



BOARD OF COMMISSIONERS

BOARD OF COUNTY COMMISSIONERS MEETING

9:00 AM, WEDNESDAY, MARCH 25, 2026

Barnes Sawyer Rooms - Deschutes Services Building - 1300 NW Wall Street – Bend
(541) 388-6570 | www.deschutes.org

AGENDA

MEETING FORMAT: In accordance with Oregon state law, this meeting is open to the public and can be accessed and attended in person or remotely, with the exception of any executive session.

Members of the public may view the meeting in real time via YouTube using this link: <http://bit.ly/3mmlnzy>. **To attend the meeting virtually via Zoom, see below.**

Citizen Input: The Board of Commissioners provides time during its public meetings for Citizen Input. Alternatively, comments may be submitted on any topic at any time by emailing or leaving a voice message at 541-385-1734.

When in-person comment from the public is allowed at the meeting, public comment will also be allowed via computer, phone or other virtual means.

Zoom Meeting Information: This meeting may be accessed via Zoom using a phone or computer.

- To join the meeting via Zoom from a computer, use this link: <http://bit.ly/3h3oqdD>.
- To join by phone, call 253-215-8782 and enter webinar ID # 899 4635 9970 followed by the passcode 013510.
- If joining by a browser, use the raise hand icon to indicate you would like to provide public comment, if and when allowed. If using a phone, press *9 to indicate you would like to speak and *6 to unmute yourself when you are called on.
- When it is your turn to provide testimony, you will be promoted from an attendee to a panelist. You may experience a brief pause as your meeting status changes. Once you have joined as a panelist, you will be able to turn on your camera, if you would like to.

Time estimates: The times listed on agenda items are estimates only. Generally, items will be heard in sequential order and items, including public hearings, may be heard before or after their listed times.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

CITIZEN INPUT

The Board of Commissioners provides time during its public meetings for Citizen Input. This is an opportunity for citizens to communicate to the Commissioners. Citizen Input is not available for matters that have closed records, are presently scheduled for a quasi-judicial public hearing, or are anticipated or likely to come before the Commissioners as a future quasi-judicial public hearing. Time is limited to 3 minutes.

The Citizen Input platform is not available for and may not be utilized to communicate obscene or defamatory material.

Note: In addition to the option of providing in-person comments at the meeting, citizen input comments may be emailed to citizeninput@deschutes.org or you may leave a brief voicemail at 541.385.1734.

COMMISSIONER ANNOUNCEMENTS

CONSENT AGENDA

1. Approval of Document No. 2026-0207, a Notice of Intent to Award a contract for the Road Department Campus Fence Project
2. Consideration of Board signature on letter reappointing Ethan O'Brien for service on the Wolf Depredation Compensation and Financial Assistance Committee
3. Approval of the minutes of the March 2, 2026 BOCC meeting

ACTION ITEMS

4. **9:10 AM** Application to renew a Qualified Rental Property Tax Exemption for Mountain Laurel Lodge, 990 SW Yates Drive, Bend
5. **9:30 AM** Deliberations: Application for a proposed commercial activity in conjunction with farm use (winery / Lava Terrace Cellars) in the Multiple Use Agricultural Zone at 20520 Bowery Lane, Bend
6. **10:15 AM** 2026 Legislative Session Review from Northwest Policy Advocates
7. **10:55 AM** Sponsorship Requests and FY 2027 Discretionary Grant Timeline

OTHER ITEMS

These can be any items not included on the agenda that the Commissioners wish to discuss as part of the meeting, pursuant to ORS 192.640.

EXECUTIVE SESSION

At any time during the meeting, an executive session could be called to address issues relating to ORS 192.660(2)(e), real property negotiations; ORS 192.660(2)(h), litigation; ORS 192.660(2)(d), labor negotiations; ORS 192.660(2)(b), personnel issues; or other executive session categories.

Executive sessions are closed to the public; however, with few exceptions and under specific guidelines, are open to the media.

