemption, for a combined approval exceeding 51% of effected local taxing districts.
- VBT Redmond Landing continues to meet the required provisions of ORS 307.529 to 307.537 throughout the entire tax exemption period.
- VBT Redmond Landing receives the 4% LIHTC and conduit bonds.
- The City and VBT Redmond Landing enter into a "Tax Exempt Agreement" ensuring decent, safe and sanitary conditions for the occupants per City Code 2.805. A key point of this agreement will stipulate that the developer provide the City with proof of a rental property reserve maintenance fund as required by the lender at the closing of financing.

Fiscal Impact:
There will be no direct financial impact, other than the City not receiving a share of the property taxes that would have otherwise been generated by the development (which assumes the development would occur without tax abatement).

VBT Redmond Landing LP estimates the full value of the Property Tax exemption to be ~$300,000 for the first year of operation post-completion (Fiscal Year 2026). The City’s share of first year exemption would be about 26% or $78,000. With the full tax exemption in place, Redmond Landing will be able to provide affordable rent for its tenants. The benefit of the tax exemption will ensure the tenants' reduced rents. All 156-units will be restricted to tenants at no more than 60% AMI.

Oregon Housing and Community Services has reserved $1,971,989 in 4% LIHTC, and anticipates a tax-exempt conduit bond for $27,651,589 once the application requirements are met.

Alternative Courses of Action:
1. Request additional information.
2. Adopt Resolution #2024-04.
2. Deny the request.

Recommendation / Suggested Motion:
"I move to adopt Resolution #2024-04 approving VBT Redmond Landing's Tax Exemption request of the City, and if adopted by at least 51% of the taxing district, authorize the City Manager to enter into a Tax Exempt Agreement with the developer to ensure the property is maintained in decent, safe and sanitary conditions for the occupants."

REDMOND RESOLUTION
RESOLUTION NO. 2024-04

A RESOLUTION OF THE CITY OF REDMOND APPROVING A PROPERTY TAX EXEMPTION FOR VBT REMOND LANDING LP AS AUTHORIZED BY OREGON REVISED STATUTE 307.515 TO 307.535 AND CITY COUNCIL ORDINANCE 95-05

WHEREAS, the City Council adopted Ordinance 95-05 authorizing tax exemptions for qualified rental housing projects on February 14, 1995, consistent with ORS 307.515 to 307.535; and

WHEREAS, VBT Redmond Landing LP submitted an application for tax exemption under Ordinance 95-05; and

WHEREAS, the property meets the requirements of Ordinance 95-05 and ORS 307.515 to 307.535 and City Code 2.800 to 2.805. The property is located within the limits of the City of Redmond and is a multi-unit project containing 156 units that will be occupied by low income households, offered for rent or held for the purpose of developing qualified rental housing, and the required rent payments reflect the full value of the tax exemption; and

WHEREAS, the Redmond School District may consider the tax exemption request, provided the City grants approval for this tax exemption. The combined exempted taxes of the School District and the City exceed 51% of all property taxes imposed on the VBT Redmond Landing LP; and

WHEREAS, VBT Redmond Landing LP qualifies for a property tax exemption under Ordinance 95-05 and ORS 307.515 to 307.535 and City Code 2.800 to 2.805.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDMOND, OREGON, AS FOLLOWS:

Section 1. The property tax exemption for VBT Redmond Landing LP is approved. The exemption is for a period of 20 years, commencing July 1, 2025, under the City's tax exemption program for qualified rental housing, Ordinance 95-05, as allowed under Oregon Revised Statutes 307.515 to 307.535. City staff is directed to take such further steps as are necessary to verify and implement the tax exemption.

Section 2. The project for which the tax exemption is approved is described as follows:

Project name and address: Redmond Landing
1850,1854, 1855, 1859, 1900, 1904, 1908, 1950, 1954,1958, 1962,1965,1966, 1970, SW Umatilla Ave, Redmond, OR 97756

Description of property: The property is identified as 151320DD00100 on the Deschutes County Tax Assessor's Map.

The property is 9.07 acres located at the SE corner of SW Umatilla Av and SW Canal Blvd in Redmond, Oregon.

Applicant name and address: VBT Redmond Landing LP
1911 65th Ave. W.
Tacoma, WA 98466

Owner's name and address: DPS LLC
1911 65th Ave W
Tacoma, WA 98466

Description of housing: 156 units of rental housing, affordable to households at 60% AMI or less.

Description of the portion of project that is approved: 100% of the project is approved for tax exemption.

Section 3. Termination of Exemption. The property tax exemption for the VBT Redmond Landing LP project is subject to the provisions of ORS 307.529 to 307.535 and City Code 2.805 regarding termination of the exemption. If, after an application for exemption under has been approved, the City finds that:

a) Construction or development of Redmond Landing differs from the construction or development described in the application for exemption; and

b) The units are not reserved exclusively for households equal to or less than 60% of area median income; and

c) The Reservation and Extend Use Agreement (REUA) entered into with the State's Housing and Community Services Department has not been executed ensuring 4% LIHTC and Conduit Bond; and

d) Any provision required by the City pursuant to ORS 307.515 to 307.525 is not being complied with, the City shall follow the procedures outlined in ORS 307.529 to 307.535 to terminate the exemption; and

e) Per ORS 307.533, the tax rolls shall be corrected and taxes shall become due beginning January 1 of the first assessment year following the date on which the noncompliance first occurred; and

f) Property is not managed in a manner consistent with a mutually agreed-upon *Tax Exempt Agreement* ensuring the property is maintained in decent, safe and sanitary conditions for the occupants.

