

Deschutes County American Recovery Plan Act

Affordable Housing Requests - 12.08.21

Category/Project Request	Request	Type	Area	# Units	AMI	Total Cost	Timing
Affordable Home Ownership - Kor Community Land Trust	600,000	Single Family	Bend	5	40-120%	2,050,000	2024
Expand Affordable and Workforce Housing in Sisters - Reserve	500,000	TBD	Sisters	TBD		TBD	TBD
Habitat for Humanity La Pine Sunriver Affordable Housing in South County	1,200,000	Du/Triplexes	South County	24	38%	5,401,671	2026
Habitat for Humanity La Pine Sunriver Emergency/Critical Home Repairs in South County	100,000	Repairs	South County	200	30-40%	350,000	2025
Habitat for Humanity-Bend 12 Townhomes 27th Street	2,000,000	Townhomes	SE Bend	12	<80%	3,500,000	2024
Habitat for Humanity-Bend 8 Townhomes WaterCress Way	1,500,000	Townhomes	NE Bend	8	<80%	2,500,000	2024
Habitat for Humanity-Sisters Woodland Project	1,000,000	Single Family	Sisters	10	<60%	3,850,000	
Hayden Homes Affordable Housing Project	1,000,000	Various	East Bend	108	<80%		
Housing Works Redevelopment and Expansion of Spencer Court in Redmond	2,000,000	Multifamily	Redmond	16+44	<60%	16,100,000	2024
Grand Total	9,900,000						

Affordable Housing for low-income, working households

2021 Proposal to the Deschutes County Board of Commissioners

Bend-Redmond, La Pine-Sunriver & Sisters Habitat, and Kôr Community Land Trust

Homeownership creates support for seniors and generational impact for parents and children through housing stability: simply put, homeownership leads to better health, stable employment, and better educational outcomes, while raising net family wealth¹. With housing costs and demand rising in a community still recovering from COVID impacts, affordable housing is a critical piece of economic, social, and community recovery for low-income, working families across Deschutes County. With an investment in four key partners who build affordable housing, the County invests in long-term residents who: strengthen the local economy as its local workforce, are consistent tax-payers, and have the discretionary income to invest back in the local economy.

Enclosed proposals from Kôr Community Land Trust and 3 Habitat for Humanity affiliates request American Rescue Plan Act funding from the Deschutes County Board of Commissioners, to make a one-time investment to provide generations with the family stability and wealth creation of homeownership throughout the county: Sisters, La Pine, Bend, and Redmond, and the neighborhoods and communities between. **Specifically, \$6.3 million in requested investment to Bend-Redmond, La Pine-Sunriver & Sisters Habitat and Kôr Community Land Trust will:**

- **Build 125-150 homeownership opportunities for working households and households close to poverty line** across Deschutes County:
 - **58-59 homes for extremely low-income to low income households** earning between 30-80% of Area Median Income² (for a family of 3, \$21,960 to \$57,900/yr)
 - **1-2 homes for the County's workforce** at the median AMI for Deschutes County (for a family of 3, \$68,875)
 - **Re-invest in and construct an estimated additional 75-90 homes** for low to extremely low-income households leveraging net proceeds from home sales/mortgage placements.
- **Attract \$11M in matching donations from foundations, private donors, and other government investments for the first 60 homes, with another \$10M + to follow.**
- **Raise educational attainment, employment stability, long-term good health, and long-term family wealth** – a huge, generational leg up for 60 working families, their children and elders, a critical investment in COVID recovery now and into the future.
- **Invest in long-term-to-permanent affordability**, guaranteeing that these homes will remain accessible to families with limited incomes in perpetuity, impacting up to 8 families per home over time, or 480 families over 50 years.

Need: Affordable Homes for Purchase across Deschutes County

Housing prices and construction costs have risen drastically since the start of the COVID pandemic,

¹ See enclosed: Beneficial impacts of homeownership: A research summary. Habitat International; accessed 11/20/21 <http://www.habitatbuilds.com/wp-content/uploads/2016/04/Benefits-of-Homeownership-Research-Summary.pdf>

² <https://www.oregon.gov/ohcs/compliance-monitoring/Documents/rents-incomes/2020/LIHTC/Deschutes-County-2020-Rent-Income-Limits.pdf>, <https://www.huduser.gov/portal/datasets/il/il18/FAQs-18r.pdf>

a reflection of supply chain woes and rising demand, of labor shortages and continued immigration. With rents already out of reach for the families who need stable housing most, the increase in median home price puts homeownership even further out of reach for working families whose essential labor has, in many cases, kept our economy going. These are the workers who stock grocery shelves; who clean hospital rooms; who assist physicians; and who pour concrete and hammer nails into the new homes we need. These are working individuals and families who can qualify for a mortgage but cannot afford to purchase a home on the rising market when their own wages remain stagnant. **This request supports Deschutes County’s essential workers and their families, investing in their futures and in the future of our collective economic recovery.**

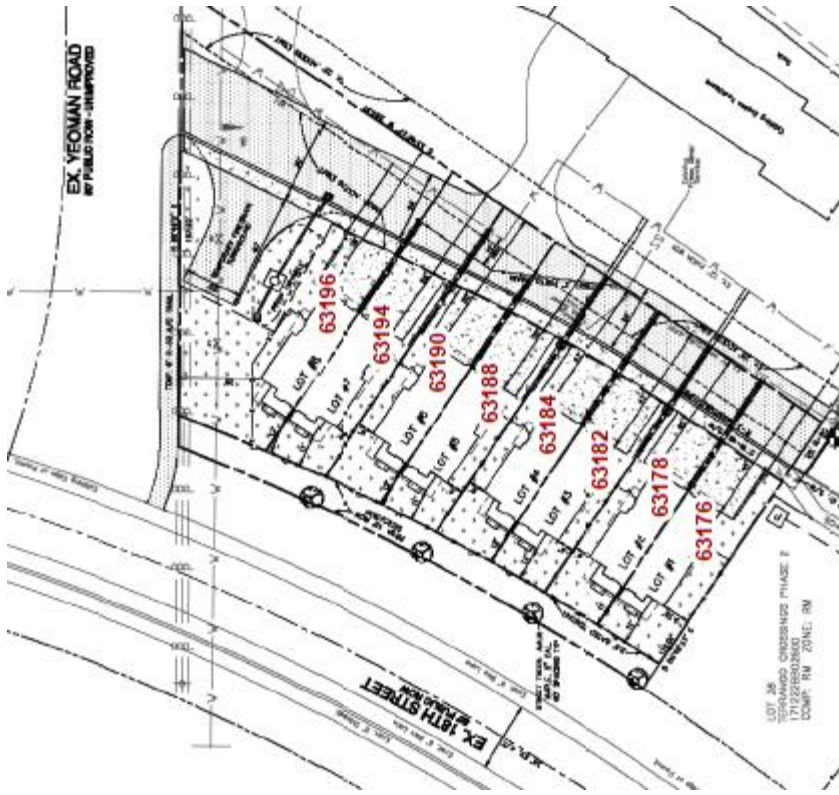
The enclosed proposals outline regional specifics in need and impact, since workforce needs, average annual incomes, and housing prices vary widely from La Pine to Sisters, from Bend to Redmond, and the broad and connected rural neighborhoods spanning between these centers. Yet, despite differences in community need, in access to funding, and workforce needs, these regions are also interconnected; and **affordable homeownership opportunities are critical for short and long-term economic stability for families across Deschutes County.** Here, the coalition of Kôr Community Land Trust and Sisters, Bend-Redmond, and La Pine Habitat present a collected request designed to increase affordable housing equitably *across Deschutes County*, by investing in family-sized homeownership opportunities led by Bend, La Pine, and Sisters Habitats, and the County-wide work of Kôr Community Land Trust.