ADJOURN



Deschutes County encourages persons with disabilities to participate in all programs and activities. This meeting/event is accessible. Accommodations including sign and other language interpreter services, assistive listening devices, materials in alternate formats such as Braille, large print, electronic formats, or language translations are available upon advance request at no cost. Please make a request at least 24 hours in advance of the meeting/event by calling Brenda Fritsvold at (541) 388-6572 or send an email to brenda.fritsvold@deschutes.org.



El condado de Deschutes anima a las personas con discapacidad a participar en todos los programas y actividades. Esta reunión/evento es accesible. Hay disponibles servicios de intérprete de lengua de señas y de otros idiomas, dispositivos de escucha asistida, materiales en formatos alternativos como braille, letra grande, formatos electrónicos, traducciones o cualquier otra adaptación, con solicitud previa y sin ningún costo. Haga su solicitud al menos 24 horas antes de la reunión/el evento llamando a Brenda Fritsvold al (541) 388-6572 o envíe un correo electrónico a brenda.fritsvold@deschutes.org.



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: March 25, 2026

SUBJECT: Approval of Document No. 2026-0207, a Notice of Intent to Award a contract for the Road Department Campus Fence Project

RECOMMENDED MOTION:

Move approval of Document No. 2026-0207, a Notice of Intent to Award a contract for the Road Department Campus Fence Project.

BACKGROUND AND POLICY IMPLICATIONS:

Deschutes County Road Department prepared bid solicitation documents for the Deschutes County Road Department Campus Fence project. The project scope of work includes furnishing and installing new chain link fence, removing sections of existing fence and gates, furnishing and installing or reinstalling gates and gate operators, and incidental work. The project was advertised in the Daily Journal of Commerce and The Bulletin on February 18, 2026. The Department opened bids at 2:00 P.M. on March 11, 2026.

Eight (8) bids were received for this project. The bid results are as follows:

<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
DALLUM BUILD CO	\$296,142.64
MIKE'S FENCE CENTER	\$298,421.00
MT. SKY INC	\$321,812.36
TIKKA MASONRY	\$325,590.00
TOWN & COUNTRY FENCE CO	\$422,398.00
DYNAMIC METALS	\$423,430.27
ADAMS QUALITY FENCE INC	\$435,370.27
MCDERMOTT FENCE & CONST	\$464,068.48
Engineer's Estimate	\$435,412.00

This action issues a Notice of Intent to Award the contract to the apparent low bidder, Dallum Build Company LLC, and allows seven days for concerned parties to protest the award. If there is no protest within the seven-day period, the contract will be awarded to the apparent low bidder. The bid tabulation, including the Engineer's estimate, is attached.

BUDGET IMPACTS:

A portion of the project is budgeted in the Road Facilities and Equipment (330) Fund for Fiscal Year 2026. The remaining project cost will be included in the proposed Road Facilities and Equipment budget for Fiscal Year 2027.

ATTENDANCE:

Cody Smith, County Engineer/Assistant Road Department Director



BOARD OF COUNTY COMMISSIONERS

March 25, 2026

Posted on the Deschutes County Bidlocker Portal at <https://bidlocker.us/a/deschutescounty/BidLocker> prior to 5:00 PM on the date of this Notice.

Subject: **Notice of Intent to Award Contract**
Contract for Deschutes County Road Department Campus Fence

To Whom It May Concern:

On March 25, 2026, the Board of County Commissioners of Deschutes County, Oregon considered proposals for the above-referenced project. The Board of County Commissioners determined that the successful bidder for the project was DALLUM BUILD COMPANY LLC, with a bid of Two Hundred Ninety Six Thousand One Hundred Forty Two and 64/100 Dollars (\$296,142.64).

