



CITY OF REDMOND
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FR: House Committee on Human Services and Housing
Chair Alissa Keny-Guyer
Vice Chair Ron Noble
900 Court Street
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EMAIL: Hhs.exhibits@oregonlegislature.gov

Mr. Chair and Committee Members:

Thank you for the opportunity to testify on the proposed House Bill 2336, as cited from the Oregon Legislative Information System (OLIS), "Removing population requirement for affordable housing pilot program if no qualifying nomination is received for city with population under 25,000."

I will present a brief description of the City of Redmond's vision for a new neighborhood in east Redmond in partnership with Deschutes County as part of an application to the State of Oregon Affordable Housing Pilot Project.

In 2016, the Oregon Legislature passed House Bill 4079 (HB 4079). This bill aims to boost affordable housing by allowing two Oregon cities to develop affordable and market rate housing on lands currently outside urban growth boundaries (UGBs) without going through the normal UGB expansion process. The law directed the Land Conservation and Development Commission (LCDC) to set up a process and select two pilot projects, one for a city with a population up to 25,000, and one for a city with a population greater than 25,000. Pilot project sites can be up to 50 acres, cannot be on high value farmland, and must meet other requirements. Applicants must ensure the affordable housing on the sites remains affordable for the next 50 years and must demonstrate efforts to accommodate and encourage needed housing within their existing UGBs.

Across Central Oregon the price of housing continues to escalate at levels that far outpace wages. Over the last few years housing prices have increased more than 52% and over that same timespan wages have only grown by an average of 2 to 3 percent per year. The average sales price of single-family home

in Redmond is currently approximately \$289,000 (Source: Beacon Report); and the average annual wage in Redmond is around \$40,000 (the average median family income for a family of four is \$69,900). The

City's poverty level hovers around 30 percent. Currently, residential land costs in Redmond range from \$40,000 per acre to \$100,000 per acre.

The Redmond proposal both meets and exceeds the minimum DLCD objectives by providing 50% affordable housing and 50% market rate housing in a mixed-income, mixed-use setting. This means the housing will not be separated by income but rather designed for a range of incomes. This strategy is proven to lead to socially interconnected and healthy neighborhoods consistent with Redmond's Great Neighborhood Principles (a guiding set of development requirements unique to Redmond).

Redmond is seeking a strategic partnership by identifying a 40-acre parcel owned by Deschutes County that can become home to 450 housing units. The goal is to have half of these units serving incomes of 80% AMI or less.

The DLCD program requires a minimum of 50 years of affordability. The use of profit caps on the non-market rate housing to retain appreciation for long-term affordable housing and site maintenance requirements will help maintain the quality and integrity of the neighborhood. The City will also use rent controls and tools such as deed restrictions, and HOA/CCR's.

The City will be enlisting a team of experienced developers. We are confident a team can be assembled to deliver on the City's and County's expectations for Skyline Village. To date, we have received seven letters of interest from housing developers to pursue various development concepts. Our partners include: Creations Northwest, Hayden Homes, Hunter Renaissance, Housing Works, Lawnae Hunter Investments, Pahlisch Homes, and The Wasserman Group.

If selected for the pilot project the City plans to pursue a master developer approach to building out Skyline Village. A formal RFP process will be used to select both development partners and an overall master developer/project manager to carry out the City's vision for the constructing the neighborhood. As a key stakeholder in this effort, the involvement of a Deschutes County representative in the selection process would be welcomed.



George Endicott
Mayor