PASSED by the Redmond City Council and APPROVED by the Mayor this 27th day of February 2024.

____
Ed Fitch, Mayor

ATTEST:

____
Kayla Duddy, Deputy City Recorder

State of Oregon

County of Deschutes

This instrument was acknowledged before me this ______ day of _____________, 2024 by Ed Fitch, Mayor.

____
Kayla Duddy, Deputy City Recorder

My commission expires_________________

PLANT LEGEND

TREES	BOTANICAL / COMMON NAME	SIZE	QTY
	Acer platanoides 'Crimson King' Crimson King Norway Maple	1.5" Cal. Min. Well Formed 30 FEET OC	10
	Gleditsia triacanthos 'Shademaster' Thornless Shademaster Honey Locust	1.5" Cal. Min. Well Formed 40 FEET OC	50
	Acer palmatum 'Shishigashira' Lion's Head Maple Low multi branching preferred	8' Ht Min. Well Formed	2
	Malus 'Spring Snow' Spring Snow Crab Apple	1.5" Cal. Min. Well Formed 30 FEET OC	23
	Cedrus atlantica 'pendula' Weeping Atlas Cedar	4' Ht. Min. Full/Compact	28
	Cercis canadensis 'Forest Pansy' Forest Pansy Redbud	1.5" Cal. Min. Well Formed	1
	Juniperus s. Sky Rocket Sky Rocket Juniper	4' Ht. Min. Full/Compact	4
	Acer rubrum October Glory October Glory Red Maple	1.5" Cal. Min. Well Formed 40 FEET OC	13
	Acer circinatum (NATIVE) Vine Maple	1.5" Cal. Min. Multi Trnk prfd	45
SHRUBS	DESCRIPTION	SIZE	QTY
	Berberis aquafolium Tall Oregon Grape	2 Gal. Min. 18-24" Ht	54
	Potentilla fruticosa Cinquefoil	1 Gal. Min. 18"-24" Ht.	38
A	Artemsia veriscolor 'Seafoam' Curlicue Sage	1 Gal. Min. 12" Ht.	271
E	Eriophylum lanatum Oregon Sunshine	1 Gal. Min. 12" Ht.	310
	Pinus mugo pumilio or sim dwarf Dwarf Mugo Pine	2 gal min. 18"-24"	218
	Viburnum trilobum 'compactum' Compact American Cranberry	2 Gal. Min. 30" Ht Min.	26
	Miscanthus sinensis 'Gracillimus' or Red Chief Maiden Grass (Red Chief Preferred)	1 gal min. 18"-24"	39
	Perovskia atriplicfolia Russian Sage	2 gal min. 18"-24"	106
	Helictotrichon sempervirens Blue Oat Grass	1 Gal. Min.	285
	Artemesia tridentata sub. tridentata Sage Brush	2 Gal. Min. 18"-24"	17
	Arctostophylos patula Green Leaf Manzanita	2 Gal. Min. 18"-24"	188
	Hydroseed Lawn - low grow eco blend (native) 89,093 SF Total		

TOTAL SITE PROJECT AREA: 395,612 SF
TOTAL LANDSCAPE AREA (15% REQUIRED): 59,341 SF, PROPOSED: 75,287SF (19%)

PARKING LOT AREA: 133,218 SF
PARKING LOT PLANTER AREA: 13,322 SF (10%), PROPOSED: 11,713
PLANT COVERAGE AREA (LESS TREES): 70SF PER PLANTER X 51 = 3570 SF = 30%

1 TREE PER 10 STALLS = $\frac{329}{10}$ = 33 TREES IN PARKING AREA REQUIRED; 45 PROPOSED

PARKING LOT LANDSCAPING
8.3035.5
E. A parking or loading area. A parking or loading area shall be separated from any lot line adjacent to a roadway by a landscaped strip at least 10 feet in width, and any lot line by a landscaped strip at least 5 feet in width. Within the C-2, C-4, MUN, MUE, or Airport zone, street trees or other landscaping located within the public right-of-way may be provided and considered as landscaping on site. The City may make an exception of the five (5) foot landscaping strip requirements if the following criteria apply:
1. The properties are adjacent to one another; and,
2. The parking and back up areas are adjacent to a common lot line. If an exception is granted, an easement shall be recorded on the deed. If at any time the parking area is no longer shared, the parking area shall conform to the five (5) foot landscape strip requirements.
F. Landscape areas abutting parking areas spaces, access aisles and loading zones. Landscape areas abutting parking spaces, access aisles and loading zones shall incorporate a sight obscuring landscape screen. The screen shall be at least 3 feet higher than the finished grade of the parking area, except in required clear vision areas where the clear vision requirements must be met. The screen height may be achieved by a combination of earth mounding and plant materials. Fences with or without slats may qualify for parking lot screening on interior, side, or rear lot lines, or when adjacent to an alley.
G. Parking lot landscaping. In addition to meeting all other landscape requirements, at least ten (10%) percent of the paved parking shall include planting beds at least 5 feet wide, plus a ratio of one tree per ten parking spaces shall be planted.
H. Protection of Parking Lot Landscaping. Parking lot landscaping shall be protected by a curb or secured wheel guards at least 4" high with a minimum threefoot setback from the property line.