This Notice of Intent to Award Contract is issued pursuant to Oregon Revised Statute (ORS) 279C.375. Any entity which believes that they are adversely affected or aggrieved by the intended award of contract set forth in this Notice may submit a written protest within seven (7) calendar days after the issuance of this Notice of Intent to Award Contract to the Board of County Commissioners of Deschutes County, Oregon, at Deschutes Services Building, 1300 NW Wall Street, Bend, Oregon 97703. **The seven (7) calendar day protest period will end at 5:00 PM on April 1, 2026.**

Any protest must be in writing and specify any grounds upon which the protest is based. Please refer to Oregon Administrative Rules (OAR) 137-047-0740. If a protest is filed within the protest period, a hearing will be held at a regularly-scheduled business meeting of the Board of County Commissioners of Deschutes County Oregon, acting as the Contract Review Board, in the Deschutes Services Building, 1300 NW Wall Street, Bend, Oregon 97703 within two (2) weeks of the end of the protest period.

If no protest is filed within the protest period, this Notice of Intent to Award Contract becomes an Award of Contract without further action by the County unless the Board of County Commissioners, for good cause, rescinds this Notice before the expiration of the protest period.

If you have any questions regarding this Notice of Intent to Award Contract or the procedures under which the County is proceeding, please contact Deschutes County Legal Counsel: telephone (541) 388-6625; FAX (541) 383-0496; or e-mail to david.doyle@deschutescounty.gov.

Be advised that if no protest is received within the stated time period, the County is authorized to process the contract administratively.

Sincerely,

Phil Chang, Chair



ROAD DEPARTMENT

BID TABULATION

DESCHUTES COUNTY ROAD DEPARTMENT FENCING
DESCHUTES COUNTY, OREGON

BID OPENING : 2:00 PM 3/11/2026

				ENGINEER'S ESTIMATE		APPARENT LOW BIDDER			
						DALLUM BUILD CO 26207 NE 216TH AVE BATTLE GROUND, WA 98604		MIKE'S FENCE CENTER PO BOX 7288 BEND, OR 97708	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	Mobilization	LS	1	\$18,000.00	\$18,000.00	\$31,625.00	\$31,625.00	\$1,000.00	\$1,000.00
2	Removal of Fencing	FT	1477	\$20.00	\$29,540.00	\$4.48	\$6,616.96	\$5.00	\$7,385.00
3	6' Chainlink Fence w/ 12" Tri-strand Barbed Wire Top	FT	5868	\$54.00	\$316,872.00	\$38.12	\$223,688.16	\$37.00	\$217,116.00
4	Remove and Reinstall 16' Single Panel Swing Gates	EA	2	\$5,000.00	\$10,000.00	\$3,809.38	\$7,618.76	\$3,690.00	\$7,380.00
5	Remove and Reinstall 12' Double Panel Swing Gates	EA	1	\$7,000.00	\$7,000.00	\$4,384.38	\$4,384.38	\$3,180.00	\$3,180.00
6	Remove and Reinstall Gate Operator	EA	1	\$6,000.00	\$6,000.00	\$4,240.63	\$4,240.63	\$9,930.00	\$9,930.00
7	Bottom Track Cantilever Gates	EA	4	\$8,000.00	\$32,000.00	\$2,587.50	\$10,350.00	\$9,800.00	\$39,200.00
8	Gate Operator	EA	1	\$16,000.00	\$16,000.00	\$7,618.75	\$7,618.75	\$13,230.00	\$13,230.00
				TOTAL	\$435,412.00	TOTAL	\$296,142.64	TOTAL	\$298,421.00



