

# BEND COLLABORATIVE HOUSING WORKGROUP TOOL GLOSSARY

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## DEVELOPMENT CODE AND CITY ORDINANCES/PLANNING

Strategy Name	Description	Scale of impact in Bend	Investments (financial, time, etc.)	Decision maker	Workgroup ranking
Streamline and/or Modify Zoning Code and other Ordinances	<p>Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Potential barriers may include: height limitations, and complexity of planned unit development regulations. Streamlining development regulations can result in increased development. Some streamlining and zoning changes have already occurred related to the UGB process.</p> <p>Another major package of potential changes is coming up in late spring and early summer. Depending on the nature of the changes, there are different levels of political feasibility. However, streamlining and incentivizing code changes for needed housing will likely be legally sound.</p>	Moderate to large. The level of impact on production of housing and housing affordability will depend on the changes made to Bend’s zoning and other ordinances.	<p>Costs are for staff to create new code language and work with Commission and Council to educate them about the proposed changes. Actual changes to the code are likely to generate property taxes as more housing is built, through verticality of new projects. However, more infrastructure is required to service more housing. Learning how these costs and revenues work together will take staff time and likely investments in consultant-staff projects.</p>	City Council must adopt changes to the Development Code with a recommendation from the Planning Commission and possibly interactions with other standing committees. Staff support and work is required. Timeline for this decision late Spring and early summer.	<p>Possible ranking:</p> <p>HIGH. Council will be considering this in the coming months and our workgroup may want to weigh in heavily.</p>

Strategy Name	Description	Scale of impact in Bend	Investments (financial, time, etc.)	Decision maker	Workgroup ranking
Re-designate or rezone land to allow and encourage housing	The types of land rezoned for housing are vacant or partially vacant low-density residential and employment land rezoned to multifamily or mixed use. In rezoning land, it is important to choose land in a compatible location, such as land that can be a buffer between an established neighborhood and other denser uses or land adjacent to existing commercial uses. When rezoning employment land, it is best to select land with limited employment capacity (e.g., smaller parcels) in areas where multifamily housing would be compatible (e.g., along transit corridors or in employment centers that would benefit from new housing). This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses. The City will be considering some additional changes in the coming months.	Scale of Impact - Small to Large: Scale of impact depends on the amount and location of land rezoned and the densities allowed on the rezoned land.	This tool is already largely available to developers, both through our new Opportunity Areas and the new Comp Plan/Master Code. However, the upcoming additional code changes require staff time and as above the issues over increases in property taxes versus costs of infrastructure to service additional housing must be balanced. Depending on the scale and location of the changes, recent history suggests the main costs to implement would be staff time and legal support in any appeals.	City Council, with recommendation from Planning Commission. Staff and legal support are required commensurate to the level of controversy.	Possible ranking:  HIGH. Because Council will be considering changes in the coming months and the work group may wish to heavily weigh in.

Strategy Name	Description	Scale of impact in Bend	Investments (financial, time, etc.)	Decision maker	Workgroup ranking
<p>Lot size: Allow smaller residential lots; mandate maximum and minimum sizes</p>	<p>This policy allows individual small lots within a subdivision or short plat. This policy is intended to increase density and lower housing costs. This policy places an upper bound on lot size and a lower bound on density in single-family zones. This approach ensures minimum densities in residential zones by limiting lot size. Bend has already adopted minimum lot sizes as small as 3,000 sq. ft. However, it is uncommon to see entire subdivisions of lots this small. Small lots typically get mixed in with other lot sizes. Mandating maximum lot size may be most appropriate in areas where the market is building at substantially lower densities than are allowed or in cities that do not have minimum densities.</p>	<p>Scale of Impact – Small to moderate. A greater impact would be created by disallowing new single family homes in areas that are explicitly zoned for higher density uses.</p>	<p>City staff shared the following: Not sure this is worth the fight as maximum lot sizes would probably face resistance given that it would set a precedent and be seen as anti-market. Given that developers can go as small as 3,000 sq ft, there may not be need to allow smaller lots.</p>	<p>City Council is final decision maker, with recommendation from Planning Commission. Staff support and work is required. Potentially legal if appeals occur.</p>	<p>Possible ranking:  LOW on allowing smaller lot  MODERATE on mandating maximum lot sizes- though this may be controversial and not worth political capital for the benefit</p>

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Increase Allowable Residential Densities	This approach seeks to increase holding capacity by increasing allowable density in residential zones. This strategy is most commonly applied to multifamily residential zones. Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Already this tool is largely available to developers through the new opportunity areas and the new Comp Plan/Master Code. Observable trends in Bend suggest housing is typically not built at the currently allowed maximums in medium and high density zones such as RM and RH. Consideration of vertical housing tax credits could help spur more density in zones that already allow it.	Scale of Impact – Small to moderate. This tool can be most effective in increasing densities where very low density is currently allowed or in areas where a city wants to encourage higher density development.	Similar to above, additional property taxes may be raised through additional density, but the cost of providing infrastructure to support this growth is an offset. Difficult to gauge the balance and finding answers likely means hiring consultants.	City staff in Growth Management and Community Development Departments; Planning Commission; City Council has final approval	Possible ranking: MODERATE because developers are not using the currently allowed lot sizes. A better strategy might be incentivizing using currently allowable densities or mandating minimum densities in higher density zones.