8.3025.3
A Landscape Plan. A landscape plan is required for all multi-family complex, commercial or industrial development. The landscape plan shall include the following:
A. Area Required. Each property developed shall show at least the following percentage of the total site or project area to be developed in landscaping.
C-1 = 15%
B. Plant types. Identify the varieties (botanical name) of each plant.
C. Plant size at time of planting. Identify the size of each proposed plant at time of planting. The minimum size of planting shall be one gallon for a shrub and fifteen gallons for a tree, and no less than 1-1/2" caliper measured 3' above finished grade.
D. Location of existing trees. All trees having a tix-inch trunk diameter measured 3' above natural grade or greater shall be shown on the landscape plan.
E. Location of vegetation. Location of existing vegetation to be removed and retained on site.
F. The location and design of new landscaping or landscaped areas.
G. Irrigation. Description of the method of irrigation shall be submitted showing type of irrigation system and approximate location of water delivery lines.
H. Street tree plan. Species and location of each tree to be planted shall be shown on the landscape plan.

1. Street Tree Plan. A street tree plan shall be provided showing the location of street trees, the types and the installation sizes of the trees and the type of irrigation proposed.
2. Timing of Improvements. All street tree(s) shall be installed prior to issuance of a Certificate of Occupancy for said construction. An exception to this shall be when it is not feasible to plant street trees due to cold weather, in which case a posting of a bond for the value of the tree shall be acceptable to ensure the tree is planted at the earliest feasible time as determined by the City.
3. Number of Trees Required. The number of street trees planted on each lot is dependent upon the lot width per the table below:
>151 LF STREET = 40 FEET ON CENTER
An exception to the tree spacing requirements above includes when planting a tree would conflict with existing trees, retaining walls, utilities, driveways, views, or other similar physical barriers. In those cases, the Community Development Director, or designee, may approve alternative spacing.

4. Location of Trees. Street trees shall be planted within existing and proposed planting strips or in City approved sidewalk tree wells on streets without planting strips unless an alternative street tree location is approved during the planning review process. The location of trees shall meet the following setback requirements:

5. Caliper Size. The minimum caliper size at planting shall be 1½ inches for single family residential and 1½ inches for commercial and industrial. If the required caliper is not available, the Community Development Director, or designee, may accept an alternative proposal that is comparable.
6. Approved Tree List. Types of street trees shall be selected from the City Arborist's approved list of trees.
7. Maintenance. Maintenance of street trees shall be in accordance with standards listed in Section 3.600 of the Redmond Code.
8. Utility Easements. All street trees shall be placed outside utility easements unless the utilities are in a protective conduit. If the existing planter strip contains such easements and is not wide enough to also accommodate street trees, the street tree location requirement in section 4 above may be adjusted by the Community Development Director, or designee, during the development review process.

C. Outdoor storage and service areas. Outdoor storage and service areas shall be screened or buffered from adjacent properties or from public rights of way with a minimum 3-foot-tall and wide landscape strip or site obscuring fencing unless otherwise approved when adjacent to a similar use or a use that does not require screening from the proposed use. Screening shall provide no less than 50% visual screening at time of planting or installation and shall be shown by detail or photo.

Nature By Design
Landscape Architecture
1320 Alameda Avenue, Suite B, Fircrest, WA 98466
www.naturebydesigninc.com
253.460.6067

PROJECT:
REDMOND LANDING
1950 SW UMATILLA AVE
REDMOND, OREGON 97756
VBT REDMOND LANDING LP
1911 65TH AVE
FIRCREST, WA

REVISIONS:

DRAWING ISSUED FOR:
AGENCY REVIEW
DATE: JULY 17, 2023

REGISTERED
LA0895
Katherine Owens
OREGON
1/20/2015
LANDSCAPE ARCHITECT

PROJECT NO:	2326
FILE NAME:	2326LSE
DRAWN BY:	KLO
CHECKED BY:	KLO
X-REFS:	CIVIL
PLOT SCALE:	1:1
DRAWING SCALES:	1:40

DRAWING CONTENTS
50% CD LANDSCAPE PLAN

DRAWING NO.:
L1
1 OF 4

ORIG. SHEET SIZE 22X34

LEFT ELEVATION - BUILDINGS 'A'/ 'G'/ 'L'/ 'M' & 'N'

1/8" = 1'-0"

FRONT ELEVATION - BUILDINGS 'A'/ 'G'/ 'L'/ 'M' & 'N'

1/8" = 1'-0"

LEFT ELEVATION - BUILDINGS 'F' & 'K'

1/8" = 1'-0"

FRONT ELEVATION - BUILDING 'F' & 'K'

1/8" = 1'-0"

REDMOND LANDING

EXTERIOR ELEVATIONS

1950 SW UMATILLA AVE, REDMOND,
OREGON 97756

6/12/2023 10:04:38 AM

PR200

R D + A
ROSS DECKMAN & ASSOCIATES INC.
207 4th AVENUE SOUTHEAST,
PUYALLUP, WASHINGTON 98372
P. 253.840.9405
F. 253.840.9503

LEFT ELEVATION - BUILDINGS 'J' & 'H'

1/8" = 1'-0"

FRONT ELEVATION - BUILDINGS 'J' & 'H'

1/8" = 1'-0"

REDMOND LANDING

EXTERIOR ELEVATIONS

R D + A

ROSS DECKMAN & ASSOCIATES INC.
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P. 253.840.9405
F. 253.840.9503