Collective budget and impact

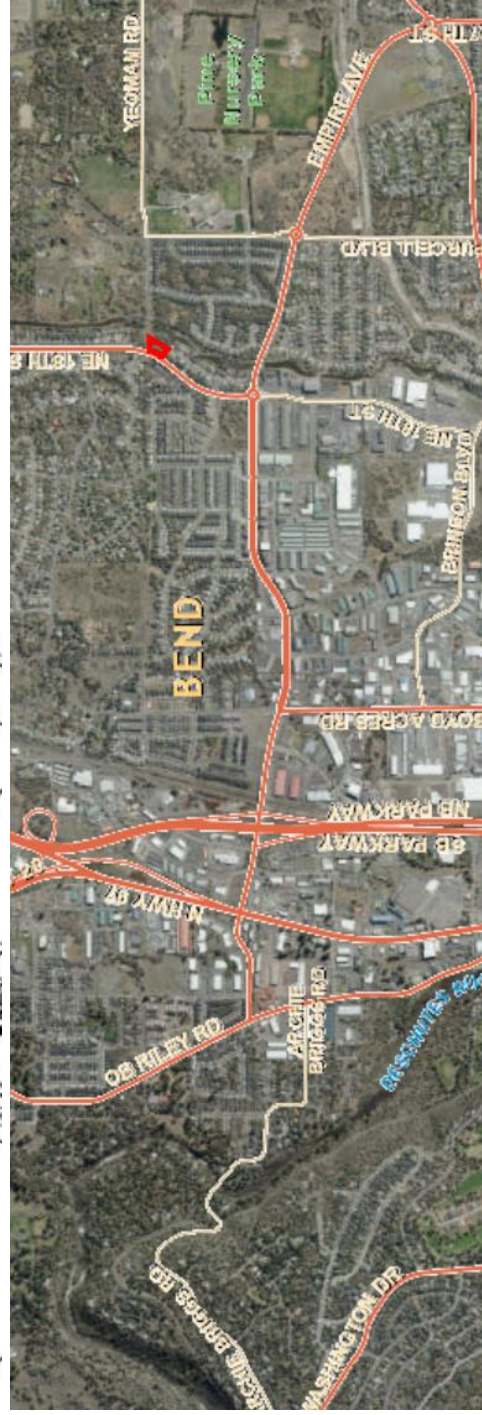
Organization	Location(s)	Affordable Housing Units Constructed by end 2026*	Est. Adults/ Children served	Deschutes ARPA request	Match leveraged	Total Cost
Bend/Redmond Habitat	Bend: Watercress Way (NE Bend); SE 27th St	78 (includes leveraged builds)*	120 adults, 45 children	\$3,500,000	\$2,500,000	\$6,000,000
Kôr Community Land Trust	Deschutes County county-wide flexibility, prioritizing outside of Bend	5	10 adults, 5 children	\$600,000	\$1,450,000	\$2,050,000
La Pine Sunriver Habitat	La Pine: Putney Place, La Pine Duplexes	24	41 adults, 14 children	\$1,200,000	\$4,201,671	\$5,401,671
Sisters Habitat	Sisters Woodlands	10	15 adults, 6 children	\$1,000,000	\$2,850,000	\$3,850,000
		117**		\$6,300,000	\$11,001,671	\$17,301,671

*per Bend-Redmond Habitat proposal, leveraged to build add'l 18 homes by 2024 and build 40 more by 2026, for a total of 78. ARPA, Match, and Total Cost figures presented here for Bend-Redmond represent the first 20 homes.
 **For Kôr, La Pine and Sisters Habitats, anticipate an additional 7-33 leveraged builds, for 125-150 total.

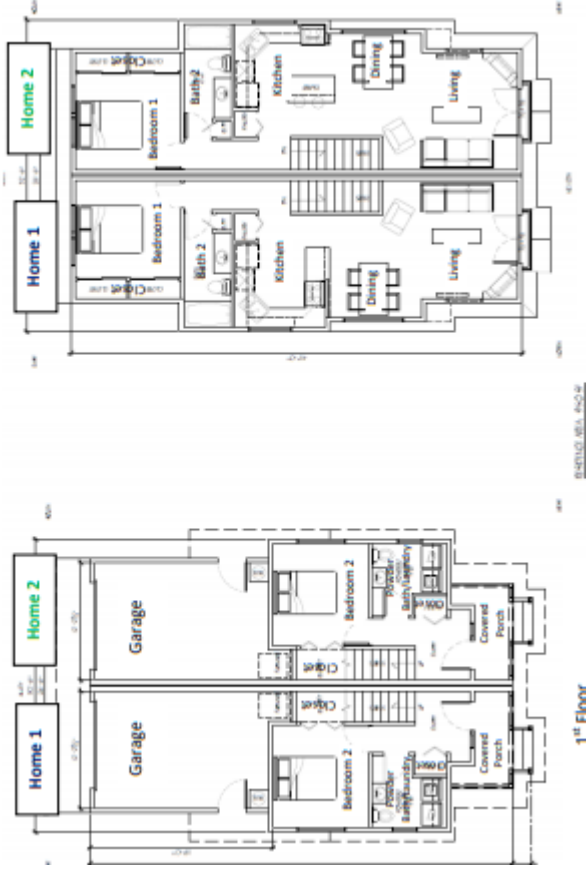




WaterCress Way TOWNHOMES, Under 80% AMI Ownership
LOCATION: NE 18th and WaterCress, Bend
PROJECT: 8 Units on Affordable Land Lease
COST to Complete: \$2.5 Million
ASK: \$1.5 Million