Strategy Name	Description	Scale of impact in Bend	Investments (financial, time, etc.)	Decision maker	Workgroup ranking
Reduce Street Width Standards	<p>This policy is intended to reduce land used for streets and slow down traffic. Street standards are typically described in development and/or subdivision ordinances. Reduced street width standards are most commonly applied on local streets in residential zones. Narrower streets make more land available to housing and economic-based development. Narrower streets can also reduce long-term street maintenance costs. The creation of design templates for residential and commercial streets that are narrower than currently allowed can assist developers in implementing this policy.</p>	<p>Scale of Impact - Small. This policy is most effective in cities that require relatively wide streets. Since streets constitute the largest share of impervious cover in residential developments (about 40 to 50%), a shift to narrower streets can result in a five to 20% overall reduction in impervious area for a typical residential subdivision (Schueler, 1995). This can have a significant impact environmentally through reduced stormwater runoff, less of a heat island effect, and less land consumed.</p>	<p>Financially low cost. Actually reduces the costs of street building and maintenance.</p> <p>Politically high cost, potentially. Reducing street widths may be viewed as antagonistic to residents who prefer a prioritization of autos to more complete street concepts.</p>	<p>City Planning and Engineering Staff. Planning Commission, City Council. Generally, cities have addressed street design issues through subdivision regulations rather than zoning ordinances, although that varies depending on the local regulatory structure. Form-based codes can provide a foundation for street design and, to a lesser extent, for connectivity, but additional design details and procedural requirements will be needed.</p>	<p>Possible ranking: LOW: Street width in Bend is not unusually high and may produce very little additional housing, while stirring conflict over transportation priorities.</p>

Strategy Name	Description	Scale of impact in Bend	Investments (financial, time, etc.)	Decision maker	Workgroup ranking
Cottage Code expansion	<p>The City recently included new cottage code language in section 4.5 of the code but this has not been used for any projects to date. A review of this code to determine what barriers are causing these projects not move forward could be examined. Many cities pair cottage code with other incentives that encourage density.</p> <p>Although small, cottages are not inexpensive to build due to the inclusion of the most expensive rooms of a house (kitchen, bathroom) as well as heating and cooling systems. High cost may limit development without incentives.</p>	Small.	<p>Some code requirements affect costs. For instance, full two-story framing is less expensive than story-and-a-half framing, so height restrictions drive up construction costs. Excessive setbacks impact fees, permit fees and utility hook-up fees are based on single-family housing and may be unreasonably high for cottage code.</p> <p>Other than the costs of changing the code, incentives may be necessary to see development of units.</p>	City Planning Staff. Planning Commission. City Council.	Possible ranking: UNKNOWN/ LOW. This was recently addressed by the City.

Strategy Name	Description	Scale of impact in Bend	Investments (financial, time, etc.)	Decision maker	Workgroup ranking
Ordinances Preserving Existing Affordable Housing Supply	<p>Affordable housing replacement ordinances require a developer whose actions result in the loss of affordable housing—through demolition or condominium conversions—to replace all or a percentage of the affordable units lost. The ordinances can require the units to be replaced onsite or offsite, or can permit an in-lieu-of payment into a housing trust fund to be used for housing preservation projects. Replacement ordinances can “further replacement of affordable housing or discourage inappropriate demolitions or conversions,” but, if not crafted appropriately, “may also act to discourage needed investment in upgrading or replacing the local housing stock.”</p> <p>Approaches include:</p> <ul style="list-style-type: none"> <li>• Housing preservation ordinances</li> <li>• Housing replacement ordinances</li> <li>• Single-room-occupancy ordinances</li> </ul>	Scale of Impact - Small. Preserving small existing housing can make a difference in the availability of affordable housing in Bend but it is limited by the existing stock housing, especially smaller, more affordable housing.	Cities need to assess, on an on-going basis, all of their at-risk properties and the amount needed for financing these properties. One innovative idea is an S-REIT, or Small Multifamily Housing Real Estate Investment Trust. A traditional REIT raises capital from private investors to make equity investments in large commercial and multifamily complexes to help make them economically viable options in their existing forms.	City Council through ordinance.	Possible ranking: UNKNOWN/ LOW. May discourage the kind of redevelopment we are hoping to spur throughout the City.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
<p>Allow Townhomes, Row Houses, and Tri- and Quad-Plexes in single-family zones. (Chapter 2.1.600. Infill, residential definition in 1.2)</p>	<p>Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone. Already, in RS triplexes are allowed with lots of 10,000 square feet. Duplex allowed on 8,000. These lot sizes could be reduced. Townhomes already ok on smaller lots. Five or more townhomes have to have an HOA.</p>	<p>Scale of Impact - Moderate. Allowing these types of housing in more zoning districts may provide a valuable infill tool.</p>	<p>The investment to implement code changes is mostly staff and legal support. There are technical aspects, but the difficulty is mostly measured in time and political complexity.</p>	<p>All development code amendments require City Council approval with a recommendation from the Planning Commission, and may be subject to appeals to LUBA.</p>	<p>Possible ranking: MODERATE. Could be an easily applied tool for builders to increase density. There is an opportunity to encourage this change within the code update scheduled to occur later this spring and early summer.</p>