1950 SW UMATILLA AVE, REDMOND,
OREGON 97756

6/12/2023 10:04:50 AM

PR201

LEFT ELEVATION - BUILDINGS 'B' & 'C'

1/8" = 1'-0"

FRONT ELEVATION - BUILDING 'B' & 'C'

1/8" = 1'-0"

PR-REAR ELEVATION - BUILDING 'B' & 'C'

1/8" = 1'-0"

REDMOND LANDING

EXTERIOR ELEVATIONS

1950 SW UMATILLA AVE, REDMOND,
OREGON 97756

6/12/2023 10:05:04 AM

PR202

R D + A
ROSS DECKMAN & ASSOCIATES INC.
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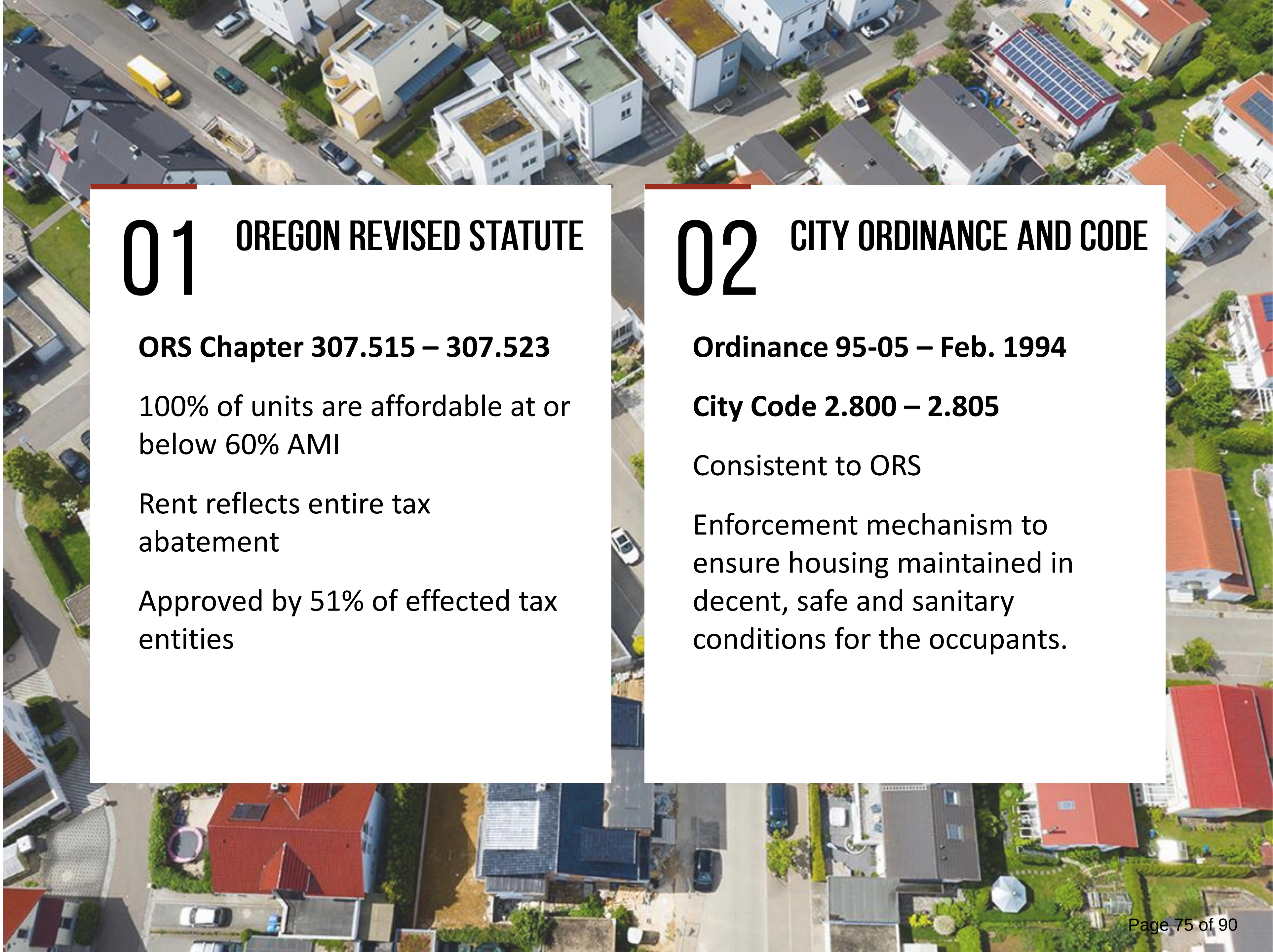
20-YEAR PROPERTY TAX EXEMPTION

REDMOND CITY COUNCIL
FEBRUARY 27, 2024

REDMOND LANDING

- 1850 SW Umatilla Ave
- 156 rental units
- Affordable at 60% AMI or less
- Requesting property tax exemption for 20-years