**2-bedrooms, 1 1/2 bath
with garage**





November 22, 2021

Dear County Board of Commissioners,

Kôr Community Land Trust provides environmentally sustainable and permanently affordable homeownership opportunities for those who contribute to the fabric of the Deschutes County economy and community. **Kôr bridges the gap between renting and homeownership, making owning a home attainable and affordable for the County's workforce.** Through Kôr, people gain equity in their homes, without being cost-burdened by erratic rent payments and high utility bills. By creating more affordable homeownership opportunities, the County is ensuring an increase in long-term residents who: strengthen the local economy as its local workforce, are consistent tax-payers, and have enough discretionary income to invest back in the local economy.

Kôr Community Land Trust respectfully requests \$600,000 of funds from the American Rescue Plan Act for land acquisition within Deschutes County to create a homeownership community for at least five households earning between 30-120% AMI. Kôr's affordable homeownership opportunities are distinct in the way that they are:

- **Permanently affordable:** This one-time investment would create a long-term community asset in Deschutes County. Kôr uses deed restrictions upon resale to ensure that if the homeowners sell, the home resells to another income qualified homebuyer. Long term, Kôr's model of permanent affordability will serve approximately 8 income-qualified households within the homes' first 50 years. **That means investing in five households now, would serve an average of 40 households through the life of the home.**
- **Net-zero:** Kôr homes are designed to net-zero energy standards and feature solar panels, a tightly sealed building envelope, upgraded fixtures, hard surface flooring, and energy efficient lighting and mechanicals.
- **County-wide:** **Kôr is the only homeownership developer in the County that is not place-based and thus can develop affordable housing throughout the entire County.** This financial model is based on purchasing land outside of the City of Bend to ensure equitable access throughout the County. However, if Kôr used ARPA funds to purchase land within the City of Bend, it could serve twice as many households, thanks to the leveraged support from the City of Bend.
- **Inclusive workforce housing:** In its first development, Kôr served two households earning less than 40% AMI, two earning less than 80% and one earning less than 120%. Additionally, the households included two families with children, four female-headed

households, one household with a disability, and two senior households. Kôr anticipates its future communities will reflect a similar clientele.

Land Acquisition

It is Kôr’s strategic goal to serve more households in Kôr communities throughout the County. However, Kôr needs the County’s support to build more permanently affordable housing. Kôr is seeking one-acre to develop its next permanently affordable, net-zero community. Typically, Kôr secures land through a lengthy purchase timeline and then applies for City and State subsidy to close on the sale of land. This process takes an average of 9-12 months and requires a very patient seller. Given the competitive housing market, **Kôr has lost over twenty land acquisition opportunities** because the sellers have other sale options that do not require an average nine month holding period. This funding would be used to quickly acquire land, in which the fund would stay in the land and be used to bring down the price of the homeownership units.

Organizational Capacity

Kôr CLT has generated revenue for operating expenses since incorporating in 2014. Kôr’s support base and financial stability continues to grow each year, with the organization now managing a \$270,000 operational budget and \$832,000 in net assets. In the last year, Kôr, in partnership with Housing Works, closed on its first 5-unit affordable homeownership community and broke ground on its second 5-unit affordable homeownership community. The second development is funded and anticipated to be completed in Fall 2022. **Managed funding sources include: Affordable Housing Fee; Bend CDBG; OHCS LIFT; and private funds.**

Kôr is led by a 10-person Board of Directors with experience in the areas of commercial and residential construction management, general contracting, architecture, affordable housing management, and net-zero energy design and sustainability. Jackie Keogh has served as Executive Director since May 2021. Keogh brings over a decade of experience in affordable housing, having previously worked for Portland Housing Bureau and Proud Ground, the largest Community Land Trust in the Pacific Northwest. **Keogh has managed HUD pass-through grants, including HOME and CDBG, as well as OHCS’ LIFT and Down-payment Assistance.**

Project Timeline

Land acquisition	March 2022
Pre-development	March 2022 - March 2023
Subdivision and Infrastructure	April 2023 - September 2023
Building of the homes	October 2023 - June 2024
Sale of Homes	July 2024

Proforma

Kôr is requesting granted funds given it will maintain affordability in perpetuity. For budget purposes, the assumption was made that Kôr will be able to build at least five homes on a

property outside of the City of Bend, within Deschutes County. If the site planning process allows for more units or if land is acquired within City of Bend, Kôr will submit an amended budget and proforma to show an increase of units and increase of leveraged funds. The proforma also includes project costs that were projected using the costs for a current cottage development; the infrastructure costs were adjusted due to likely rocky topography on the site; This land acquisition funding is first-in funding. Sources were estimated based on past available funding sources.

Deschutes County's \$600,000 would leverage a total of \$1,456,704, comprising \$410,318 in direct project sources and \$1,046,386 in home sales.

Project Budget				
PROJECT SOURCES	Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Total Project Sources
<i>Deschutes County Grant</i>	\$ 600,000			\$ 600,000
<i>Foundations and Private Support</i>		\$ 60,000		\$ 60,000
<i>State LIFT funds</i>		\$ 200,000		\$ 200,000
<i>In-kind donations, development</i>	\$ 11,375	\$ 5,300		\$ 16,675
<i>In-kind donations, net-zero energy</i>		\$ 133,643		\$ 133,643
<i>System development charge exemption</i>		\$ 104,304		\$ 104,304
<i>Construction Loan</i>		\$ 1,106,386		\$ 1,106,386
TOTAL PROJECT SOURCES	\$ 611,375	\$ 1,609,633	\$ -	\$ 2,221,008

Number of homes	5
Square feet (s.f.)/home	1000
Total s.f.	5000
Hard cost (\$/s.f)	145
Funding not due	
Loans to be repaid at occupancy	