<p>Allow Co-housing.</p>	<p>Co-housing is a type of intentional community that provides individual dwelling units, both attached and detached, along with shared community facilities. Private homes contain all the features of conventional homes, but residents also have access to extensive common facilities, such as open space, courtyards, a playground, and a common house. This kind of development is already allowed under the Master planning code.</p>	<p>Already allowed under the code</p>			<p>Possible ranking:  UNNEEDED.</p>
<p>Reduction of parking requirements. 3.6 of code. 2.7 of code. 3.3.</p>	<p>Reducing parking minimums allows for more buildable land area, allowing developers to create more units and increasing revenue potential for building multi-family housing. Cities hoping to support smart growth and TOD benefit by rethinking these standards. Off-street parking requirements in local municipal codes directly affect parking supply, parking pricing</p>	<p>Small to moderate in the short run, moderate to large in the long run. Consider extending these to commercial and mixed-use zones where they can incentivize vertical mixed use housing. And while this tool may increase affordability it may cause other problems because the reduction or</p>	<p>Requires a parking utilization study, likely conducted by consultants. May decrease costs to individual developers, but a related need may be more communal parking lots of a parking structure, which are expensive.</p>	<p>City staff support. Planning Commission. City Council.</p>	<p>Possible ranking.  MODERATE. Could be a very useful tool for making infill development pencil out.</p>

	possibilities, urban design, and development feasibility. In deciding how much to reduce the requirements or whether to eliminate them entirely, communities should consider the effect of providing parking on development feasibility. This is especially important in locations with high land costs or community preservation issues (protection of historical buildings, community character, aesthetics and environmental concerns).	elimination of off-street parking requirements is most effective in areas with high-quality transit service, parking pricing and a walkable environment.			
Link open space requirements to park availability	Open space requirements on lots may be reduced when other public open space is already offered in the area through parks or other public lands. This reduction is currently being proposed as an affordable housing tool. Code update coming in the next few months may be an opportunity to pursue this for middle market as well.	Possibly moderate. Affect depends on how much open space requirements could be reduced.	Costs are low to implement.	May involve Park and Rec District as a stakeholder in the conversation. Planning Commission and City Council.	Possible ranking:  MODERATE. May be worth investigation by workgroup in subcommittees to learn how impactful it could be.
Increase allowable lot coverage for	More buildable land area increases revenue for builders helping to make	Moderate to large impact.	None to city. Time of staff.	Planning Commission and City Council. Timeline is this spring through June for that	Possible ranking:  HIGH. Good time

multifamily housing	projects pencil. The current code update proposal suggests increasing lot coverage from 40-50 percent in RM for multifamily. There is currently no lot coverage limit in RH.			code update.	for our workgroup to weigh in as Commission and Council consider this update.
Allow density bonus for development providing housing for up to 125 percent of AMI	Expanding the use of tools such as density bonus and additional story for units held in perpetual affordable housing inventory could spur the development of more housing stock in the 125 percent AMI and below. The downside of this is that there is less incentive to build needed affordable housing units because developers will naturally prefer to build units with the most potential bang for the buck. Though because affordable housing is almost always subsidized, there may be no real completion here.	This tool only works to incent mid-market or affordable housing if the additional density has value to the developers. At this point, it is unclear whether this tool has any incentive power.		Planning Commission. City Council. Affordable housing committee.	Possible ranking:  MODERATE. Could be beneficial as long as it doesn't have the effect of builders choosing not to build affordable housing
Offer density bonuses on transportation corridors	Allow density bonuses outright on transportation corridors, specifically those with transit routes, to encourage high-density	Moderate. Could be very valuable in opportunity areas.	No clear cost to City.	Commission and Council.	Possible ranking:  HIGH. Appears to be doable because it's in the