TAX EXEMPTION PROVISIONS



01 OREGON REVISED STATUTE

ORS Chapter 307.515 – 307.523

100% of units are affordable at or below 60% AMI

Rent reflects entire tax abatement

Approved by 51% of effected tax entities

02 CITY ORDINANCE AND CODE

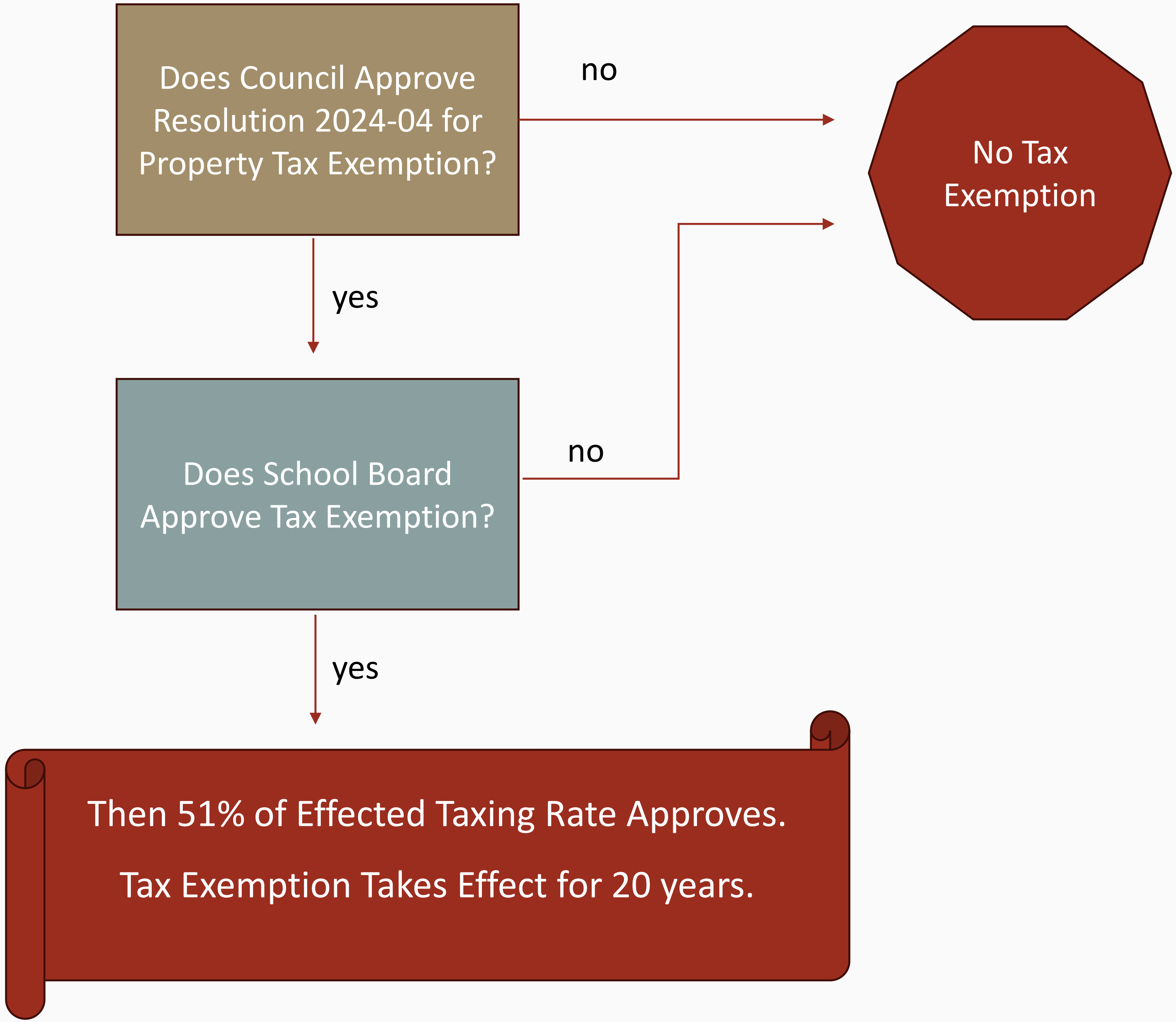
Ordinance 95-05 – Feb. 1994

City Code 2.800 – 2.805

Consistent to ORS

Enforcement mechanism to ensure housing maintained in decent, safe and sanitary conditions for the occupants.

PATH TO TAX EXEMPTION



QUESTIONS

CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: February 27, 2024
TO: City Council
THROUGH: Keith Witcosky, City Manager
FROM: Keith Leitz, City Attorney
SUBJECT: Resolution #2024-05: A resolution of the City of Redmond referring to the voters of Redmond a ballot measure proposing City Charter Amendments related to Council and Mayoral term limits, adopting ballot titles, and authorizing related matters.

Report in Brief:
Three sections of the City Charter are proposed for revision: Section 8 Council (term limits), Section 9 Mayor (extending term from 2 years to 4 years), and Section 12 Qualification of Officers (nepotism).

The City Council directed staff to prepare two separate ballot measures (one for sections 8 and 9 and a separate measure for section 12). This item is the resolution to complete all necessary actions relating to the ballot measure for Sections 8 and 9.

Background:
The City Council held two open public meetings (January 23, 2024, and February 13, 2024) to discuss potential City Charter amendments and solicit public input on three separate occasions. At the request of the Council, the City Attorney's office has prepared the following amendment to the City Charter, Sections 8 and 9:

Section 8, Councilors (related to adding Term Limits of 8-years)
Current language: The councilors in office at the time this charter is adopted shall continue in office, each until the end of his or her term of office as fixed by the charter of the city in effect at the time this charter is adopted. At each biennial general election after this charter takes effect, three councilors shall be elected, each for a term of four years.

