



Deschutes County Property Management  
Attn: Kristie Bollinger, Property Manager  
14 NW Kearney Avenue  
Bend OR 97703

Deschutes County Commissioners,

We are excited to submit the attached proposal for the acquisition and development of the parcel located at 19755 Simpson Ave in Bend. This proposal capitalizes on the experience of two local organizations that have been providing affordable housing opportunities to Central Oregonians for many years. The innovative partnership between Housing Works and Kôr Community Land Trust (Kôr) will bring 110 new homes to the west side of Bend providing both rental housing and home ownership opportunities that will remain permanently affordable for generations.

After preliminary discussions with the City of Bend and the Neighborhood Associations impacted by this development, we believe our proposal is one that will blend with the fabric of the surrounding community. The site plans have been thoughtfully designed to align housing types with the neighboring properties and preserve the mature trees and natural landscape of the site. The parcels east of 18<sup>th</sup> street are closer to the Century commercial corridor, so Housing Works will utilize these parcels to build 68 apartments and 12 townhomes available for rent. Kôr Community Land Trust will utilize the westernmost parcel to build 30 for sale net-zero single family homes using Bend's cottage code to create a beautiful community tucked within the natural landscape and preserving the treescape along Simpson.

Housing Works, the local public housing authority, was established in 1977 and has created an affordable housing portfolio of over 1,250 apartments and 28 single family homes throughout Central Oregon. In 2014, Housing Works and Kôr joined forces to help bridge the gap between the stability of affordable rental housing and the opportunity for affordable home ownership. Kôr's expertise in cottage development and land trusts addresses a critical need in the spectrum of housing. Both organizations have a history of using local architects, local contractors, and local engineers on all of our developments. We have a proven history of building award winning housing that is attractive, energy efficient, and affordable to Central Oregonians. We strongly believe that bringing both affordable rental and home ownership opportunities to this area of town is a vital element to better serve the broad spectrum of housing needs and will help provide stability and diversity within our community.

Sincerely,

A handwritten signature in black ink, appearing to read "David Brandt".

David Brandt  
Executive Director  
Housing Works

A handwritten signature in black ink, appearing to read "Jackie Keogh".

Jackie Keogh  
Executive Director  
Kôr Community Land Trust

## **B. Respondent Identification**

**1)** In order to provide a broader spectrum of housing opportunities to the Bend community, Housing Works and Kôr Community Land Trust are submitting this proposal as co-applicants.

Central Oregon Regional Housing Authority dba Housing Works

*[a public corporation]*

405 SW 6<sup>th</sup> Street

Redmond, OR 97756

(541) 323-7405; [housing-works.org](http://housing-works.org)

David Brandt, Executive Director

Kôr Community Land Trust

*[a 501(c)3 non-profit corporation]*

150 NE Hawthorne Ave STE 110

Bend, OR 97701

(541) 247-1244; [korlandtrust.org](http://korlandtrust.org)

Jackie Keogh, Executive Director

## **2) Principal Point of Contact**

Housing Works

David Brandt, Executive Director

(541) 323-7405

[dbrandt@housing-works.org](mailto:dbrandt@housing-works.org)

## C. Project Description

### Narrative

The Simpson Ave. property offers a unique opportunity for Deschutes County to invest in affordable rental and permanently affordable homeownership, serving the broad housing needs of the community on a single site. Housing Works and Kôr Community Land Trust are two local mission-based organizations driven to increase the number of housing opportunities for Central Oregonians. Our concept proposes making a natural split of the parcel along SW 18<sup>th</sup> St. and committing to develop 30 for sale single family homes on the western parcel and 80 affordable rental apartments and townhomes on the eastern parcels. The development mix of housing will include 31 three bedroom homes, 69 two bedroom homes, and 10 one bedroom homes, offering a diverse choice in housing that reflects the diversity of our local workforce. The current zoning of the site does allow for more density than what we are proposing, however, our history of development in Central Oregon prioritizes compatibility with the surrounding neighborhood over mass production. We believe a joint investment in affordable rental and homeownership would be the most palatable and equitable approach for this site and its neighboring community.