	development in appropriate areas. In the comp plan there is already a policy allowing this within a quarter mile of a transportation corridor. Our understanding is that this is not a portion of the development code, yet. The policy needs to be implemented.				comp plan as an idea. It's possibly low hanging fruit.
Expansion of mixed use developments into more zones, specifically encouraging multifamily residential development in commercial zones	<p>This tool seeks to encourage denser multifamily as part of mixed-use projects in commercial zones. Such policies lower or eliminate barriers to residential development in commercial or mixed-use zones. They include: eliminating requirements for non-residential uses in commercial zones (e.g., requirements for ground floor retail) or requiring minimum residential densities.</p> <p>This policy can increase opportunities for multifamily development on commercial or mixed-use zones or increase the density of that</p>	<p>Scale of Impact – Small Bend already encourages multifamily housing in commercial zones and the new mixed use zones created through the UGB proposal. Further encouraging multifamily housing in commercial zones would likely have a small impact, as multifamily housing is allowed in many of the commercial areas where it would be desirable.</p>	Low cost but also low priority.	Affordable housing committee. Planning Commission. City Council.	<p>Possible ranking: LOW. This is mostly unneeded as this kind of development is already allowed in commercial and the new mixed use zones.</p>

	development. Currently mixed use like is allowed in commercial zones and the new mixed use zones created by the UGB proposal. There is a possibility of trying to expand to other zones, but may be very inappropriate for those zones.				
Waive fees for development attempting to upzone in accordance with UGB plan	Remove barriers to zoning change requests for properties located in areas that will in the future be upzoned in accordance with the UGB proposal. This will be part of the proposal to Council to come in late spring and early summer.	Large. This is essential.	Consideration should be given to doing a city-wide legislative re-zone to bring properties with a plan/zone conflict into conformance with the Comp Plan. This removes an additional Land Use process and lowers project risks. Costs could come in the form of legal challenges.	Planning Commission and City Council.	Possible ranking:  HIGH. This is a crucial element of UGB proposal implementation.
Inclusionary Zoning.	Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of moderate-income housing as part of a proposed development. Mandatory inclusionary	Scale of Impact – Small to moderate. Inclusionary zoning has recently been made legal in Oregon, applicable only in buildings with 20 units or	Significant political capital. COST- LOW Affordability is often achieved through an indirect subsidy to residential developers— including through	Planning Commission. City Council.	Possible ranking:  LOW. Likely that some workgroup members may oppose and other favor. Does not address middle market housing

	<p>zoning-requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning-provides density or other types of incentives. In Oregon it is only legal to apply inclusionary zoning to apartments of 20 units or more. In Bend we already offer many tools that would allow encourage 30 percent of units in a facility to be locked in as affordable housing.</p>	<p>more. The scale of impact would depend on the inclusionary zoning policies adopted by the City.</p>	<p>increased development capacity or other accommodations during the development review process—and therefore the public cost of generating affordable homes can be relatively low. However, ongoing public management and oversight is critical to ensure that homes remain affordable to low- and moderate-income households over the long-term and the investment in affordable housing is retained.</p>		<p>specifically.</p>
<p>Inclusionary Zoning In lieu of fee</p>	<p>When a builder is allowed to provide a reasonable In Lieu Fee instead of providing the housing on site that can create a significant pool of funds for an Affordable Housing developer to aggregate and use more efficiently. The amount of the fee is critical and can't be so high as to</p>	<p>Low to Moderate.</p>	<p>Cost to City could be in legal staff time, consultant work to determine if this is a strong proposal.</p>	<p>Planning Commission and City Council.</p>	<p>Possible ranking:  LOW. Unlikely to be broad workgroup support.</p>

	be a disincentive. Also the set-aside percentage has to be reasonable, say 10-15%.				
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## INCENTIVES

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Reduce SDCs, fees, or off-site requirements	This policy reduces the up-front costs for projects that meet eligibility requirements (provide workforce housing) by reducing or eliminating systems development charges, permitting fees, or infrastructure provision requirements for projects that provide workforce housing. Currently there is a deferred SDC for multi-family. This could be extended to single-family detached in the middle market range.	Small to moderate impact. Lenders often don't like to lend when this is part of the equation because it's a lien against the property and that will deter investment.	Consideration needs to be examined on how revenue will be backfilled in both SDC funds and CDD revenue in order to provide this incentive.	City Council.	Possible ranking:  MODERATE TO HIGH. It is a potentially viable tool for encouraging middle market single-family home development.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Transfer of Development Rights	<p>This policy is intended to move development from sensitive areas (for instance some of the urban growth boundary expansion areas) to more appropriate areas (such as opportunity areas). Development rights are transferred to “receiving zones” and can be traded. This policy can increase overall densities. This policy is usually implemented through a subsection of the zoning code and identifies both sending zones (zones where decreased densities are desirable) and receiving zones (zones where increased densities are allowed).</p>	<p>Small to moderate. Actual impact will depend on the extent to which the policy is used. TDRs may have little impact on overall densities since overall density is not changed; rather it is moved around. TDRs can be used to encourage higher densities in selected areas.</p>	<p>Cost of trading scheme could be burdensome if not carefully designed.</p>	<p>Planning Commission and City Council.</p>	<p>Possible ranking:</p> <p>MODERATE. Could be worth exploration by a workgroup subcommittee before determination.</p>