As amended language: Each councilor shall be eligible to serve two consecutive elected terms. After two consecutive terms as a councilor, a councilor shall be eligible to run for mayor and shall be eligible to run for councilor in subsequent elections. For councilors in office at the time this charter amendment is adopted, beginning with the election in the final year of the councilor's current term, the councilor shall be ineligible to run for councilor in the election following their second consecutive term thereafter.

Section 9, Mayor (related to extending the Mayor's Term from 2 years to 4 years and adding Term Limits of 8-years)
Current language: At each biennial general election, a mayor shall be elected for a term of two years.

As amended language: At the biennial general election in 2024, a mayor shall be elected for a term of two years. Starting at the biennial general election in 2026, a mayor shall be elected for a term of four years. Starting at the biennial general election in 2026, the mayor shall be eligible to serve two consecutive elected terms. During the mayor's second consecutive term, the mayor shall be ineligible to run for mayor in the following election. The ineligible mayor shall be eligible to run for councilor and shall be eligible to run for mayor in subsequent elections.

The council has directed staff to refer these changes to the County Elections Office for placement on the May 21, 2024, ballot.

Discussion:
A City Charter is similar to a constitution. Both are foundational documents that set out the principles, structures, and process of government. Article XI, section 2, of the Oregon Constitution grants "the legal voters of every city and town... [the] power to enact and amend their municipal charter, subject to the Constitution and criminal laws of the State of Oregon." Redmond's current charter was most recently amended in 2010, when voters amended the charter to move part of the tax rate to the new fire district.

Changes to the City Charter can only be made through a vote of the citizens of Redmond.

On Tuesday, February 13, 2024, City Council voted unanimously to refer this charter amendment to the May 21, 2024, ballot.

Fiscal Impact:
N/A

Alternative Courses of Action:
1. Request additional information.
2. Adopt Resolution #2024-05.
2. Deny the request.

Recommendation / Suggested Motion:
"I move to adopt Resolution #2024-05 submitting to voters a ballot measure to amend the Redmond City Charter as it relates to term limits for Council and term length for Mayor."

CITY OF REDMOND
RESOLUTION NO. 2024-05

A RESOLUTION OF THE CITY OF REDMOND REFERRING TO THE VOTERS OF REDMOND A BALLOT MEASURE PROPOSING CITY CHARTER AMENDMENTS RELATED TO COUNCIL AND MAYORAL TERM LIMITS, ADOPTING BALLOT TITLES, AND AUTHORIZING RELATED MATTERS

WHEREAS, Article XI, section 2, of the Oregon Constitution grants "the legal voters of every city and town ... [the] power to enact and amend their municipal charter, subject to the Constitution and criminal laws of the State of Oregon;" and

WHEREAS, Redmond City Council has directed staff to draft a ballot measure to amend City Charter Sections 8 and 9, which do not violate the Constitution or criminal laws of the State of Oregon, for referral to the May 21, 2024, ballot; and

WHEREAS, Redmond City Council met in open meetings on January 8, 2024, January 23, 2024, and February 13, 2024 to discuss potential amendments to the City Charter and to seek public input to the potential Charter amendments; and

WHEREAS, the City Council seeks to refer to the voters of Redmond the question of whether to make amendments to the City Charter to enact councilor and mayoral term limits and change the mayoral term from two years to four years.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDMOND, OREGON, AS FOLLOWS:

SECTION ONE: City Council hereby calls for submission of the ballot titles for publication of notice for the purpose of submitting to the electors of the City of Redmond, amendments to the City Charter, Sections 8 and 9.

SECTION TWO: The election will be conducted by the Deschutes County Clerk. The precincts for the election shall include all territory within the City of Redmond and no other territory.

SECTION THREE: City Council will submit the ballot caption, question and summary for the measures as determined by Council.

SECTION FOUR: City Council will submit the explanatory statement for the measures as determined by Council.

SECTION FIVE: The City Council directs the City Attorney, the City Recorder, or their respective designees (each an "Authorized Representative") to take all necessary steps to effectuate this resolution, including providing public notice and submitting required materials to the Deschutes County Clerk.

SECTION SIX: The provisions of this Resolution are severable. The invalidity of any section, clause, sentence, or provision of this Resolution shall not affect the validity of any other part of this Resolution which can be given without such invalid part or parts.

SECTION SEVEN: This resolution shall be effective on this 27th day of February 2024.

ADOPTED by the City Council and **SIGNED** by the Mayor this 27th day of February 2024.

____
Ed fitch, Mayor

ATTEST:

____
Kayla Duddy, Deputy City Recorder

CITY OF REDMOND

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redmondoregon.gov

STAFF REPORT

DATE: February 27, 2024
TO: City Council
THROUGH: Keith Witcosky, City Manager
FROM: Keith Leitz, City Attorney
SUBJECT: Resolution #2024-06: A resolution of the City of Redmond referring to the voters of Redmond a ballot measure proposing City Charter Amendments related to Council qualifications, adopting ballot titles, and authorizing related matters.

Report in Brief:
Three sections of the City Charter are proposed for revision: Section 8 Council (term limits), Section 9 Mayor (extending term from 2 years to 4 years), and Section 12 Qualification of Officers (nepotism).

City Council directed staff to prepare to separate ballot measures (one for Sections 8 and 9 and a separate measure for section 12). This item is the resolution to complete all necessary actions relating to the ballot measure for Section 12.