In the proposed development, households earning below 60% AMI would not only have a stable and affordable rental, but they would also have the opportunity to advance through the affordable housing continuum into affordable homeownership. The homeownership units would be reserved for households earning between 60-80% AMI, but may serve households as low as 40% AMI if selected homebuyers have a Housing Choice Voucher that they can use towards their mortgage payment. Leveraging the Community Land Trust model, homeowners would receive a fair return on their initial investment and agree to maintain that affordability for the next income-qualified homebuyer. While still building wealth, homeowners help future generations of homebuyers have access to affordable homes, like they did. This means that families living in Housing Works' affordable rentals would have the opportunity to purchase a Kôr resale in their neighborhood, in turn staying in their community, school district, and with established family supports, like daycare centers. The Housing Works and Kôr Community Land Trust proposed development would advance not just the housing needs of the entire breadth of Deschutes County's low-income families, but also contribute to their overall family stability.

We are proposing to buy the land from Deschutes County for \$1.3 million with a signed PSA in April 2022 and a full cash closing in July of 2022. Both organizations have already filed a pre-application for LIFT funds from the state of Oregon, but there would be no contingencies for closing on the land purchase should funding be delayed.



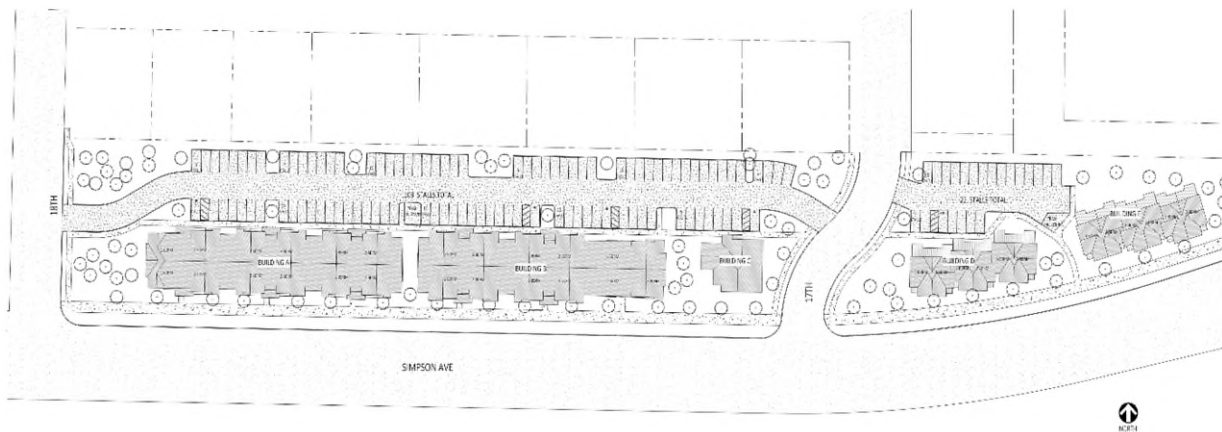
### **Site Plan – Rental Housing**

On the two eastern most parcels, Housing Works will develop a community of multifamily housing that includes 5 buildings with a total of 68 apartments and 12 townhomes spread throughout the site. Buildings A and B will be three story garden-style apartment buildings providing 35 apartments in one building and 33 apartments in the second building (see the photo on Page 9 for the look and feel of these buildings). Building C will be a common community building that will house the leasing office and ample community space that can be used by all of the residents within the community for events and informal gatherings. Buildings D and E will be two small clusters of 6 townhomes in each 2-story building. The proposed multifamily development provides a good mix of housing choices with 10 one bedroom apartments, 54 two bedroom apartments, 4 three bedroom apartments, and 12 three bedroom townhomes.