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Parking Districts	<p>Three basic types of districts exist:</p> <ul style="list-style-type: none"> <li>• Assessment Districts</li> <li>• Revenue Districts</li> <li>• Residential permit parking</li> </ul> <p>In areas such as the Central Core it may be beneficial to create a parking district so individual developers are not burdened with including parking on site. This could take the form of a parking structure or centrally located parking lots. Parking Benefit Districts generally utilize revenues generated by a range of means including urban renewal, assessments, taxes or parking meters to provide transportation-related services, and various infrastructure/and or other improvements in order to improve the viability of the area.</p> <p>Recently research shows that property owners, businesses, and residents are supportive of programs designed to return revenues from parking</p>	<p>Moderate to High. Brings down development costs and encourages higher density. Could bring down housing purchase costs for home buyers. Impact on renters could be mixed if parking in facilities/lots incurs additional cost beyond rent.</p>	<p>Expensive. Creation of parking spaces in urban areas range from \$8k per space for suburban to \$60k for urban underground. Most parking structures are financed with a mix of public and private dollars. Private financing can be 10 to 20 years and may include a variety of financing options such as variable, indexed or blend mortgages. Public financing could come from urban renewal or bonds funded by the revenue streams generated by the cost of parking to consumers.</p>	<p>Development of a district requires agreement of key stakeholders (e.g. businesses, developers, land owners, residents and government). But ultimately it is City Council. If urban renewal zone is created, Council manages it by becoming its urban renewal board.</p>	<p>Possible ranking:</p> <p><b>HIGH.</b> Creation of a parking district, including a parking structure in the Central District could greatly spur development of high density housing in that area.</p>
	<p>back to the district in which they were collected as a means of making desired</p>				18

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Low interest loans or grants	Provide direct subsidies to workforce housing projects to incent their development.	Moderate but where does the funding come from?	Significant. Where would an additional revenue source come from? Would it be bonded? Would it be another fee of some sort?	City Council.	Possible ranking:  UNKNOWN.
Pre-development assistance	Provide assistance with design, engineering, or market studies to reduce the upfront costs of workforce housing projects. Already available to a certain extent through the City's planning department. Additional support could be a viable project once the heavy lifts on UGB implementation have been completed.	LOW. Already available now to a certain extent.	Additional City staff investment.	City Council.	Possible ranking:  UNKNOWN.
Land write-downs	On City or other publicly-owned land, reduce the cost of land to help make workforce housing projects pencil. Already the City is giving away or selling for small amounts pieces of developable land for affordable housing projects.	Small to moderate. City is prioritizing affordable housing.	Very expensive.	Affordable Housing Committee. City Council.	Possible ranking:  LOW. These parcels are being prioritized for affordable housing.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Reduce time for land-use approvals, simplify approval process and lengthen time that approvals are valid	Faster processing within the city's community development department and lengthening the time that approvals are valid allows developers more flexibility in funding and project launch. Time, cost and certainty all impact whether a developer will take on a project. City of Bend already has expedited review process for any residential or mixed use development that receives affordable housing funding for low/mod housing and use approvals are currently valid for 2 years. The current approval process requires many steps and sometimes require land use attorneys for simple approvals. Expedited timelines could be applied for multifamily housing.	Small to Moderate.	Additional city staff needed to fast track projects. Also note that many land use processes are governed by State Statues.	City Planning Department. City Council.	Possible ranking:  MODERATE. This may be very helpful for developers.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Tax abatements for multi-family housing	Typically this type of program allows a temporary reduction in property taxes over a certain amount of time, e.g. 10 years. Would require approval from individual taxing districts, but would dramatically offset costs of creating more affordable housing. Some programs exist - Oregon Single Family New Construction Limited Tax Abatement (LTA) program but have an emphasis on housing in transit areas and limited to low/mod housing	Moderate to high.	Costly. Would delay needed revenues for infrastructure development but may be worth the gap to develop properties that will pay off in the long run	City Council. Other taxing districts must approve.	Possible ranking:  HIGH. The workgroup may be able to create momentum for this kind of major incentive.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Vertical Housing Tax Credit	The State’s program encourages mixed-use commercial / residential developments in areas designated by communities through a partial property tax exemption. (The purpose of the program is to encourage investment in and rehabilitation of properties in targeted areas of a city or community, to augment the availability of appropriate housing, and to revitalize communities.) The residential portion may be for market rate or lower income households. The exemption varies in accordance with the number of residential floors on a project with a maximum property tax exemption of 80 percent over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of area median income or below).	Moderate to high. Could be a very valuable tool for encouraging dense development in opportunity areas	May prevent collection of revenues needed to support the infrastructure development associated with the growth. Requires application to state for Vertical Housing Development Zone. Taxing districts have a way to elect not to participate, which would greatly impact this effort.	City Council must first approve that this may occur in Bend, then may be involved in the application of each exemption approval. Taxing districts throughout Bend also play a role.	Possible ranking:  HIGH. There is very strong interest in this incentive in the community.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Housing Rehabilitation Programs	<p>Cities often offer home rehabilitation programs, which provide loans to low- and moderate-income households for rehabilitation projects such as making energy efficiency, code, and safety repairs. Some programs provide funding to demolish and completely reconstruct substandard housing. However most rehab loan programs will only cover rehabilitation work if it is less than 50% of the entire value of the home and less than \$25,000.</p>	<p>Scale of Impact - Small. Program already exists in Bend for low income households (offered by Neighbor Impact Limited fund availability means that relatively few households will use the loan. Not clear how much business private lending institutions do in this arena for above low income households</p>	<p>Most current funding is from State although City of Bend has funded in the past with CDBG money. Current preservation proposal working its way through the state legislature could bring more funds to nonprofit entities in the future. (No bill number yet.)</p>	<p>State, City of Bend, private lenders, nonprofit organizations</p>	<p>Possible ranking:  LOW. Small impact in Bend.</p>