PROJECT USES	Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Total Project Uses
Project Personnel Expenses				
<i>Developer Fee - 7% of affordable units</i>	\$ 20,125	\$ 45,840	\$ 46,048	\$ 112,014
<i>Project management/ GC fee - 15%</i>	\$ 19,539	\$ 44,505	\$ 44,706	\$ 108,750
Sub Total Personnel Expenses	\$ 39,664	\$ 90,345	\$ 90,755	\$ 220,764
Non-Personnel Expenses				
<i>Land</i>	\$ 315,000			\$ 315,000
<i>Pre-development</i>	\$ 31,290	\$ 105,048	\$ -	\$ 136,339
<i>Subdivision/Infrastructure & site work</i>	\$ 10,000	\$ 283,590	\$ 58,500	\$ 352,090
<i>Building</i>		\$ 381,393	\$ 730,405	\$ 1,111,798
<i>Administration and carrying costs</i>	\$ 3,090	\$ 48,545	\$ 33,383	\$ 85,018
Sub Total Non-Personnel Expenses	\$ 359,380	\$ 818,576	\$ 822,288	\$ 2,000,244
TOTAL PROJECT USES	\$ 399,045	\$ 908,921	\$ 913,043	\$ 2,221,008
RUNNING NET	\$ 212,330	\$ 913,043	\$ 0	\$ 0

HOME SALES	\$ 1,046,386
Downpayment assistance	\$ 100,000
SUBTOTAL REVENUE	\$ 1,146,386
Stewardship fee	\$ (40,000)
LOAN REPAYMENT	\$ (1,106,386)
NET PROJECT REVENUE	\$ 0

Outcomes

Kôr's homeownership program supports homebuyers during the entire home buying process, including community outreach, homebuyer selection and income verification, mortgage readiness, home sale, and post-purchase support. Outcomes include:

1. Attracting at least 150 interested homebuyers to public, group education sessions.
2. Selecting 5 homebuyers and multiple back-up buyers from a housing lottery.
3. Referring households to NeighborImpact for housing education and counseling.
4. Working with selected homebuyers to help them leverage a traditional mortgage.

5. Producing 5 affordable and net-zero homes that will remain permanent community assets through the Community Land Trust, serving more income-qualified homebuyers when the units resell.

With the County's support, we can create a sustainable, equitable community where everyone can afford to live where they work and play. Thank you for your consideration. If you have any follow up questions, please refer them to myself at (541) 247-1244 or jkeogh@korlandtrust.org.

Respectfully,

A handwritten signature in black ink that reads "J. Keogh". The signature is written in a cursive, slightly slanted style.

Jackie Keogh, Executive Director



Proposal to the Deschutes County Board of County Commissioners November, 2021

Request: Build Affordable Housing for Southern Deschutes County

Since 1993, Habitat for Humanity of La Pine Sunriver has built 45 and repaired 120 homes for South County homeowners, creating generational impact for parents and children through housing stability in greater La Pine. 95% of Habitat homeowners in La Pine still live in the homes they own, some nearly 30 years after they moved in. La Pine's Habitat homeowners contribute to our local economy: they include a receptionist at the St. Charles Health Center La Pine; an inventory stocker at Grocery Outlet; and a staff member of the La Pine Chamber of Commerce.

Housing costs and demand are rising in La Pine as buyers are priced out of Bend and Sunriver housing markets, forcing home prices far beyond the financial reach of the community's modest median income, \$37,991, which is less than half the median for the county¹. La Pine's workforce is rooted in service industries: construction and hospitality, school staff and nursing assistants, service technicians and cops. These workers were hard-hit by pandemic closures which reduced their hours or cut their jobs entirely. Habitat La Pine Sunriver's work- and this request- supports these households, who are the backbone of La Pine's recovery, the *neighbors otherwise unable to afford housing in this, the most affordable corner of our county.*

Habitat La Pine Sunriver requests American Rescue Plan Act funding from the Deschutes County Board of Commissioners to invest in a new generation of homes, homeowners, and stable, healthy households in a rapidly changing La Pine. **Specifically, HFHLPs requests \$1,200,000 to construct 24 homes: 10 townhomes in Putney Place and 14 homes (7 duplex units) in the to-be-named "La Pine Parks North", with an investment of \$50,000 per home, or roughly 22% of total cost, including:**

- **Vertical cost to build 24 homes, based on prevailing wage for subcontract labor and materials (and reflecting rising cost of steel and lumber)**
- **Raw land infrastructure on each lot, including water, sewer, electricity.**
- **Down payment assistance to make our homes affordable to families at 30%-50% AMI by reducing cost to purchase.**

With the target Habitat La Pine household of 4 earning \$30,000 per year, the requested funding will enable families at 30-50% AMI to qualify for a mortgage, by investing in construction costs and reducing price to purchase. These funds help Habitat La Pine Sunriver to reduce home first mortgages from \$203K to \$153K, to make homes affordable to working La Pine families earning an average household income of \$28,000-\$32,000.

Financing Homes in La Pine

Because La Pine is a small and relatively young city, homebuilding projects in La Pine require

¹ <https://datausa.io/profile/geo/la-pine-or#demographics>



regional support and investments which projects in the County's larger cities can access through their municipal budgets. As a partner with the City of La Pine, Habitat La Pine Sunriver works to support city growth as part of our homebuilding projects.

Specifically:

- Habitat La Pine Sunriver carries a heavier fundraising lift, raising private funds for each home, as La Pine homebuilding projects cannot receive the additional block grants and match from HUD/CDBG which are available to projects in Bend and Redmond.
- As a newer city, La Pine has a still-developing zoning code. Habitat's 2018 Putney Place development created La Pine's first-ever townhome zoning.
- Housing is proven to reduce municipal costs for policing and other social services. Because Deschutes County shoulders part of the cost for policing and other services in La Pine, this investment in affordable housing is a lever for other cost savings.

Simply put, La Pine's small size makes affordable housing an even more important investment, especially in this moment, when a huge demand and pressure on larger cities is forcing La Pine home prices upwards without creating a similar rise in wages. Habitat La Pine Sunriver is the **only** developer building affordable homes for purchase in La Pine, and is the developer most respected as a partner with other key community resources in the region.