ROAD DEPARTMENT

BID TABULATION

DESCHUTES COUNTY ROAD DEPARTMENT FENCING
DESCHUTES COUNTY, OREGON

BID OPENING : 2:00 PM 3/11/2026

				ENGINEER'S ESTIMATE		MOUNTAIN SKY LANDSCAPING 64640 OLD BEND REDMOND HWY BEND, OR 97703		TIKKA MASONRY INC 17412 NE 92ND AVE BATTLE GROUND, WA 98604	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	Mobilization	LS	1	\$18,000.00	\$18,000.00	\$36,275.00	\$36,275.00	\$30,000.00	\$30,000.00
2	Removal of Fencing	FT	1477	\$20.00	\$29,540.00	\$9.60	\$14,179.20	\$10.00	\$14,770.00
3	6' Chainlink Fence w/ 12" Tri-strand Barbed Wire Top	FT	5868	\$54.00	\$316,872.00	\$31.87	\$187,013.16	\$40.00	\$234,720.00
4	Remove and Reinstall 16' Single Panel Swing Gates	EA	2	\$5,000.00	\$10,000.00	\$800.00	\$1,600.00	\$1,200.00	\$2,400.00
5	Remove and Reinstall 12' Double Panel Swing Gates	EA	1	\$7,000.00	\$7,000.00	\$600.00	\$600.00	\$1,200.00	\$1,200.00
6	Remove and Reinstall Gate Operator	EA	1	\$6,000.00	\$6,000.00	\$8,745.00	\$8,745.00	\$3,500.00	\$3,500.00
7	Bottom Track Cantilever Gates	EA	4	\$8,000.00	\$32,000.00	\$15,750.00	\$63,000.00	\$8,000.00	\$32,000.00
8	Gate Operator	EA	1	\$16,000.00	\$16,000.00	\$10,400.00	\$10,400.00	\$7,000.00	\$7,000.00
				TOTAL	\$435,412.00	TOTAL	\$321,812.36	TOTAL	\$325,590.00



**ROAD
DEPARTMENT**

BID TABULATION

DESCHUTES COUNTY ROAD DEPARTMENT FENCING
DESCHUTES COUNTY, OREGON

BID OPENING : 2:00 PM 3/11/2026

				ENGINEER'S ESTIMATE		TOWN & COUNTRY FENCE CO PO BOX 443 CLACKAMAS, OR 97015		DYNAMIC METALS, INC 301 NACHES NACHES, WA 98937	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	Mobilization	LS	1	\$18,000.00	\$18,000.00	\$10,000.00	\$10,000.00	\$4,000.00	\$4,000.00
2	Removal of Fencing	FT	1477	\$20.00	\$29,540.00	\$22.00	\$32,494.00	\$13.99	\$20,663.23
3	6' Chainlink Fence w/ 12" Tri-strand Barbed Wire Top	FT	5868	\$54.00	\$316,872.00	\$43.00	\$252,324.00	\$63.25	\$371,151.00
4	Remove and Reinstall 16' Single Panel Swing Gates	EA	2	\$5,000.00	\$10,000.00	\$5,400.00	\$10,800.00	\$2,582.56	\$5,165.12
5	Remove and Reinstall 12' Double Panel Swing Gates	EA	1	\$7,000.00	\$7,000.00	\$5,400.00	\$5,400.00	\$500.00	\$500.00
6	Remove and Reinstall Gate Operator	EA	1	\$6,000.00	\$6,000.00	\$12,630.00	\$12,630.00	\$2,582.56	\$2,582.56
7	Bottom Track Cantilever Gates	EA	4	\$8,000.00	\$32,000.00	\$19,500.00	\$78,000.00	\$3,873.84	\$15,495.36
8	Gate Operator	EA	1	\$16,000.00	\$16,000.00	\$20,750.00	\$20,750.00	\$3,873.00	\$3,873.00
				TOTAL	\$435,412.00	TOTAL	\$422,398.00	TOTAL	\$423,430.27