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Development permits available in two tiers: affordable and market rate	Please visit the City of Santa Rosa, CA for more information. In short the number of permits are controlled each year with permits split in two equal categories. If a builder offers to build a subdivision with with a 50/50 mix of unit sizes below 1250 sf and over 1250 sf, all permits can be taken from the Affordable pool. This assumed that smaller homes are more affordable. This integrated smaller homes into many subdivisions throughout the city. This typically addressed densities between 8 to 13 units per acre in small lot subdivisions. They were designed with duplexes, tri-plexes and 4-plexes included with single family homes, and included “duplexes” that were a small primary home and a ADU type unit over a garage on one lot. These had no requirement for an owner to live in one of the units. This is part of their Housing for All comprehensive housing strategy.	Medium to Large, “Affordable By Design” strategy is intended to incentivize development of small homes/higher density which theoretically will mean units will be less expensive to buy and rent	Change to development code; CA has different housing laws including mandatory inclusionary housing so we would have to come up with a twist on this that works with Oregon land use law	Private developers; City of Bend	Possible ranking:  UNKNOWN.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
New Market Tax Credits	The New Markets Tax Credit (NMTC) was designed to increase the flow of capital to businesses and low-income communities by providing a modest tax incentive to private investors. Over the last ten years, the NMTC has proven to be an effective, targeted and cost-efficient financing tool valued by businesses, communities and investors across the country. This opportunity sunsets in 2019. For certain mixed use developments in qualified areas, lucrative federal tax credits can be used to bring in institutional equity to fund rental housing when accompanied with 20% commercial development.	Low. Unlikely that Bend qualifies. The credit is intended to spur investment in real estate. We do not have this problem in Bend.	We would have to make a strong case for Bend being a low-income area where real estate investment is low.	Federal government.	Possible ranking:  LOW. We likely do not qualify for this opportunity.

## FUNDING INFRASTRUCTURE AND INCREASING AVAILABILITY OF MIDDLE MARKET HOUSING

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
General Fund and General Obligation (GO) Bonds	The city can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements or to build below-market housing. GO Bonds require a public vote which can be time-consuming and costly. GO Bonds also raise property owner taxes. This tool is currently in use in Portland; funds are being spent to build affordable housing targeting those making below 60% MFI.	Scale of Impact – Moderate to Large. GO Bonds can be used to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).	Public vote is time consuming and can be costly.	City Council must go to voters for their approval of the tax increase and must be reapproved, often every biennial.	Possible ranking:  HIGH. This is likely to be a favored strategy my many community members to funding infrastructure related to the UGB. Workgroup members may want to shape that conversation.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Urban Renewal Districts	<p>Urban renewal is a state-authorized redevelopment finance tool. Urban renewal areas use tax increment financing (TIF) to reinvest or rebuild parts of cities that are physically deteriorated, economically stagnated, unsafe or where the old urban layout no longer works. Tax increment financing enables local municipalities to issue bonds to finance capital improvement projects and stimulate investment in blighted areas that are designated as urban renewal districts. Revenues from the bonds are invested in infrastructure improvements or other projects within the area, including housing. As property values increase due to the reinvestment in the area, the property tax gains – or tax increment – are used to pay off the bondholders. Funds can be used to support the provision of workforce housing through subsidies or bonds. Bend currently has two urban renewal areas - Murphy Crossing and Juniper Ridge.</p>	<p>High. Each opportunity area in Bend is a potential candidate for an urban renewal zone that could help fund major road improvements, parking structures or other projects that support density. But level of impact largely contingent on how much of financing is used to develop middle market housing.</p>	<p>Freezes the tax base where it currently stands so that taxing jurisdictions during the life of the urban renewal district will not increase. While upfront costs come in the form of staff time, there is a long-term cost to a municipality of not being able to reap the benefits of the increasing property tax revenues from areas that may be rapidly becoming more affluent. Requires a feasibility study and report and formal plan to be adopted.</p>	<p>City Council. Council also becomes the urban renewal board for that district. City of Bend – must determine an area is “blighted” = underdeveloped, underperforming, deteriorated, dangerous, underserved</p>	<p>Possible ranking:</p> <p>HIGH. These tools have the potential to dramatically shape some aspects of the Bend landscape in coming years.</p>