The proposed site plan has been thoughtfully designed to use the parking lot as a buffer between the proposed development and the adjacent existing multifamily housing. This buffer will help preserve sun exposure for those existing homes and maintain some of the mature trees that currently occupy the site which creates a visual barrier between the new development and the existing community. The site plan recognizes the topography of the site by locating the townhomes on the portion of the site that is elevated when compared to the northern property boundary, ensuring that the scale of the buildings fit into the existing neighborhood. The site plan also incorporates the City's desire to connect 17<sup>th</sup> St. to Simpson Ave. and have that connection align with OSU's north entry point across Simpson Ave. Based on the pre-app meeting with the City of Bend, we have also included an additional 10-foot setback for the buildings along Simpson Ave. which will accommodate a wider pedestrian corridor. All points of access for parking will be from SW 17<sup>th</sup> and SW 18<sup>th</sup>. The orientation of the apartment buildings takes full advantage of the south facing slope of the site and the units will benefit from the very good passive solar and natural lighting during the winter months.

Housing Works' focuses on providing comfortable, durable, and highly efficient homes. In the last year alone, Housing Works has had 3 developments achieve platinum level Earth Advantage certification, recognizing the inclusion of an extensive list of building design metrics. As a public agency, Housing Works designs and builds its properties knowing they will be owned and operated by the agency in perpetuity. Our developments are assets created and held for the public benefit, rather than being motivated by profit or long-term appreciation and eventual sale. Housing Works also has a wholly owned property management company that manages operations with pride and compassion, providing excellent stewardship after construction is complete.

The preliminary site plan of the two eastern parcels for rental development is shown below:

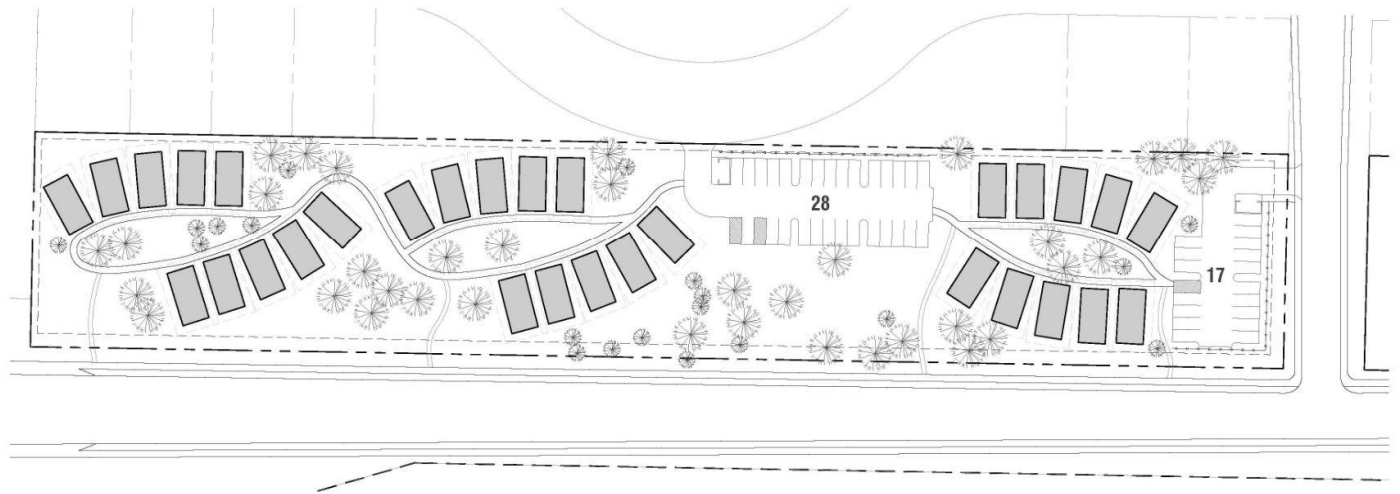


### Site Plan – Homeownership

On the western most parcel, Kôr Community Land Trust will develop a cottage community of 30 single-family homes built to goal net-zero environmental standards. To maximize the parcel for single family homes, the site plan spreads the 30 homes across the entire site and provides two different points of entry and two separate parking areas. Kôr's development will include a total of fifteen 2-story, 1,200 sq. ft. 2-bedroom/2 bath homes, and fifteen 2-story, 1,500 sq. ft. 3-bedroom/2 bath homes. Ten of the homes will be accessed off SW 18<sup>th</sup> St. and the remaining 20 homes will be accessed off SW Forest Ridge Ave. The proposed design also creates tree-scaped walking paths throughout the community that lead to an improved sidewalk system on Simpson Ave. providing the residents improved walkability and the access to conveniences on SW Century Drive. A large green space will be preserved adjacent to the second parking area, and a majority of the tree scape along Simpson Ave will remain. This intentional design will blend into the single-family neighborhood it abuts and will preserve the natural landscape and walking paths on the site.

As a permanently affordable housing provider, Kôr knows its affordable homes will remain as Central Oregon assets for generations to come. That's why, Kôr builds its homes to goal net-zero standards. As energy efficient technologies become more commonly used in building standards, Kôr's homes will remain the gold standard of affordable housing. Kôr homes are designed to goal net-zero energy standards and feature solar panels, a tightly sealed building envelope, upgraded fixtures, hard surface flooring, and energy efficient lighting and mechanicals. Kôr's homes benefit the climate by using as much energy as the homes produce through passive design and offsetting any energy consumption through net metering solar arrays. Additionally, Kôr's homes provides its homeowners with significant cost savings, with their utility bills averaging \$12/month.

The preliminary site plan of the western most parcel for homeownership development by Kôr Community Land Trust is shown below:



#### D. Qualifications and Experience

**Housing Works** - Housing Works is one of the most experienced affordable housing developers and operators in the State of Oregon with almost forty years of experience in developing and operating housing with a variety of funding sources. In 1977, Deschutes and Jefferson Counties formally organized the Central Oregon Regional Housing Authority under ORS 456, later adding Crook County as a third service area in 2001. In 2006, the organization rebranding itself as Housing Works to better represent its mission of *Fostering Dignity Through Housing*. Our organization prides itself on providing much more than just housing. In addition to providing the stability of an affordable place to live, we provide a spectrum of resident service programs that help our communities thrive. These programs include security deposit loans, credit improvement and asset building programs, after school kids programs, partnerships with the library, scholarships to parks and recreation programs, nutrition classes, community events, and eviction prevention. This combination of housing and services has not only helped our most vulnerable populations, it provides opportunity and stability to our local workforce during an unprecedented time of escalating housing costs.

Our entire multifamily housing portfolio of 38 properties and over 1,250 apartments, is located in Central Oregon, with 30 of those properties located in Deschutes County. In addition to the multifamily portfolio, Housing Works has also developed 28 single family home ownership opportunities throughout Central Oregon. Over the last 10 years, the development team at Housing Works has nearly doubled the size of our portfolio by developing 525 new apartments utilizing 24 competitive funding awards from state and local sources to leverage nearly \$170 million in total development. This string of success has included 4 competitive awards from

OHCS's LIFT Housing program which will be the primary funding source for the proposed Simpson development. Housing Works was also the recipient of back-to-back Building a Better Central Oregon Awards in both 2018 and 2019.

Housing Works has a very experienced development team which includes: David Brandt, Executive Director; Keith Wooden, Real Estate Director; Geoff Wall, CFO; and Rodger Moore, General Manager of Epic Property Management. Mr. Brandt has over 25 years of extensive experience in local government administration, complex real estate developments including urban renewal projects, bond financing, and multifamily affordable housing developments. He holds a master's degree in Urban Planning and a graduate law degree. Mr. Wooden has worked in the affordable housing industry for 24 years (16 of those in Central Oregon for Housing Works). He oversees Housing Works' developments from concept through entitlements, financing, construction, and occupancy, and has developed 1,078 units spanning over 31 different properties in Central Oregon. Mr. Wall has been with Housing Works for 11 years and has overseen the new construction of 525 apartments and the acquisition and recapitalization of another 418 apartments, all of which have included 24 awards of competitive funding from federal, state and local resources and total project costs of over \$167 million. Mr. Moore has over 30 years of multifamily property management experience in both affordable and conventional, and has an impeccable record in compliance, operational performance, and brings a resident centered approach to our design and development.