Background:
City Council held two open public meetings (January 23, 2024, and February 13, 2024) to discuss potential City Charter amendments and solicit public input on three separate occasions. At the request of Council, the City Attorney's office has prepared the following amendment to the City Charter, Section 12:

Section 12, Qualification of Officers
Current language: No person shall be eligible for an elective office of the City unless at the time of his or her election he or she is a qualified elector within the meaning of the state constitution and has resided in the City during the twelve months immediately preceding the election. No person shall hold elective office while he or she is an employee of the City. The Council shall be final judge of the qualifications and election of its own members.

Additional amendment language: No person shall hold elective office while he or she has a spouse, domestic partner, parent, or child who is a current mayor or councilor.

Section 12, Qualification of Officers
As amended language: No person shall be eligible for an elective office of the City unless at the time of his or her election he or she is a qualified elector within the meaning of the state constitution and has resided in the city during the twelve months immediately preceding the election. No person shall hold elective office while he or she is an employee of the City. No person shall hold elective office while he or she has a spouse, domestic partner, parent, or child who is a current mayor or councilor. The Council shall be final judge of the qualifications and election of its own members.

The Council has directed staff to refer these changes to the County Elections Office for placement on the May 21, 2024, ballot.

Discussion:
A City Charter is similar to a constitution. Both are foundational documents that set out the principles, structures, and process of government. Article XI, Section 2, of the Oregon Constitution grants "the legal voters of every city and town ... [the] power to enact and amend their municipal charter, subject to the Constitution and criminal laws of the State of Oregon." Redmond's current charter was most recently amended in 2010, when voters amended the charter to move part of the tax rate to the new fire district.

Changes to the City Charter can only be made through a vote of the citizens of Redmond.

On Tuesday, February 13, 2024 City Council voted unanimously to refer this charter amendment to the May 21, 2024, ballot.

Fiscal Impact:
N/A

Alternative Courses of Action:
1. Request additional information.
2. Adopt Resolution #2024-06.
2. Deny the request.

Recommendation / Suggested Motion:
"I move to adopt Resolution #2024-06 submitting to voters a ballot measure to amend the Redmond City Charter as it relates to qualifications to hold elective office."

CITY OF REDMOND
RESOLUTION NO. 2024-06

A RESOLUTION OF THE CITY OF REDMOND REFERRING TO THE VOTERS OF REDMOND A BALLOT MEASURE PROPOSING CITY CHARTER AMENDMENTS RELATED TO COUNCIL QUALIFICATIONS, ADOPTING BALLOT TITLES, AND AUTHORIZING RELATED MATTERS

WHEREAS, Article XI, section 2, of the Oregon Constitution grants "the legal voters of every city and town ... [the] power to enact and amend their municipal charter, subject to the Constitution and criminal laws of the State of Oregon;" and

WHEREAS, Redmond City Council has directed staff to draft a ballot measure to amend City Charter Section 12, which does not violate the Constitution or criminal laws of the State of Oregon, for referral to the May 21, 2024, ballot; and

WHEREAS, Redmond City Council met in open meetings on January 8, 2024, January 23, 2024, and February 13, 2024 to discuss potential amendments to the City Charter and to seek public input to the potential Charter amendments; and

WHEREAS, the City Council seeks to refer to the voters of Redmond the question of whether to make amendments to the City Charter so that no person shall hold elective office while he or she has a spouse, domestic partner, parent, or child who is a current mayor or councilor.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDMOND, OREGON, AS FOLLOWS:

SECTION ONE: City Council hereby calls for submission of the ballot titles for publication of notice for the purpose of submitting to the electors of the City of Redmond, amendments to the City Charter, Section 12.

SECTION TWO: The election will be conducted by the Deschutes County Clerk. The precincts for the election shall include all territory within the City of Redmond and no other territory.

SECTION THREE: City Council will submit the ballot caption, question and summary for the measures as determined by Council.

SECTION FOUR: City Council will submit the explanatory statement for the measures as determined by Council.

SECTION FIVE: The City Council directs the City Attorney, the City Recorder, or their respective designees (each an “Authorized Representative”) to take all necessary steps to effectuate this resolution, including providing public notice and submitting required materials to the Deschutes County Clerk.

SECTION SIX: The provisions of this Resolution are severable. The invalidity of any section, clause, sentence, or provision of this Resolution shall not affect the validity of any other part of this Resolution which can be given without such invalid part or parts.

<u>SECTION SEVEN:</u> This resolution shall be effective on this 27th day of February 2024.

ADOPTED by the City Council and **SIGNED** by the Mayor this 27th day of February 2024.

____
Ed fitch, Mayor

ATTEST:

____
Kayla Duddy, Deputy City Recorder

CITY OF REDMOND

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redmondoregon.gov

STAFF REPORT

DATE: February 27, 2024
TO: City Council
THROUGH: Keith Witcosky, City Manager
FROM: Jessica MacClanahan, Public Works Director/City Engineer
SUBJECT: Eastside Arterial Project Memorandum of Understanding between the Oregon Department of Transportation and the City of Redmond

---

Report in Brief:
The purpose of this Memorandum is to outline the roles and commitments of the City and the Oregon Department of Transportation (ODOT) in coordinating the Eastside Arterial project.

Background:
The Eastside Arterial is an important project in the City's Capital Improvement Program to increase mobility and safety in Redmond. The City is well-poised to complete this project within the 5-year planning horizon utilizing available funding resources and a Progressive Design Build delivery method. Benefits of the project include an alternate route to Highway 97 and increased access to east Highway 126, relieving congestion and increasing traffic safety in our community. The project also creates access to industrial and commercial land for economic development in the region.