ROAD DEPARTMENT

BID TABULATION

DESCHUTES COUNTY ROAD DEPARTMENT FENCING
DESCHUTES COUNTY, OREGON

BID OPENING : 2:00 PM 3/11/2026

				ENGINEER'S ESTIMATE		ADAMS QUALITY FENCE 14829 SE MARIAN ST MILWAUKIE, OR 97267		MCDERMOTT FENCE & CONST 9940 SE OAK ST PORTLAND, OR 97216	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	Mobilization	LS	1	\$18,000.00	\$18,000.00	\$50,000.00	\$50,000.00	\$17,848.00	\$17,848.00
2	Removal of Fencing	FT	1477	\$20.00	\$29,540.00	\$4.50	\$6,646.50	\$12.00	\$17,724.00
3	6' Chainlink Fence w/ 12" Tri-strand Barbed Wire Top	FT	5868	\$54.00	\$316,872.00	\$55.50	\$325,674.00	\$50.93	\$298,857.24
4	Remove and Reinstall 16' Single Panel Swing Gates	EA	2	\$5,000.00	\$10,000.00	\$3,750.00	\$7,500.00	\$2,334.00	\$4,668.00
5	Remove and Reinstall 12' Double Panel Swing Gates	EA	1	\$7,000.00	\$7,000.00	\$4,550.00	\$4,550.00	\$1,967.00	\$1,967.00
6	Remove and Reinstall Gate Operator	EA	1	\$6,000.00	\$6,000.00	\$4,000.00	\$4,000.00	\$10,832.00	\$10,832.00
7	Bottom Track Cantilever Gates	EA	4	\$8,000.00	\$32,000.00	\$7,500.00	\$30,000.00	\$23,546.06	\$94,184.24
8	Gate Operator	EA	1	\$16,000.00	\$16,000.00	\$7,000.00	\$7,000.00	\$17,988.00	\$17,988.00
				TOTAL	\$435,412.00	TOTAL	\$435,370.50	TOTAL	\$464,068.48



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: March 25, 2026

SUBJECT: Application to renew a Qualified Rental Property Tax Exemption for Mountain Laurel Lodge, 990 SW Yates Drive, Bend

RECOMMENDED MOTION:

Move approval of the application from Mountain Laurel Lodge to renew its Qualified Rental Property Tax Exemption for another 20 years.

BACKGROUND AND POLICY IMPLICATIONS:

State law allows limited-term property tax exemptions for qualified rental properties. The City of Bend has received an application from Mountain Laurel Lodge for such an exemption to continue to provide existing affordable housing for seniors.

The company's original 20-year Qualified Rental Property Tax Exemption will sunset in 2026. The application seeks to renew that exemption for another 20 years. The property is deed restricted to be income- and rent-restricted until 2066.

- Bend Parks and Rec declined to consider this application.
• High Desert ESD passed a resolution of approval on March 17.
• The Bend- La Pine School Board is scheduled to consider this on April 14.
• This will go before the Bend City Council on April 15.

Please refer to the provided staff report from Kerry Bell, Housing Production & Incentives Coordinator for the City of Bend, for more details.

BUDGET IMPACTS:

If approved, the renewed exemption would have the following estimated budget impacts on Deschutes County's taxing districts:

Table with 3 columns: Taxing District, 1st Year Exemption, and 20-Year Exemption Total. Rows include Deschutes County, Countywide Law Enforcement, County Extension, and 9-1-1.

ATTENDANCE:

Nick Lelack, County Administrator
Kerry Bell, Housing Production & Incentives Coordinator, City of Bend
John Gilbert, property owner

QUALIFIED RENTAL PROPERTY TAX EXEMPTION STAFF REPORT



CITY OF BEND
HOUSING

PROJECT NUMBER: PRTX202600206 (Property Tax Exemption)

CITY COUNCIL DATE: April 15, 2026 at 5:30 p.m.
City of Bend Council Chambers (hybrid)
710 NW Wall Street, Bend, OR 97703

REPORT DATE: February 20, 2026

APPLICANT & OWNER: Mountain Laurel Lodge Limited Partnership
5 NW Minnesota Ave #210
Bend OR 97703

AGENT: Rima Wilson
1440 NE 6th St
Bend OR 97701

PROJECT LOCATION: 990 SW Yates Dr, Bend OR 97702
Deschutes County Assessor's Map 18-12-06C0, Tax Lot 00900