Housing Works will use Pinnacle Architecture, based in Bend, as the architect for this development. Pinnacle's team is well versed in City of Bend requirements for design and construction and have partnered with Housing Works on many multifamily developments over the past 15 years. All of the consultants that Housing Works uses for civil, structural, survey, and environmental work are also all based in Bend.

**Kôr Community Land Trust** - In 2021, Kôr, in partnership with Housing Works, closed its first 5-unit, \$1.7M affordable homeownership community. The Kôrazon community received the Central Oregon Association of Realtors' Building a Better Central Oregon Award and the Environmental Center's Sustainability Award. In 2022, Kôr fully financed and broke ground on its second 5-unit, \$2.2M affordable community called Crescita. The demand for Kôr's permanently affordable and goal net-zero homeownership product was showcased by 90 households applying for the Crescita housing lottery. Both Kôrazon and Crescita communities were developed using a competitive award of Homeownership LIFT funding from Oregon Housing and Community Services and construction financing through Washington Federal Bank. Through a successful marketing effort, Kôr has also been able to gain local support from area contractors and suppliers to offset a significant portion of the cost of building to a goal net-zero standard. These efforts result in homes that are not only affordable to purchase, but also affordable to maintain over the long term. Kôr has proven success in securing multiple financing sources to develop these cottage cluster communities.

As a Community Land Trust, Kôr stewards the land underneath all of its communities in perpetuity, from land acquisition through resale. This includes managing the permanent subsidies of its first two communities, which include \$600,000 in Oregon Housing and Community Services LIFT funds and over \$800,000 in CDBG. For construction management, Kôr acted as its own general contractor for its first \$1.7M project and has since contracted with external general contractors to give the organization the capacity to project manage multiple, larger projects simultaneously. On all of its projects, Housing Works acts as Kôr's guarantor and has regular oversight of projects' land acquisition, construction management, and financial management.

Affordable homeownership development is Kôr's sole program offering and has the full organizational attention from its Board of Directors and staff. Recognizing the importance of representation of the community served, Kôr's Board of Directors includes Kôr homeowners and low-income community members. This ensures that those served by Kôr are part of the decision making that drives the mission-based work. Currently, Kôr's Board of Directors is comprised of 20% BIPOC, 20% Kôr homeowners, 40% low-income households, 10% immigrants, and 50% women.

During this development timeline, Kôr will be actively developing only one other 7-unit community, and thus will have the capacity to manage this project. The homeownership portion of the Simpson Ave development will be led by Kôr's Executive Director, Jackie Keogh, who has 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 millions in HUD pass-through grants, including HOME and CDBG; state-funds, including LIFT and HOAP; and private grants. The project will be managed by Kôr's Project Manager, Michael Points, who previously worked as a Project Manager for Jamboree Housing Corporation, one of the largest non-profit affordable housing developers in California. In addition, Kôr typically engages Greg Blackmore, as a pre-development consultant, Jenn Sharp, as a construction consultant, who previously served as the Senior Project Manager at the Portland-based Housing Development Center; and Bruce Sullivan, as a net-zero energy consultant.