Habitat La Pine Affordable Housing	Year	Units	Household AMI/Average Income***	Est. # Adults/Children	Home Unit Cost*	Total Cost	Deschutes County ARPA contribution**	Match \$
Putney Place townhomes (fourplex)	2022	4	Target: \$30,000 for household of 4, or 38% of the 2020 Deschutes County Area Median Income.	7 adults, 6 children	\$203,700	\$814,800	\$350,000	\$464,800
Putney Place townhomes (triplex)	2023	6		10 adults, 10 children	\$213,885	\$1,283,310	\$350,000	\$933,310
La Pine future duplex homes	2024	4		7 adults, 6 children	\$224,579	\$898,317	\$200,000	\$698,317
La Pine duplex homes	2025	6		10 adults, 10 children	\$235,808	\$1,414,849	\$200,000	\$1,214,849
La Pine duplex homes	2026	4		7 adults, 6 children	\$247,599	\$990,394	\$100,000	\$890,394
TOTAL		24		41 adults, 38 children		\$5,401,671	\$1,200,000	\$4,201,671
Percentage of total cost							22%	78%

*Includes estimated 5% rise in project cost per year.

ARPA investment spread across 5 build years; used to raise matching funds and re-invest, more funds spent in early years to leverage savings into 2025-2026. * Based on 2020 HUD figures for Deschutes County, <https://www.oregon.gov/ohcs/compliance-monitoring/Documents/rents-incomes/2020/LIHTC/Deschutes-County-2020-Rent-Income-Limits.pdf>



Requested BOCC funds contribute 22% to the total project cost of \$5.4 million, which will be matched by private donations from foundations and individuals, from cost-sharing by home development partners, and by Habitat's own leveraged investments (i.e. small re-investment of cash raised with each completed, affordable home sold.) The County's investment is a critical lever helping Habitat La Pine Sunriver to raise the remaining, needed capital for these homes.

Key partners in Habitat's La Pine work include the City of La Pine, La Pine Chamber, La Pine Community Health, St Charles La Pine, American Red Cross, and Sunriver Resort, and a workforce development partnership with La Pine High School. Construction and financing partners include a broad range of local subcontractors and local banking partners, including First Interstate Bank and U.S. Bank. Funding partners include MJMurdock, Maybelle Clark Macdonald, Ford Family Foundation, OCF, Meyer Memorial Trust, and generous individuals, along with many community and business donors: Rotary, Sunriver Christian Fellowship, Midstate Electric, Les Schwab, Sunriver Women's Philanthropy.

A Proven Investment:

To address rising costs, Habitat's new planned build project will again develop higher density homes, with a combination of townhomes, duplex and single homes. Although construction of utility and street infrastructure is required, the combination of less costly land and more economical townhouse designs will reduce costs while housing more families per acreage.

South County is changing fast, and business, workforce, and community continuity will suffer as rising demand and construction costs begin to price working families out of housing they need to live and work in La Pine (and in Sunriver and Bend). Now is a critical time to help make housing affordable: to give families the generational lever of secure homes for their children; to help elders age in place; to give employers and employees homes they can afford on area wages; and to invest in a stable, well-housed, supported La Pine. This funding will leverage a trusted homebuilding leader and partner, Habitat for Humanity of La Pine Sunriver, which has a proven record of building community through housing.

Why Habitat?

Founded in 1993, Habitat for Humanity of La Pine Sunriver (HFHLPS) has built 45 affordable homes for families in Southern Deschutes County to date, serving 55 adults and 65 children, and made 120 Critical Home Repairs, ensuring that families, seniors, people with disabilities can stay in homes they already own. HFHLPS creates stability and continuity for these homeowners, their families, and the community: 95% of Habitat families in La Pine have retained ownership of their homes, linked to healthy child development, better health and employment outcomes, and upward economic mobility.



Critical Home Repairs Proposal to the Deschutes County Board of County Commissioners November, 2021

Critical Home Repairs for Southern Deschutes County

Since 1993, Habitat for Humanity of La Pine Sunriver has built 45 and repaired 120 homes for South County homeowners, creating generational impact for parents, grandparents, and children through housing stability in greater La Pine. With the cost of living rising in a community still recovering from COVID impacts, Habitat requests American Rescue Plan Act funding from the Deschutes County Board of Commissioners **to provide emergency, critical home repairs** – primarily for seniors, veterans, and people with disabilities- and to maintain stable, healthy households in a rapidly changing La Pine. **Specifically, HFHLPs requests \$100,000 to complete critical home repairs for 80 households from 2022-2025, part of a 4-year, \$350,000 commitment to assist 200 households in La Pine and Southern Deschutes County.**

Habitat La Pine's Critical Home Repairs are ongoing and help 30-45 households per year, with rising demand and rising repair costs. **In 2021, Habitat has helped 45 households: 67% earning less than \$25,000 per year; 80% age 60 or older; 42% veterans, 37% with disabilities.** Critical repairs make unsafe homes livable, and include repairs to plumbing, electric, roof, insulation, access ramps, and heating which help 40-60 family members each year- nearly 5 times the number of individuals housed in new homes. Critical home repairs sustain a crucial part of the population: families and individuals without the ability to pay for needed repairs to remain in homes they already own.

Stable, Secure Housing for 200 households

South County is changing fast, and business, workforce, and community continuity will suffer as rising living costs begin to price retired seniors and working families out of housing they need to live and work in La Pine. In an already-stressed housing market with limited options for lower-income residents, the critical home repairs program maintains an important resource for families or individuals- single parents with children, seniors on a fixed income, people with disabilities, veterans- who might otherwise find it impossible to obtain new housing should they lose their current homes.

Goal: Repair 80 homes from 2022-2025 (of an expected 200+ total repairs)

The requested funds meet a federal priority to invest in **emergency home repairs**, which are articulated in the ARPA guidance (FAQ pg.5¹) and are proven to meet a rising need, especially in southern Deschutes County. Specifically, the requested \$100,000 will:

1. **Complete 80 (of 200) critical home repairs for health and safety**, including plumbing, electrical, accessibility (wheelchair ramp, stability bars), well repairs, septic repairs.
2. **Keep 80 people (80% seniors; with 42% veterans, 37% people with disabilities) in homes they already own** in La Pine and smaller communities around South County.
3. **Stabilize homes in danger of becoming uninhabitable**, and maintain home equity for owners.
4. **Attract \$220-300K in match funding** for the balance of 200 repairs, an additional 120 households.

¹ SLFRPFAQ 2.5. *What types of services are eligible as responses to the negative economic impacts of the pandemic?* Eligible uses in this category include assistance to households; small businesses and non-profits; and aid to impacted industries.