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Fund infrastructure for expansion areas	The recently expanded urban growth boundary areas require backbone infrastructure – roads, water, sewer – before they can develop. Doing so will require sequenced public and private investment for which planning, engineering and design, and public finance strategy will be necessary. Possible revenue sources include bonds, local improvement districts, increasing SDCs, Sole Source SDC districts, additional fees on water and sewer bills.	Moderate to Large. This is critical because most private developers cannot build all these infrastructure improvements on their own.	Significant. In the hundreds of millions of dollars, and may need to be sequenced over many years as the City has limited funds and many demands. (For comparison the Transportation Fund brings in roughly \$6 million per year. The cost of roundabout is roughly \$2 million.)	City Council will make final say as to what parts of the City get public dollars for infrastructure expansion; City staff will make recommendations, Public may be asked to vote on revenue generating bond measures.	Possible ranking:  HIGH. Funding infrastructure is a critical component of realizing the UGB proposal.
Fund infrastructure for infill development	Infrastructure is necessary to support infill development as well. The City’s transportation system plan and its sewer water master plan both need to updated, and recommended projects built through a combination of public and private investment, to support additional capacity in existing neighborhoods and transportation corridors.	Moderate to Large. This is critical because most private developers cannot build all these infrastructure improvements on their own.	Significant. In the millions of dollars and may need to be sequenced as the City has limited funds and many demands. (For comparison the Transportation Fund brings in roughly \$6 million per year. The cost of roundabout is roughly \$2 million.)	City Council will make final say as to what parts of the City get public dollars for infrastructure expansion; City staff will make recommendations, Public may be asked to vote on revenue generating bond measures.	Possible ranking:  HIGH. Funding infrastructure is a critical component of realizing the UGB proposal.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Sole source SDCs, supplemental SDCs	The creation of districts where SDC revenues can be applied to infrastructure costs in that area specifically could improve conditions for development within those zones. For instance, a district around OSU-Cascades where transportation SDCs from that area (including from OSU-C) could be driven into transportation improvements primarily in that area.	Moderate to Large. Could make a significant difference in funding needed walkable, bikeable infrastructure around OSU-Cascades for instance.	In some areas, this type of financing tool could be the funding mechanism needed to make a go/no-go decision on large projects.	City Council.	Possible ranking  HIGH. This could greatly affect development in certain areas of the city and this workgroup has the opportunity to greatly shape the conversation.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Community Land Trust	Community land trusts (CLT) generally are nonprofit organizations that acquire and hold land to be used for affordable housing. Housing on the land is sold at an affordable price and the homeowner leases the rights to the land on which the house sits. In this way the cost of the land is removed from the purchase price, thereby making the housing more affordable. Long-term leases (typically 99 years) are renewable as well as assignable to heirs. Limited equity formulas restrict the resale price of the home to ensure that the housing remains affordable for future buyers. Many cities support the formation of community land trusts as well as provide surplus land for the CLT's use. Tool used only on very limited basis in Bend right now. Housing Works has a few land trust homes and there is a new land trust nonprofit (Kôr CLT) that is getting off the ground.	Scale of Impact - Small to moderate: A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing using a different tool.	To get started land trust needs cheap land (usually obtained through a grant, award of surplus land, private donor) Financing can be challenging because not all lenders understand the model which takes the land out of the appraisal equation	Governmental entities that can provide surplus land, private donors. Neighborhoods also determine if these projects (or any "affordable" project) will proceed - NIMBYism can kill a proposal	Possible ranking:  MODERATE TO HIGH. Our workgroup members may be uniquely suited to assist in the robust development of a land trust project in Bend.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Partnerships with major employers	Employers in the Bend region are key stakeholders who need a supply of attainable housing to recruit and retain staff. In some markets, employers directly fund workforce housing, or partner with community land trusts or local governments to provide housing. Could involve joint ventures with developers that create profit and housing. Some interesting opportunities exist for large employers who also hold large amounts of land such as the school and parks district. Collaborations between the City and these districts to rezone or conduct other code work could allow for housing on public lands. Special districts allowing for these developments may be one tool.	Moderate to high. Depending on the level of investment employers were willing to make.	Potentially costly to employers, though partnerships with private developers could substantially offset costs and possibly even offer new revenue streams for these employers over time. Would require staff time for all agencies involved.	Employers. Districts affected. Planning Commission. City Council.	Possible ranking:  MODERATE.