The following pictures give you an idea of the quality building designs from both Housing Works and Kôr Community Land Trust. Similar designs will be used for the Simpson Ave. Development



**Kôr Community Land Trust – Kôrazon Community in Bend, Oregon**





**Housing Works – *The Parks at Eastlake in Bend, Oregon***



**Housing Works – *Canyon Edge Community in Redmond, Oregon***



**Housing Works – *Liberty Lodge in Redmond, Oregon***

## Evidence of Affordability

Housing Works has a long history of using federal and state resources that require long term affordability commitments. The proposed sources for the Simpson Ave. multifamily development include both LIFT and 4% LIHTC funding from Oregon Housing and Community Services (OHCS). In order to access these state resources, the developer must agree to 60 years of affordability through a land use covenant filed at financial closing. The LIFT operating agreement gives the state substantial oversight of the project's operations for the term of the agreement, and the LIHTC agreement specifically requires that all tenants are at or below 60% of area median income (AMI) upon move in. The state's rent restrictions are designed so that rents are capped at an amount that represents 30%-35% of a families income at that 60% AMI level. Although area incomes and rents may fluctuate over time, the regulations will always require that incoming tenants qualify at 60% of the AMI in any given year. Additionally, Housing Works is a public housing authority organized by county government to serve Central Oregon's housing needs, so there is no risk of the housing development ever falling out of affordability.

Kôr's Community Land Trust model of permanent affordability uses deed restrictions upon resale to ensure that this one-time land sale would create long-term, affordable homeownership options in Deschutes County. In the Community Land Trust model, income-qualified households own their home outright by leveraging a traditional mortgage; while the Community Land Trust owns the land under the home and leases it back to the homeowner through a 99 renewable land lease. This allows the Community Land Trust to ensure that if the homeowners sell, the homes resell to other income qualified homebuyers with no additional subsidy needed. For the Simpson Ave. development, Kôr is projecting estimated sales prices of \$190,000 to \$280,000 for the improvements. These price points will keep the homes affordable for 3-4 person households at 60%-80% of area median income (AMI) in Deschutes County.

Here are the proposed sources and uses for each organization's portion of the development:

	Housing Works	Kor Community Land Trust
Sources	80 units of Multifamily	30 cottage homes
OHCS LIFT Funding	10,580,000	3,000,000
Deschutes County ARPA	-	500,000
City of Bend CDBG	-	350,000
Permanent Bank Loan	7,750,000	-
Low Income Housing Tax Credits (4% LIHTC)	9,163,729	-
Home Sales	-	7,609,824
In-kind Building Supplies & Labor	-	437,425
Public/Private Support	-	1,000,000
<b>Total Sources</b>	<b>27,493,729</b>	<b>12,897,249</b>
Uses		
Land Purchase	900,000	400,000
Construction Costs	22,585,000	11,740,751
Permits	559,330	211,000
Architect & Engineering	500,000	46,080
Financing Costs	1,523,251	154,840
Title & Closing	80,000	2,468
Developer Fee	765,210	300,290
Debt Service Reserve	435,938	-
Lease Up	45,000	-
Contingency	100,000	41,820
<b>Total Uses</b>	<b>27,493,729</b>	<b>12,897,249</b>
Surplus (Deficit)	-	-

## E. Development Schedule

The following timeline requires that Housing Works and Kôr Community Land Trust receive a signed PSA from Deschutes County no later than **4/15/2022**. Demonstrating site control is a requirement of the OHCS LIFT applications which will be submitted on 4/22/2022. We are proposing a cash closing on the purchase of the property on July 1, 2022 regardless of the status of that state funding application.

The two organizations plan to run the development timeline congruently to take advantage of some construction efficiencies. However, by splitting the entire parcel into two developments that have separate funding sources (homeownership and rental housing), each side of the development will be able to move forward without the other should any obstacles or delays occur.