Assistance to households includes, but is not limited to: food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; **emergency assistance for burials, home repairs, weatherization, or other needs.**



Budget:

Habitat for Humanity La Pine Sunriver- Critical Home Repairs						
Year	Repairs	Household AMI/Average Income***	Average Repair Cost*	Total Cost	Deschutes County ARPA contribution**	Match \$
2022	50	Under \$25,000 for household of 2; 30-40% AMI for Deschutes County	\$1,500+	\$75,000	\$25,000	\$50,000
2023	50		\$1,575+	\$78,750	\$25,000	\$53,750
2024	50		\$1,654+	\$82,688	\$25,000	\$57,688
2025	50		\$1,736+	\$86,822	\$25,000	\$61,822
TOTAL	200			\$323,259+	\$100,000	\$223,259+
Percentage of total cost					31%	69%

*Includes estimated 5% rise in repair cost per year, repairs ranging from \$500-\$2000, with 3-5 more costly repairs each year @ \$5000+ (well, septic, water damage)

**ARPA investment spread across 4 years; used to raise matching funds.

***Based on 2020 HUD figures for Deschutes County, <https://www.oregon.gov/ohcs/compliance-monitoring/Documents/rents-incomes/2020/LIHTC/Deschutes-County-2020-Rent-Income-Limits.pdf>

Key partners in this work include critical home repair referral partnerships with La Pine Community Health, St Charles La Pine, Band of Brothers, La Pine Senior Center, and American Red Cross. Habitat works with local carpenters, plumbers and electricians; and matching funds come from other local funders including Midstate Electric Coop, Sunriver Rotary, Sunriver Women’s Philanthropy, Les Schwab, Sunriver Christian Fellowship, and Oregon Community Foundation.

A Proven Investment:

Home ownership provides our seniors, veterans, and lower-income families with long-term residential stability, critical especially to seniors living on limited, fixed incomes. This project invests in aging stick-built and manufactured homes, preventing homelessness while helping La Pine housing stock to hold its value.

Why Habitat?

Founded in 1993, Habitat for Humanity of La Pine Sunriver (HFHLPS) has built 45 affordable homes for families in Southern Deschutes County to date, serving 55 adults and 65 children, and made 120 Critical Home Repairs, ensuring that families, seniors, people with disabilities can stay in homes they already own. HFHLPS creates stability and continuity for these homeowners, their families, and the community: 90% of Habitat families in La Pine have retained ownership of their homes, linked to healthy child development, better health and employment outcomes, and upward economic mobility.





We build strength, stability, self-reliance and shelter.

June 11, 2021

Deschutes County Commissioners
PO Box 6005
Bend, OR 97708

Dear Commissioners Adair, Chang and DeBone;

I am writing on behalf of Sisters Habitat for Humanity to present a project for your consideration to receive American Rescue Plan Act (ARPA) funding. I appreciate that affordable housing is at the top of your list when looking at projects to support, and I hope you will see the significant benefits of providing funds to enable desperately needed, truly affordable homeownership opportunities in Sisters.

Sisters Habitat for Humanity has successfully negotiated with the developers of Sisters Woodlands to purchase 10 to 15 residential lots at a price significantly below market value, per attached letter confirm commitment of Woodlands developers. Sisters Woodlands located in downtown Sisters, will be an ideal neighborhood for Habitat families to live, with over 500 retained trees, community open space, innovative trail system, pocket parks, and close proximity to shopping, employment and medical services.

This collaborative project is critical. At this time there are no buildable lots on the market in the city of Sisters and existing home values have increased over 30% in 18 months deepening hardship on low and middle income families. We are deeply grateful for the opportunity that Sisters Woodlands is providing to Sisters Habitat so that we can continue building homes for **families earning 60% or less of Area Median Income.**

Additionally, these homes will be built under our **Permanent Affordability Model.** This means ARPA funding designated by you, together with Woodlands' generous discount and Habitat's volunteer workforce, will provide homeownership and intergenerational wealth creation for Sister's most vulnerable families, not just now, but in perpetuity.

I request your favorable consideration of \$1.5 million to fund the purchase of these lots as well as provide us the opportunity to negotiate for more lots with the Woodlands developers. I understand the County has received \$19 million from the first ARPA tranche, and expects another \$19 million in the future. As our project is forward reaching, please consider awarding \$750,000 from the first tranche and a second \$750,000 from the second tranche. We are grateful for whatever support you will provide, but the reality is Habitat cannot make the Woodlands homes a reality without your commitment.

I appreciate your past support of Habitat for Humanity throughout Deschutes County. Please reach out to me if you would like more details or clarification.

Thank you for your thoughtful consideration.

Best regards,

A handwritten signature in blue ink that reads "Sharlene Weed".

Sharlene Weed,
Executive Director



Sisters Habitat for Humanity / Woodlands project

Memorandum of Understanding

Sharlene, Joe,

The Sisters Woodlands project, sited on 31.5 net acres of former USFS property in the heart of Sisters, offers a unique and beneficial housing mix for the future of our town, as well as a special opportunity for Sisters Habitat to provide affordable cottage housing.

I am the Applicant for the project, representing our clients – PX2 Investments – Paul/ Carla Schneider and Paul Hodge. This is a local group with local connections working to achieve a forward-thinking development project that will serve the Sister’s community well into the future.

We see Sisters Habitat and our project mission to be very well aligned.

As part of my attachments, I’ve provided our Project Description, Master Site Plan, Aerial representation, Cottage Prototype designs, and experiential rendering with cottage development in foreground, townhomes behind and our commercial/apartment buildings and open space in the background.

For project background, the Woodlands consists of NSBP (light industrial), Downtown Commercial, Multi-Family Residential and Open Space Zoning. We have submitted our combined Master Plan and Subdivision application to City of Sisters which is currently undergoing Staff review. We anticipate that our project will be in front of the Planning Commission for deliberation in September. Our goal is to then begin on-site preparation this Winter, infrastructure Spring 2021, and first phase of building and housing construction starting Summer 2022 (just one year from now).

Within the project, we have created as affordable of a mix of housing types as possible – cottages, townhomes w/ Attached Dwelling Units (ADUs), apartment/condominium flats, congregate housing, etc. We intentionally removed Single Family Zoned lots from the project as the larger lot size and high purchase value, did not align with the project team’s goals of creating as affordable of a mix of housing as possible – to support community housing, families, local workforce, etc.

