

Pendleton Solutions December 7, 2010

Draft Meeting Summary and Next Steps

Team Members in attendance: John Turner (convener), Mark Mascal, Tracy Hamby, Larry Lehman, Larry Dalrymple, Bill Clemens, Evan MacKenzie, Mayor Phil Houk, Susan Bower, Susan Badger-Jones, Melisa Drugge, Tyson Furstenberg, Jim Whitney, Stephanie Seamans, Jef Farley, Scott Fairley, Bruce Buchanan, Grant Young and Kim Travis

Interested parties: Bruce Giannati, Linda Weller and Geri Steward

Purpose of this process:

Oregon Solutions is working in Pendleton to establish a “City Solutions” pilot program to tackle various community issues. The Progress Board identified housing as a key area of concern for the community and one that RCDC has been working on. Last month at City Council, the Mayor and Council officially designated this effort as City Solutions and appointed a neutral convener, John Turner to bring together various parties to find solutions to the workforce-housing problem. Oregon Solutions will be providing staff support to this effort through June 2011.

Goals of this process:

- (1) Short term: Multifamily dwellings on Tutuilla Road (that could rent for \$850/month)
- (2) Mid-term: Executive level single-family homes
- (3) Long-term: Consider the Urban Growth Boundary and if there is a need to expand

Discussion:

The group reviewed the Tutuilla Road **Multi-Family Development Opportunity** brochure provided by the City. There were no inquiries or proposals received by the community. Members of the group wondered if the brochure was too broad and didn't provide enough detail and parameters. In order for developers to feel comfortable, they need to know what the cost will be per unit in order to recover infrastructure costs. The city is willing to finance the infrastructure costs through a Local Improvement District (LID).

There may also be an issue with developers being able to secure financing. Banks need to have a builder and purchaser lined up for financing. It is unclear how federal regulators would deal with “free land” because loans are given based on appraisal value. It's possible to think creatively but it takes time to review things outside the box. Perhaps the city could issue a forgivable loan. There may be other solutions to create equity to help developers get financing. Banks also need to have a comparison (comp) in order to do an appraisal.

One next step is to get in touch with developers and find out what information is missing. What do they need to know? Then the brochure can be revised and advertised again for proposals. Several people have volunteered to help with this process (tasks listed near the end of this document).

Another next step is to explore creative financing scenarios. There are state and federal programs such as the **USDA Rural Development 538 Loan Guarantee** program for multi-family and single family homes. This program has not been used in Oregon. Local lenders have to be willing to apply for the program. The State has a **63-20 Bond program** available. There are income restrictions on this program, but it's possible this program could work for the type of mid-level housing needed in Pendleton. Another scenario to explore is whether an "investor group" could be created to jointly finance housing projects.

It will be helpful to have the results of the Employee Survey that Cayuse Technologies and Keystone will be administering in the coming months. The goal of the survey is to determine how many of these employees are seeking housing opportunities – either rental or home ownership – and would relocate to Pendleton. This data will help support other data that we currently have regarding rental occupancy rates and great economic development opportunities in Pendleton. All of this information shows that Pendleton is a smart, safe place to invest right now.

This process is occurring within the Periodic Review of the Comprehensive Plan. Department of Land Conservation and Development (DLCD) is funding necessary studies such as an inventory of buildable land. The Pendleton Solutions process will provide valuable information for these studies. Members of the Solutions team will be touring properties listed on the MLS and ranking these properties according to their potential to be developed into **affordable** single-family houses.

Tasks:

- (1) Calls to developers- *What do you need or want in order to build multi-family housing in Pendleton:* Tyson Furstenburg, Susan Badger-Jones, Susan Bower, Jef Farley, and Jim Whitney
- (2) Tour of listed lots for sale – *Look for affordable development opportunities and also examples of properties DO NOT have potential:* Jim Whitney, Jef Farley, Evan MacKenzie and George Clough
- (3) Compile a brochure or fact sheet for marketing – *Why Pendleton, Why Now?:* Larry Dalrymple and Stephanie Seamans
- (4) Conduct the Employee Survey: *Document If You Build it They will Come* - Kim Travis, Stephanie Seamans, Loren Schmuker and Mary Traugher
- (5) Conduct a phone survey of major employers: *Document their plans to expand* – Susan Bower
- (6) Look at what financing could be available, including Community Reinvestment Act (CRA) funds and use of USDA 538 program: *How can we be creative?* – Mark Mascal, Tracy Hamby, Norm Winters and Geri Steward (Kim will confirm this task)

The next meeting will be mid-January. Kim will send out a Meeting Wizard to find the best date. All tasks must be completed the first week of January so that information can be sent out to team members prior to our next full team meeting. Agenda items for that meeting are:

- Rewrite the Multi-Family Development Opportunity brochure
- Review the draft marketing document
- A virtual tour of properties with development potential
- Creative financing opportunities