Activity	Housing Works	Kor Community Land Trust
	80 units of Multifamily	30 cottage homes
Conceptual Design & Feasibility	Jan-Feb 2022	Jan-Feb 2022
Pre-Application filed for LIFT Funds from State of Oregon	2/18/2022	2/18/2022
Preliminary Application Meeting with the City of Bend	2/24/2022	2/24/2022
Purchase & Sales Contract Signed with Deschutes County*	4/15/2022	4/15/2022
Full Application filed for LIFT Funds from State of Oregon	4/22/2022	4/22/2022
Purchase Land from County for \$1.3 million	7/1/2022	n/a
Lot partition sell/split KOR parcel off	8/1/2022	8/1/2022
LIFT Awards Announced	August-22	August-22
Submit to City for planning review & permits	January-23	February-23
Obtain full entitlements from City for construction start	June-23	June-23
Close on Construction Financing	July-23	June-23
Begin Construction	July-23	June-23
Certificate of Occupancy	September-24	July-24
* In order to qualify for LIFT funding, we must have a signed PSA prior to the April 22nd application deadline.		

## **F. Letters of Recommendation**

The primary source of subsidies to fund the development of affordable housing in the state is Oregon Housing and Community Services. This agency is very familiar with the body of work from both of our organizations. Please see the attached letters:

Housing Works – Oregon Housing and Community Services Letter of Support

Kôr Community Land Trust - Oregon Housing and Community Services Letter of Support



725 SUMMER STREET NE, SUITE B | SALEM, OR 97301  
503-986-2000 | [www.oregon.gov/OHCS](http://www.oregon.gov/OHCS)

February 24, 2022

Deschutes County Commissioners  
1300 NW Wall Street  
Bend, Oregon 9770

Dear County Board of Commissioners,

Housing Works is the largest developer and operator of affordable housing in Central Oregon and has a well-established relationship with Oregon Housing and Community Services (OHCS). Housing Works development and operations staff have consistently produced and maintained quality affordable housing with over 1,100 units in operation utilizing a variety of resources from OHCS. Since 2016 when the LIFT financing program was first released, OHCS has partnered with Housing Works to support four LIFT financed developments totaling nearly \$15 million in LIFT awards, leveraging an additional \$35,268,579 in capital. With these funds, Housing Works delivered a total of 180 new apartments in Sisters, La Pine, Redmond, Madras, and is a few months away from completing 44 apartments in Prineville.

Oregon Housing and Community Services has invested in Housing Works' projects and affirms their track record. With the County's support, Housing Works and its funding partners, like Oregon Housing and Community Services can continue to create a quality, affordable apartment homes in Central Oregon. Thank you for your consideration.

Respectfully,

*Tai Dunson-Strane*

Tai Dunson-Strane, Production Manager

Oregon Housing and Community Services







**OREGON HOUSING *and*  
COMMUNITY SERVICES**

725 SUMMER STREET NE, SUITE B | SALEM, OR 97301  
503-986-2000 | [www.oregon.gov/OHCS](http://www.oregon.gov/OHCS)

January 12, 2022

Deschutes County Commissioners  
1300 NW Wall Street  
Bend, Oregon 9770

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. Oregon Housing and Community Services has partnered with Kôr on its two most recent affordable homeownership projects by providing Local Innovation and Fast Track funds. Specifically, Oregon Housing and Community Services provided \$200,000 for Kôr's Kôrazón project. Additionally, Oregon Housing and Community Services provided \$400,000 for Kôr's Crescita project in Bend's Orchard District, which is currently under construction.

Oregon Housing and Community Services has invested in Kôr's projects and affirms their track record. 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. Oregon Housing and Community Services has worked with Kôr's Executive Director, Jackie Keogh, for five years at both Kôr and in her previous role as Deputy Director at Proud Ground, the largest Community Land Trust in the Pacific Northwest.

Oregon Housing and Community Services is aware that Kôr is actively expanding their pipeline by seeking larger County-owned sites to acquire for affordable housing development. With the County's support, Kôr and its funding partners, like Oregon Housing and Community Services can create a sustainable, equitable community where everyone can afford to live where they work and play. Thank you for your consideration.

Respectfully,

*Kim Freeman*

Kim Freeman  
Assistant Director of Homeownership Programs  
Oregon Housing and Community Services

