



Meeting Date: January 11, 2023

Staff: Scott Woodford, Community Development Director

Dept: Sisters Community Development Department

Subject: Sisters Affordable Housing Project – ARPA Fund Request from Deschutes County

Action Requested: Approval by the Deschutes County Board of County Commissioners for disbursement of \$500,000 of American Rescue Plan Act funds to the City of Sisters for construction of a 40-unit affordable housing, multi-family project in Sisters.

Background:

- The city has prioritized supporting affordable housing in Sisters. A City Council goal for fiscal year 2022/23 is to identify land and development partner(s) for a future multi-family affordable housing rental project.
- Several funding sources have been identified to support the project, including \$500,000 of American Rescue Plan Act (ARPA) funds reserved by Deschutes County for a multi-family, affordable rental housing project in Sisters.
- A site and development partner have been identified. In August of 2022, the City issued a Request for Proposals (RFP) for use of the funds for affordable housing. The city received one proposal – from NW Housing Alternatives (NHA).
- NHA proposes a 40-unit apartment building including one-, two- and three-bedroom units with one manager’s unit and amenities, such as a community space and outdoor play area on a portion of a vacant lot at [322 North Trinity Way in Sisters](#) currently owned by the International Church of the Foursquare Gospel (Wellhouse Church). Units will be designed for individuals, couples, families and seniors.
- 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.
- Founded in 1982, NHA is now a leading not-for profit developer of affordable and workforce housing throughout Oregon. Their mission is to create individual opportunity through housing. To that end, NHA develops, builds, and asset manages rental housing designed for Oregonians in diverse populations including families, workforce, seniors, veterans, and individuals experiencing disabilities. Their statewide



housing portfolio represents a significant percentage of Oregon’s overall affordable housing infrastructure.

- Per direction from City Council, the City has begun negotiating grant agreements and deed restrictions with NHA. The grant agreement will be subject to approval of the City Council.
- If successful with the grant agreement and disbursement of ARPA funds, NHA will still have to secure larger funding for the project, through state and federal sources. This may take several funding cycles to be successful and will have to negotiate purchase of the property from the current owner.