As we have been working on the project for two years, we have been deliberate in achieving our project goals of a mixed community that will serve all of Sisters, while we intentionally:

- provide reasonable density given the dearth of available property,
- preserve as many trees as possible (over 500 !),
- decrease traffic by providing a safe and accessible network of paths for multi-modal travel,
- enhance public experience with a large public open space amenity, as well as over 10 pocket parks,
- and create housing that meets many income levels.

Sisters is facing an unprecedented housing crisis, with very low inventory and homes that have increased in value 25-50% from just 18 months ago. Woodlands is now clearly a rare opportunity to create housing for our community before that chance escapes us as it has in so many other desirable mountain towns. We are currently analyzing unprecedented escalation in site development costs, construction materials, and supply



chain issues, as well as recent sales activity. As such, our broker has advised us that cottage lots would currently market for over \$150K per lot - given costs, demand and inventory challenges. We understand that this pricing is higher than your previous local developments, but I wanted to be candid given the cost challenges that we are currently working through as a development team. Regardless, BUILD LLC and PX2 are highly committed to finding a solution with Sisters Habitat to provide Affordable housing in Woodlands.

Conceptually, the development team foresees offering at least 10-15 cottage lots in Woodlands, and leveraging Habitats long-proven success, to harmoniously construct Affordable cottages within the development.

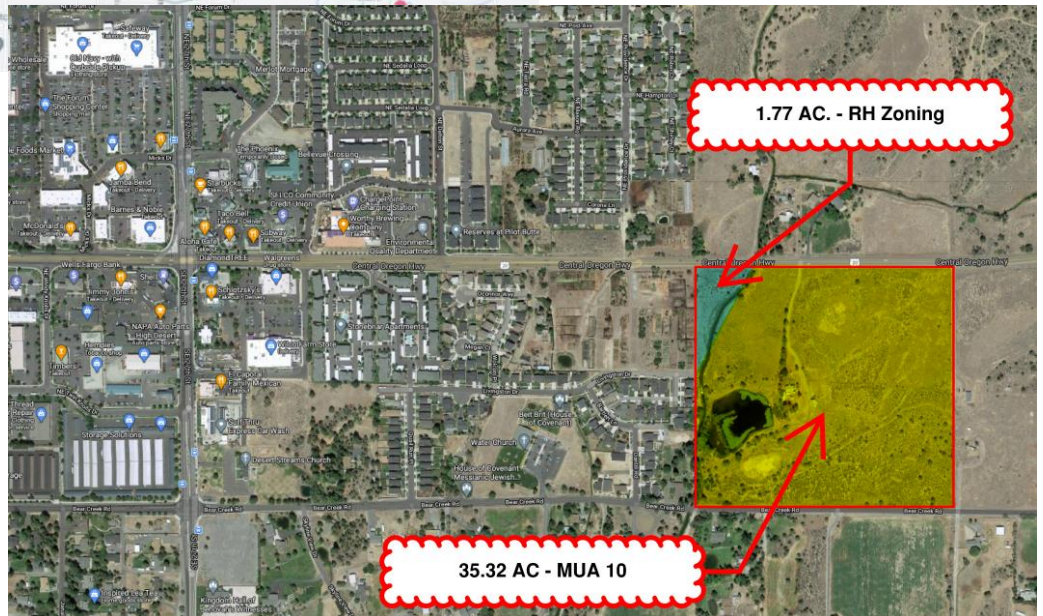
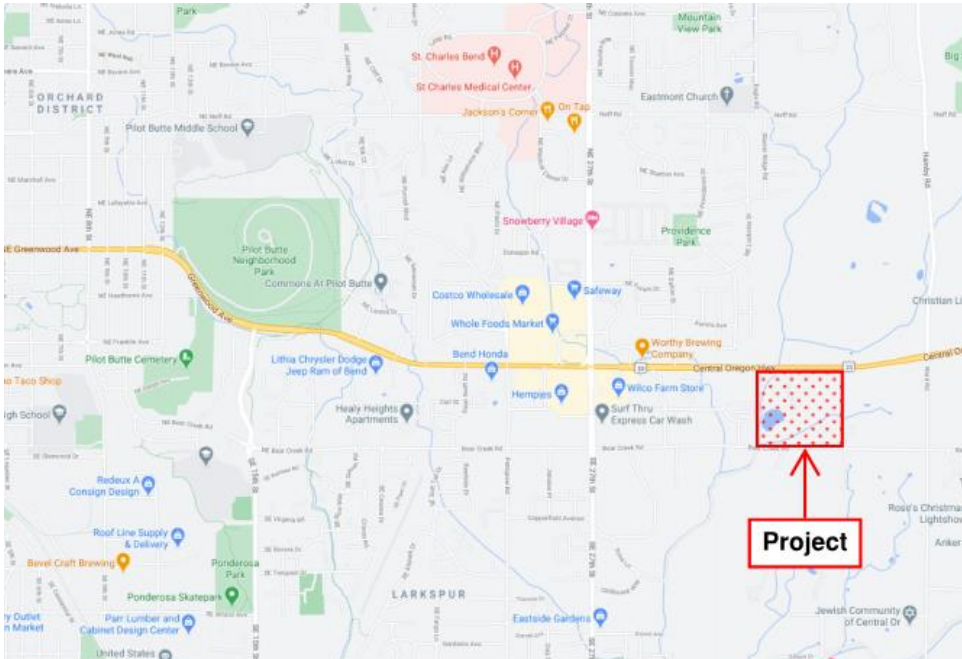
We look forward to realizing our shared goals together.

Sincerely,

Kevin Eckert
Founder, Principal, BUILD LLC
Applicant, Sisters Woodlands

Location: 21415 HWY 20: **1.77 acres**
 Current Zoning: RH within UGB
 Map and Tax Lot: 1712350001501

21455 HWY 20: **35.32 acres**
 Current Zoning: MUA 10 outside UGB
 Map and Tax Lot: 1712350001500



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Property Information:

Approximately 37.09 acres of raw, unentitled land on the east side of Bend. The property fronts on Highway 20 to the North, fronts on Bear Creek Rd. and Vacant land to the South, Vacant land to the East, and Landsystems Nursery and Traditions East subdivision to the West.