Voluntary allocation of funds from property sales	Individuals and businesses could voluntarily approve an additional fee that could be used like the affordable housing fee and collected as property sales are recorded.	Small.	Implementation could be challenging to develop. Where is the point of contact? Records office? Planning department?	City Council.	Possible ranking:  LOW.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Partnerships with affordable housing developers	The City already partners with affordable housing developers to support housing affordable to the lowest end of the income spectrum through the selling or granting of city-owned land. Extending those partnerships into mid-market price points could create administrative and funding benefits.	Moderate.	Unlikely to be the highest need in the community with resources already stretched to meet the affordable need.	Non profit agencies involved in housing development. City affordable housing committee. City Council.	Possible ranking:  LOW. Relative to other opportunities at this time.
Foreclosed property donations	Banks in the area could be encouraged to grant foreclosed properties into a public trust or a community land trust for use as affordable housing stock.	Small. City staff estimate there are only a few hundred of these properties in the City.	Very challenging to track down who owns these foreclosed properties. These properties were bought and sold many times by various banks.	Banks across the nation. City Council.	Possible ranking:  LOW. Relates to other opportunities at this time and the time involved in succeeding at this tool.
Community Development Corporations	These are non-governmental, non-profit entities that provide services to support community development. Many CDCs focus on housing, and may function similarly to community land trusts, provide research and policy support, or undertake development deals.	Moderate.	Would require significant coordination to encourage development of more of these groups in Bend.	Variety of agencies could take the leadership role here.	Possible ranking:  LOW. Relative to other opportunities at this time.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Parcel assembly and / or land-banking	Parcel assembly or land-banking involves the city's ability to purchase lands for the purpose of land aggregation or site assembly. Both approaches lower the cost of multifamily development because the City is able to purchase land in strategic locations over time, and write down the cost of that land for eligible projects.	Scale of Impact - Small to Moderate: Parcel assembly is most likely to have an effect on a localized area, providing a few opportunities for new multifamily housing development over time.	This is a great method to ensure control over cost of the end product, but this issue is always who pays to purchase the land in the first place? Could be through donation, bond measure, dedicated revenue source (TBD)	Varies as it depends upon the vehicle used to acquire the land.	Possible ranking:  UNKNOWN. Depends on workgroup interest.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Prepare for / initiate the next UGB expansion process	The City of Bend has very recently expanded its urban growth boundary in a lengthy and contentious process. The pace of growth in the region and the length of time needed to complete an expansion suggest to some that now is the time to begin thinking about the next UGB expansion. The thinking is that the UGB expansion process can lead to a sense that the supply of land is increasing which will then drive down the cost of land. This is a highly speculative approach.	Likely Small to Moderate in the near term. Given that it will take a while to actually bring in the new parcels of land and build the infrastructure to allow development, this is not a quick fix.	The last UGB expansion took over ten years and millions of dollars to complete, and is a significant project impacting multiple departments and the larger community. The energy that must be invested in this approach takes a big bite out of the ability of City and community to implement the current UGB plan.	Decision to pursue UGB expansion would rest with City Council, Deschutes County Board of County Commissioners, and ultimately the State of Oregon. Likely that DLCD may take issue with this approach until after current UGB plan is implemented.	Possible ranking:  UNKNOWN. Likely to be favored by some workgroup members and opposed by others.

Strategy Name	Description	Scale of impact in Bend	Investments (Financial, time, etc.)	Decision maker	Workgroup ranking
Allow for more flexibility in planning related to UGBs	Reduce barriers to expansion of UGBs through amendments to state land-use law that would give more authority to local governments to bring in additional land to meet housing needs.	Small to Large. Depends obviously upon the land in question, but there are some parcels for which this might work very well.	City staff (attorney) to research, City lobbyist. Significant community investment to show lawmakers the need and desire for change.	State lawmakers. Community members and organizations have the ability to pursue lobbying efforts without involving City staff or leadership. Without staff or leadership buy-in it may be difficult to persuade state legislators.	Possible ranking:  UNKNOWN. Likely to be favored by some workgroup members and opposed by others.