REQUEST: Qualified Rental Property Tax Exemption, 20-year tax abatement on residential improvements

STAFF REVIEWERS: Kerry Bell, Housing Production and Incentives Coordinator
(541) 323-5964; kbell@bendoregon.gov

SUMMARY:

Mountain Laurel Lodge is an affordable housing community for seniors, 55 and older, offering all 54 units to qualified households earning up to 60% AMI. Mountain Laurel Lodge opened its doors in 2006 and was the first community in Bend to be approved for this 20-year Qualified Rental Property Tax Exemption. The current property tax exemption will sunset in 2027. To continue providing low-income affordable housing, they intend to renew their exemption application. Mountain Laurel Lodge is applying for a new 20-year Income Qualified Property Tax Exemption under ORS 307.515.

This memo outlines the background and relevant information about this development for partnering taxing districts' staff and board. This Staff Report is being sent to all 7 taxing district administrators simultaneously, with a request for consideration and approval by the taxing district's governing bodies. City staff requests taxing district staff to communicate intended dates for their governing boards to consider the application and coordinate with

City staff on any desired presentations and further requested information. This development meets the criteria in Bend Code and City staff recommend approval of the 20-year exemption.

PROJECT & SITE OVERVIEW:

The project site is 990 SW Yates Dr, fronting Century Dr adjacent to Oregon State University Cascades college campus. The project is to reserve existing affordable housing in a single 3-story multifamily residential building, with parking. Amenities include a community room, community living areas and outdoor space for residents to enjoy. All 54 residential units will be designated for low-income senior living and rented at levels affordable to those making 60% Area Median Income (AMI) or less.



Figure 1. Site Location



Figure 2. Building Image

Eligibility Criteria:

The project site is 990 SW Yates Dr. Upon review of the application documents, this project is deemed eligible based on meeting the criteria listed below.

Eligibility of the Property and Development:

The income qualified tax exemption program requires that the property be located within the limits of the City of Bend, be a multifamily project containing three or more units, offering for rent, or held for the purpose of developing qualified rental housing, to be occupied solely by persons qualified as low-income

Rent Payment:

The required rent payments must reflect the full value of the tax exemption.

Project and Application Timeframe Eligibility and Requirements:

The housing units on the property are required to have been constructed after November 5, 2003 and the application must be filed before July 1, 2030, with the application being approved by the Bend City Council in accordance with the provisions of ORS Chapter 307.523 and Bend Code Chapter 12

Estimated Exemption & Financial Impact:

See attached Memo from the City of Bend Urban Renewal and Real Estate Department



Accommodation Information for People with Disabilities & Language Assistance Services

You can obtain this information in alternate formats such as Braille, electronic format, etc. Free language assistance services are also available. Please email accessibility@bendoregon.gov or call



541-693-2198. Relay Users Dial 7-7-1. All requests are subject to vendor processing times and should be submitted 48-72 hours in advance of events.

Servicios de asistencia lingüística e información sobre alojamiento para personas con discapacidad

Puede obtener esta información en formatos alternativos como Braille, formato electrónico, etc. También disponemos de servicios gratuitos de asistencia lingüística. Póngase en contacto en correo electrónico accessibility@bendoregon.gov o número de teléfono 541-693-2198. Los usuarios del servicio de retransmisión deben marcar el 7-1-1. Por favor, envíe sus solicitudes con 48-72 horas de antelación al evento; todas las solicitudes están sujetas a los tiempos de procesamiento del proveedor.



CITY OF BEND

MEMO

To: City of Bend Housing Department

From: Jonathan Taylor, Urban Renewal and Real Estate

Date: 2/4/2026

Re: Mountain Laurel Lodge Analysis

The follow memo is an analysis of the impacts to the revenues of taxing districts that will be affected if the applicant is granted an extension on the Qualified Rental Property Tax Exemption. The Qualified Rental Property Tax Exemption is a 20-Year exemption on all taxes associated with the property. This affects standard rates and special assessments, levies, and bonds.