Discussion:
The City and ODOT will work in partnership to create a separate Intergovernmental Agreement (IGA) that will address jurisdiction, property rights, funding, phasing, and responsibilities toward completing the project.

Fiscal Impact:
N/A

Alternative Courses of Action:

1. Enter into a Memorandum of Understanding with ODOT for the Eastside Arterial Project.
2. Do not enter into the Memorandum of Understanding.
3. Request more information.

Recommendation / Suggested Motion:
"I move to enter into a Memorandum of Understanding with the Oregon Department of Transportation for the Eastside Arterial Project."

MEMORANDUM OF UNDERSTANDING
Eastside Arterial Project
City of Redmond

This Memorandum of Understanding (MOU) is made and entered into by and between the State of Oregon by and through its Department of Transportation, hereinafter referred to as “State;” and the City of Redmond, by and through its elected officials, hereinafter referred to as “Agency,” both herein referred to individually or collectively as the “Party” or “Parties”.

RECITALS

1. By the authority granted in Oregon Revised Statute (ORS) 190.110 and 283.110, state agencies may enter into agreements with units of local government or other state agencies for the performance of any or all functions and activities that a Party to the agreement, its officers, or agents have the authority to perform.

2. The Ochoco Highway, OR126, state highway number 041 is a part of the state highway system under the jurisdiction and control of the Oregon Transportation Commission (OTC).

3. E Antler Avenue, NE Hemlock Avenue, SE Evergreen Ave, SE Airport Way, SE Veterans Way, SE Lake Ave, SW 1st Street and the 9th Steet Extension are under the jurisdiction and control of Agency.

4. It is the intent of State and Agency to coordinate efforts regarding the State’s participation in Agency’s Progressive Design-Build contract that will design and install transportation infrastructure and subsurface utilities in east Redmond and will improve the safety, efficiency and reliability of the transportation system as identified in the Agency’s 2020 Transportation System Plan (TSP). These transportation and utility improvements, constituting the Project, include but are not limited to the following:

   a. **NE Hemlock Avenue to E Antler Avenue:** 2,650 feet of Minor Arterial Street improvements on NE 9th Street from E Antler Avenue to NE Hemlock Avenue, including new pavement, turn lanes, bike lanes, sidewalk, and subsurface utility improvements.

   b. **OR 126 to E Antler Avenue:** 2,730 feet of Minor Arterial Street improvements on SE 9th Street from OR 125 to E Antler Avenue, including new pavement, turn lanes, bike lanes, sidewalk, and subsurface utility improvements.

   c. **9th Street Extension:** 4,100 feet of new Minor Arterial roadway with pavement, turn lanes, bike lanes, sidewalks, two new roundabouts at the intersections of

Oregon Highway (OR) 126 and Veterans Way with the new 9th Street extension, and subsurface utility installation and/or improvements.

5. The Project is City-funded with a total identified budget of $33M. The contract amount for this Project with the Progressive Design-Builder has an estimated budget of $25M.

6. State and the Agency share a mutual goal of creating a complete corridor of coordinated and leveraged improvements to make the corridor safe and functional for all anticipated users, including pedestrians, bicyclists, public transit, motorists, and freight.

NOW THEREFORE, the Parties agree to the following:

TERMS AND CONDITIONS

1. State and the Agency will work in partnership to create a separate intergovernmental agreement (IGA) that will address jurisdiction, property rights, funding, phasing, and responsibilities toward completing the project.

2. State will work towards obtaining the necessary Mobility Advisory Committees reviews and approvals.

3. State will provide administrative support and review of technical elements including, but not limited to plans and specifications, a public involvement plan, and any other relevant items on or affecting the state highway system.

4. State and Agency intend that, if an impasse or disagreement should occur on issues pertaining to the MOU, a collaborative process will be initiated to resolve the difference. A collaborative process may be requested by either Party and will conform to the best practices for mediation, as prescribed by the Oregon Resolution Program.

5. This MOU shall become effective when all required signatures have been obtained and will automatically terminate after 5 years or when the 1-year warranty period for the improvements along OR126 ends, whichever occurs first.

6. The terms of this MOU shall not be waived, altered, modified, supplemented, or amended, in any manner whatsoever, except by written agreement signed by the Parties.

7. The terms of this MOU may be amended or terminated by mutual written consent of the Parties.

8. This MOU is not a commitment by State to commit any funding or resources beyond those described above.

9. This MOU may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this MOU so executed shall constitute an original.

THE PARTIES, by execution of this MOU, hereby acknowledge that their signing representatives have read this MOU, understand it, and agree to its terms and conditions.

SIGNATURE PAGE FOLLOWS

CITY OF REDMOND by and through its elected officials

By ______________________________
Mayor

Date ______________________________

APPROVAL RECOMMENDED

By ______________________________

Date ______________________________

STATE OF OREGON, by and through its Department of Transportation

By ______________________________
Central Oregon and Lower John Day Area Manager

Date ______________________________

Agency Contact:
Keith Witcosky – City Manager
243 E Antler Way
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(541) 923-7711,
keith.witkosky@ci.redmond.or.us

State Contact:
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Lower John Day Area Manager
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Bend, OR 97703
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Robert.l.townsend@odot.oregon.gov