

SPECIAL CITY COUNCIL MEETING OF THE CITY OF REDMOND WAS HELD OCTOBER 5, 2021, VIA GOTOMEETING.

COUNCIL MEMBERS PRESENT: Jon Bullock – Krisanna Clark-Endicott – George Endicott – Clifford Evelyn – Ed Fitch – Jay Patrick – Shannon Wedding

MEDIA PRESENT: None

Mayor Endicott called the workshop to order at 6:00 p.m.

PRESENTATIONS

A. City COVID Update

City Manager Keith Witcosky provided the Council with an update on how the City is responding to COVID.

B. Affordable Housing Tools Discussion

Deputy City Manager John Roberts provided the Council with a presentation on potential tools to increase the quantity of Redmond's affordable housing. Highlights included background on the demand for affordable housing, definitions, existing and potential tools and programs, and additional tools.

Currently 26.8 percent of households in Redmond are severely rent burdened and 42 percent are low or middle-income. A comparison of Average Median Income (AMI) to home price affordability is as follows:

AMI	Who	Affordability	
		Rent	Home Price
150% or \$120,600	Manager	\$3,015	\$566,980
120% or \$96,480	Civil Engineer	\$2,412	\$452,000
100% or \$80,400	System Admin, System Operator, Teacher, Sales Rep	\$2,010	\$376,000
80% or \$64,300	Social Worker, Web Developer	\$1,608	\$299,000
60% or \$48,240	Nursing Assistant, Recreation Worker, Photographer, Salesperson	\$1,206	\$222,251

Projected Housing Needs, based on a 20-year demand projection, include a total of 8,466 units divided as follows: 284 (120 percent AMI), 786 (80-120 percent AMI), 1,325 (50-80 percent AMI), 1,491 (30-15 percent AMI), and 4,580 (0-30 percent AMI).

Common tools and programs currently in use include Community Development Block Grant funding, property tax exemptions, System Development Charge (SDC) credits, Skyline Village (House Bills 4079 and 2336), and Accessory Dwelling Units. Urban Renewal Agency resources include the Housing Development Opportunity Fund, SDC Buydown Program, Housing Opportunity Revolving Loan Fund, and the Downtown Housing Sub-committee.

Potential tools include House Bill 2377 which authorizes the City to grant property tax exemptions for up to 10 years on eligible rental properties at or below 120 percent AMI, expansion of the SDC Buydown Program, annexation agreements that requires development have a portion of affordable housing, expedited permitting/review, surplus city property, and creation of an affordable housing fund/construction excise tax. Additional options include density bonuses, reduced parking requirements, design flexibility, and inclusionary zoning.

Housing Works Executive Director David Brandt said that affordable housing is a problem and people who are earning less than \$20 per hour are having a hard time finding places to rent that they can afford. Mr. Brandt attributed part of the problem to the huge influx of people that have moved to Oregon over the past few years. They have a lot of money and have purchased new inventory, including affordable housing. He summarized there is currently a shortage of all housing types then discussed the pros and cons of some of the affordable housing options presented by staff.

City of Bend Housing Director Lynne McConnell explained the role of policy makers is to use tools to meet the gap between what people can afford based on their income and the price of housing. She described Bend's Affordable Housing Fund and discussed how it is used. Ms. McConnell reported that nearly everyone in Bend's affordable housing units is working, including 75 percent of those residing temporarily at Bethlehem Inn. She explained that all of these workers constitute Bend's workforce. Ms. McConnell described Bend's current housing situation which has a shortage of 5,000 units for those whose annual income is less than \$25,000 and a surplus of homes available for those who earn in excess of \$100,000, although most of these people are not part of the workforce. The City of Bend has multiple tools used that persuaded developers to create Affordable Housing. In response to questions from Councilor Clark-Endicott regarding lobbying for changes to state land use laws, Ms. McConnell explained that staff do engage at the state level and also work locally to determine how best to implement the laws that are in place.

