



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: January 29, 2025

SUBJECT: Amendment to an agreement allocating ARPA funds to the City of Sisters to expand the inventory of affordable housing

RECOMMENDED MOTION:

Move approval of Document No. 2025-128, amending a 2023 agreement allocating ARPA funds to the City of Sisters to revise language in Exhibit A.

BACKGROUND AND POLICY IMPLICATIONS:

In January 2023, the Board of Commissioners allocated \$500,000 to the City of Sisters for the development of a 40-unit multi-family rental housing project in Sisters. The City, along with its development partner, Northwest Housing Alternatives (NHA), has recently identified the need to revise Exhibit A as outlined below. This revision will allow NHA to maximize funding opportunities and still accomplish the City's goal of increasing the supply of affordable housing in Sisters.

Within the original agreement, bullet 5 of Exhibit A on page 8 currently reads:

Units will be targeted at households making 65% of the Area Median Income (AMI) or less. Affordable apartments at this income level allow NHA to access federal and state funding sources. With some grants/tax credits, there may be the ability to "income average," which could allow some units to be up to 80% of the AMI, but the project must be balanced with lower AMI units to average 65% AMI or below.

The City proposes replacing that language with the following:

The affordable units will be leased or rented to an individual or families whose annual household income is at or below 80% of Area Median Income ("AMI") adjusted for family size as designated on a yearly basis for Deschutes County by the federal department of Housing and Urban Development ("HUD") for an Affordable Rental Rate.

The Department of Treasury ARPA guidelines allow for affordable rental housing units to limit maximum income up to 120% AMI.

The original agreement is attached for reference.

BUDGET IMPACTS:

None—the County allocated ARPA funds for this project in 2023.

ATTENDANCE:

Jordan Wheeler, City Manager, City of Sisters

Laura Skundrick, Management Analyst