



URBAN RENEWAL DISTRICT AGENCY BOARD

March 10, 2020

Council Chambers • 411 SW 9th Street

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MARCH 10, 2020

SPECIAL MEETING

6:30 PM

I. CALL TO ORDER / ESTABLISH A QUORUM

II. ACTION ITEMS

- A. Kingwood Lofts SDC Buydown Request in the amount of \$130,000

III. OTHER BUSINESS

IV. ADJOURN

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

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

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STAFF REPORT

DATE: March 10, 2020
TO: Urban Renewal Agency
THROUGH: Keith Witcosky, City Manager
John Roberts, Deputy City Manager
Chuck Arnold, Economic Development/Urban Renewal Program Manager
FROM: Meghan Gassner, Urban Renewal Program Analyst
SUBJECT: Kingwood Lofts SDC Buydown Request in the Amount of \$130,000

Addresses Council Goal:

4. ECONOMIC DEVELOPMENT: Develop and maintain an environment that promotes and supports a strong, healthy and diverse economic base.

9. URBAN RENEWAL: Invest resources to encourage new business investment in designated blighted areas that will grow the job base and strengthen and diversify the tax base in that area. Pursue catalytic projects through programs that maximize private investment and leverage urban renewal resources in order to grow the tax base.

Report in Brief:

This item requests approval of an application for a \$130,000 buydown of System Development Charges (SDCs) for the twenty-six unit Kingwood Lofts project located at 630 NW Kingwood Ave.

Background:

The Housing SDC Buydown Program is among the tools the Redmond Urban Renewal Agency uses to encourage the development of housing in the urban renewal area. Applicants are eligible to receive a \$5,000 waiver of SDC fees for up to 30 units per project - for a maximum waiver of \$150,000. The Agency pays the waived fees on behalf of the developer.

Applications are evaluated by staff for compliance with the program's objectives, financial risk, and community benefits.

On March 9, 2020, the Downtown Urban Renewal Advisory Committee recommended the item for approval.

Discussion:

Bruce Dunlap, developer of Kingwood Lofts, owns the property which currently consists of twelve apartment units. The building is in a state of disrepair and houses low-income tenants. The Developer has utilized Tekneek Architecture to prepare the plans for this project.

The applicant has requested funding from the SDC Buydown Program to assist in the development of the project. If approved, the Urban Renewal Agency will fund the SDC's in phases, which will be paid out only when the developer obtains a Certificate of Occupancy.

Kingwood Lofts will have a total of 26 market-rate units with contemporary finishes. The project will be two structures consisting of studio, 1-bedroom, and 2-bedroom units, ranging from 395 sq. ft. to 1,435 sq. ft. The units will each have a private patio or deck, and will come complete with dishwasher, range, refrigerator, microwave, garbage disposal, and washer/dryer units. The property, comprising 0.97 acres, will consist of abundant, sustainable landscaping and a picnic area for tenants.

The developer intends to build the development in two phases. Phase one will consist of a three-story building of 14 units, to be built adjacent to the current motel/apartment building. If approved, the developer expects to begin work on Phase One immediately, which will take approximately nine months to fully construct.

Phase Two will consist of the removal of the current apartment building and the construction of a 12-unit building. The Developer expects to begin work on Phase Two approximately two years after the completion of Phase One. The phasing allows current tenants of the apartment building more time to secure alternative housing.

Total project cost is \$3,500,000. The SDC Buydown amount is \$130,000.

Fiscal Impact:

Funding is available for this project through the Urban Renewal Housing Development Opportunity Fund, which currently has \$9.3MM remaining. If funded, there are no anticipated short-term impacts to other planned urban renewal projects. Funding for this project is available and currently allocated in the Redmond Urban Renewal Agency FY 19/20 budget. Total impact is \$130,000.

Alternative Courses of Action:

1. Approve the application of a \$130,000 SDC buydown through the Housing SDC Buydown Program for Kingwood Lofts, 630 NW Kingwood Ave.;
2. Request more information;
3. Decline the use of the Housing SDC Buydown Program for Kingwood Lofts.

Recommendation / Suggested Motion:

"I move to approve an application of a \$130,000 SDC buydown through the Housing SDC Buydown Program for Kingwood Lofts at 630 NW Kingwood Ave."