Redmond Habitat for Humanity President and Chief Executive Officer Scott Rohrer addressed the issue of lobbying and reported that Habitat for Humanity has a sister organization in Salem whose sole job is to lobby for legislation. Mr. Rohrer clarified that Habitat for Humanity only builds affordable homes for ownership; they do not create rental properties. They are currently building 33 homes in Bend and 18 in Redmond noting that the cost of land is their biggest issue. It costs Habitat for Humanity approximately \$350,000 to construct a home with the average mortgage around \$200,000 which indicates how much the homes are subsidized. He described some of the Affordable Housing tools that Habitat for Humanity uses.

In response to questions from Councilor Evelyn regarding Skyline Village, Mr. Roberts stated the year-long Land Use Entitlements process is nearly complete. Next steps include selecting a master developer to oversee the project; a draft RFQ is nearly complete and expected to go out by November.

Mr. Witcosky explained that the goal is to build housing so that people have an opportunity to build wealth and assets through home ownership rather than to continue to be at the whim of the rental market. He asked Mr. Rohrer if Habitat for Humanity uses Shared Appreciation Mortgages; Mr. Rohrer confirmed these mortgage types are used in every home they sell. He further explained that pre-COVID, the average net worth for homeowners was \$105,000 while the net worth of renters was \$5,000. Habitat for Humanity sees homeownership as a way to break out of the "poverty cycle: adding that homeownership can be life-changing. At Mr. Witcosky's request, Mr. Rohrer explained how a Shared Appreciation Mortgage works.

In response to questions regarding plans to incentivise commercial development in northeast Redmond, Mr. Roberts stated there will be a commercial component in Skyline Village although it will likely be the last component constructed. In addition, there are other commercial development included in the Eastside Framework Plan as well. Councilor Fitch said that one way to ensure commercial development is to require a surety bond so the developer does not leave the commercial component undeveloped.

Mayor Endicott recommended a follow-up workshop to look at some of the options and what Council might want to adopt in Redmond.

ACTION ITEMS

A. Resolutions of the City of Redmond to make Budget Adjustments in Fiscal Year 2021/22 for the Allocation of American Rescue Plan Act (ARPA) Resources: \$631,535.

Mayor Endicott provided a brief review of the various resolutions that have been presented to date, what has been approved, what has been tabled, and new proposals. Deschutes County approved providing an additional \$450,000 for Bethlehem Inn, but the County determined no additional funding was available for Oasis Village.

Councilor Patrick moved, seconded by Councilor Clark-Endicott, to take from the table Res. #2021-26, motion passed. (Bullock-no, Clark-Endicott-yes, Endicott-yes, Evelyn-no, Fitch-no, Patrick-yes, Wedding-yes)

At the September 14, 2021, Council meeting, Councilor Fitch moved, seconded by Councilor Bullock, to approve Resolution #2021-26 for the allocation of the budget investment for \$450,000 for the Bethlehem Inn. No formal vote was taken at that time because the item was tabled. Since the item was removed from the table, the formal vote is as follows:

Motion failed. (Bullock-abstain, Clark-Endicott-no, Endicott-no, Evelyn-yes, Fitch-abstain, Patrick-no, Wedding-no)

Councilor Clark-Endicott stated that Council members are elected to vote on items; Mayor Endicott opined that two Councilors have chosen to not follow Council rules on this item.

Councilor Fitch moved, seconded by Councilor Bullock, to take from the table Res. #2021-27, motion passed. (Bullock-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

Councilor Fitch mentioned the City and Chamber of Commerce were presented with an award, at the Made in Redmond event, for working together with non-profits for the benefit of Redmond's citizens. He reminded the Council that they approved this money in early August, and the only issue at hand now is to put it into the budget. Councilor Fitch urged the Council to support this motion.