HB 4079 and Property History:

In 2016 the Oregon Department of Land Conversation and Development(DLCD) selected two cities to lead this Pilot program: Redmond (city under 25K population) and Bend (city over 25K population). This Pilot Program provides the local jurisdictions the ability to update Comp Plans and extend the UGB to include “affordable sites” under an expedited process. In exchange for reduced procedural timelines, the development must include a variety of housing types and a significant component of affordable dwelling units. Specifically, there must be a minimum of 30% of the units at 80% AMI or lower for 50 years. The City of Bend will be required to submit annual reports to DLCD for 10 years with information regarding development costs, housing units available, and lessons learned from the project. In 2018, the City of Bend and the subject property were selected due to its proximity to the current UGB boundary, nearby infrastructure, and overall size (among several other criteria).

In January 2020, the city informed the Department of Land Conservation and Development (DLCD) staff the original development partner was withdrawing from the project as it was not financially viable as proposed. The purpose of this Pilot Project is to test the feasibility of the concepts expressed in HB 4079, waiving Goal 14 and UGB expansions rules in return for the creation of additional affordable housing. In 2020, Hayden Homes stepped in to work with City Staff and other stakeholders to develop a project that could achieve all of the Goals and Objectives of the HB4079; while simultaneously trying to create a financially viable development.

Since the original introduction of the Bill in 2016, to the State award in 2018, there has been a significant amount of community engagement already completed. There is a tremendous amount of support at the local level (City of Bend, Bend Park and Recreation District, Deschutes County, OSU-Cascade) as well as the state level (DLCD, ODOT). The city and state want to see this project move forward.

Project Concept:

The current project proposal includes a total of 347 total units (9.4 d.u./acre) composed of:

- 108 Affordable (80% AMI) rental units
- 30 Affordable (80% AMI) For-Sale units
- 209 Market-Rate For-Sale Homes
- Over 5.5 acres of Open Space (including a 4 acre neighborhood park)

Entitlement and Development Schedule:

<i>Land Acquisition (1st Closing):</i>	<i>January 2022</i>
<i>Land Use Submittal:</i>	<i>December 2021</i>
<i>Land Use Approval:</i>	<i>Q3 2022</i>
<i>Engineering Submittal:</i>	<i>Q3 2022</i>
<i>Engineering Approval:</i>	<i>Q4 2022</i>
<i>Start onsite:</i>	<i>Q4 2022</i>
<i>Deliver lots:</i>	<i>Q2 2023</i>

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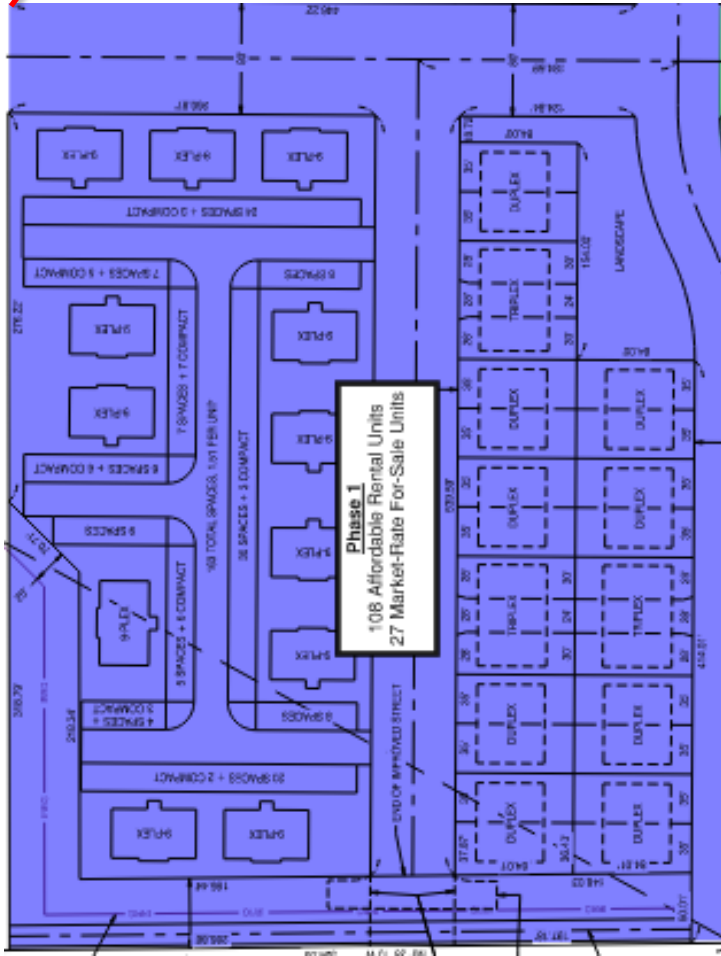
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*ARPA Funding is being requested towards the Land Acquisition of Phase 1 only. Phase 1 will include 108 income restricted rental units at 80% AMI for the next 50 years.

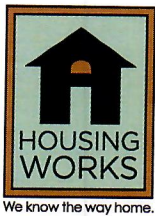
**\$1 Million towards 108 units equates to \$9,259.25/per unit.



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405 SW 6th Street
Redmond, OR 97756
p: 541.923.1018
f: 541.923.6441
www.housing-works.org

Chairman DeBone and County Commissioners
Deschutes Services Building
1300 NW Wall Street, 2nd Floor
Bend, OR 97703

Honorable Commissioners:

Please accept the attached request for County American Rescue Plan Act (ARPA) funds from the County's affordable housing set aside. The request is for \$2 million to support the redevelopment and expansion of the Spencer Court affordable housing community in Redmond. Spencer Court is one of the oldest communities in the Housing Works portfolio and represents 16 units of former public housing reserved for seniors and disabled tenants. The site is extremely inefficient and is approaching the end of its useful life. These units do not meet modern accessibility standards, are energy inefficient and do not have central air conditioning

Housing Works intends to demolish and replace the existing 16 units with 60 units of housing in four building clusters. The existing senior tenants would be given the option of remaining at the new Spencer Court or relocating to other Housing Works communities anywhere in Central Oregon. The additional 44 units will be made available at rents affordable to workforce households earning 60% of the area median income.

The requested \$2 million of ARPA funding will permit Housing Works to redevelop Spencer Court without the need to access competitive State funding and will accelerate the construction of these new units by at least two years. We anticipate that with the County's ARPA funds we would be able to begin construction of the community by as early as late 2022.

Please see the attached project Proforma, site plan and rendering.

Yours truly,

David Brandt
Executive Director

Attachments:

- 1) Spencer Court Redevelopment Proforma
- 2) Spencer Court Site Plan
- 3) Spencer Court Rendering