Councilor Clark-Endicott stated that she watched the meeting of the County Commissioners during which they discussed funding for Oasis Village. She described robust discussion during which the majority of the Commissioners did not think the program is at the point of implementation and still in need of a firmer foundation and broader support. She advocated for the County and individual social agencies to solve the complex problem of homelessness and stated that camping in the Dry Canyon will continue to be a problem. Councilor Clark-Endicott voiced concern for seniors and urged Council to put as much money as possible toward the Public Health Facility so a lower bond amount can be brought before voters. She opined Oasis Village is a great project but will not support it at this point in time and deferred to Deschutes County for funding the project in the future.

At the September 14, 2021, Council meeting, Councilor Bullock moved, seconded by Councilor Fitch, to approve Resolution #2021-27. No formal vote was taken at that time because the item was tabled. Since the item was removed from the table, the formal vote is as follows:

Motion failed. (Bullock-yes, Clark-Endicott-no, Endicott-no, Evelyn-yes, Fitch-yes, Patrick-no, Wedding-no)

Councilor Clark-Endicott moved, seconded by Councilor Wedding, to adopt Res. #2021-30, a resolution deploying ARP funds by reserving \$631,535 for the Public Safety Facility project.

Councilor Fitch addressed the future bond measure where voters will be asked to raise taxes to fund a Public Safety Facility. He stated it appears the Council is spurning support for the Bond issue through their lack of action/support to ban the confederate flag or the alienation of citizen volunteers and organizations helping the homeless. Councilor Fitch commented he is not supportive of this resolution because the Council has already allocated \$2 million towards the project. He is concerned that passing the resolution will hurt efforts to get the Bond passed.

Councilor Clark-Endicott reported that she has been out in the community discussing the Bond issue and that those to whom she spoke are supportive of Council using ARPA funds to lower the Bond amount. She said that passing this resolution shows the Council's support of the Police.

Councilor Bullock expressed his disappointment and disillusionment by the Council's process using the ARPA funds. He advocated postponing the allocating these funds for the Public Safety Facility in order to consider a process that would be inclusive, honor the needs of the community, and allow more non-profit involvement in the process.

Motion passed. (Bullock-no, Clark-Endicott-yes, Endicott-yes, Evelyn-no, Fitch-no, Patrick-yes, Wedding-yes)

ORDINANCES

A. Ordinance #2021-09 – An ordinance amending the Redmond City Code Chapter 5, adding a Safe Parking Program and Vehicle Camping section as a means to help address homelessness and declaring an emergency.

Councilor Wedding asked Mr. Leitz for clarification regarding recreational vehicles (RVs) in parking lots and whether they gain residency under Oregon law and what impact this may have on the Police department. Mr. Leitz explained that the way the program is structured with the agreements that are signed, he believes people could be asked to leave without having to evict them. In response to Councilor Clark-Endicott, Mr. Leitz stated any problems would go through the site coordinator and not be a police issue.

Councilor Fitch concurred it is likely not a landlord/tenant issue. He questioned whether a church located within a commercial zone, such as Highland Baptist Church, would be able to participate in this program. Mr. Leitz said they likely would not be permitted to participate if located in a commercially zoned area. Councilor Fitch inquired whether exemptions could be obtained if they did want to participate; Mr. Roberts indicated Highland Baptist Church is located in a residential zone.

Councilor Patrick asked about a section in the ordinance that allows areas other than churches to host these sites. Mr. Roberts said that this wording reflects that of other jurisdictions with established programs. Councilor Fitch explained this would allow some of the businesses on the east side Redmond to be a hosting a site.

Councilor Fitch moved, seconded by Councilor Bullock, to approve Ord. #2021-09 as amended, motion passed. (ROLL CALL: Bullock-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

OTHER BUSINESS

Mayor Endicott shared information on Redmond's census data.

There being no further business, the meeting was adjourned at 7:41 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 26th day of October 2021.

/s/ George Endicott
George Endicott, Mayor

ATTEST:

/s/ Kelly Morse
Kelly Morse, City Recorder