The property in question is a 54-unit multiunit residential complex at 990 SW Yates Drive. The property first received The Qualified Rental Property Tax Exemption in 2006 for providing rents to households earning at or below 60% area median income. The property is deed restricted to be income- and rent restricted until 2066.

This analysis was conducted by the Office of Economic Development utilizing the 2025-2026 property assessed valuation established by the Deschutes County Assessor. The amounts are intended to provide a general impact for first year of the renewed exemption and the total of program exemption over 20-years. Voter approved bonds have been excluded from the 20-year exemption total. The forecast cannot accurately assume these levies will continue at FY2026 rates for the duration of the requested extension.

	First Year (2026)	20-Year Exemption Total
Deschutes County	\$7,083	\$190,332
Deschutes County Soil and Water District	\$332	\$8,934
County Library	\$3,048	\$81,892
County Library Bond	\$1,748	
County-Wide Law Enforcement	\$6,927	\$186,118
4-H	\$124	\$3,335
9-1-1	\$2,005	\$53,870
City of Bend	\$15,535	\$417,426
Bend Road Bond 2011	\$526	
Bend Road Bond 2021	\$2,353	
Bend Local Option	\$4,211	
Bend Parks and Recreation	\$8,096	\$217,535
BPRD Bond	\$662	
Bend-La Pine School District	\$26,399	\$709,349
SD#2013	\$1,990	
DSD#2017	\$4,867	
SD#2023	\$3,315	
COCC	\$3,438	\$92,374
COCC Bond	\$432	
High Desert	\$534	\$14,353
Total	\$93,626	\$1,975,519

This analysis excludes urban renewal division of taxes.



Housing Department
City of Bend
(541)
housing@bendoregon.gov
710 NW Wall Street, Bend OR 97703

This submittal form is to be completed as part of your application with the City of Bend. *Download this form before completing fillable fields*, then upload with your application through the Online Permit Center at www.bendoregon.gov/government/departments/economic-development/affordable-housing-program.

Qualified Rental Housing Tax Exemption Application

Project Description Questionnaire and Submittal Checklist

See page 3 for instructions on how to submit this form for review.

Property Address: 990 SW Yates Drive, Bend, OR 97702

Project Valuation: \$3,248,624 (SAV)

A. Statement of Project Charitable Purpose and Property Proportion:

1. Describe the project charitable purpose:

The purpose of this application is to request a 20-year extension of the property tax exemption for Mountain Laurel Lodge, to take effect upon the expiration of the current exemption in June 2027.

Mountain Laurel Lodge, which opened its doors in September 2006, was the City of Bend's FIRST RECIPIENT of property tax exemption through the City's Low-Income Housing Program. The exemption was established by Ordinance 54100.

2. Describe the proportion of the property, including number of units used for this charitable purpose:

One hundred percent (100%) of the units in the Mountain Laurel Lodge project are rent- and income-restricted.



Accommodation Information for People with Disabilities

To obtain this information in an alternate format such as Braille, large print, electronic formats, etc. please contact the Housing Department at Housing@bendoregon.gov or (541) 323-8550; Relay Users Dial 7-1-1.

B. Project Benefits to Resident:

1. Describe how tax exemptions will benefit the project residents:

The population served by Mountain Laurel Lodge subsists primarily on fixed incomes, such as Social Security and disability payments, which provide cost-of-living adjustments based on national formulas rather than local economic conditions. Bend’s cost of living is significantly higher than the national average, with housing costs nearly 200 percent above the national average (U.S. News & World Report, 2026). In addition, Bend ranks sixth nationally for the fastest-increasing cost of living (U.S. Bureau of Economic Analysis, 2022). These conditions leave low-income seniors in Bend, whose

C. Description of future development (if applicable):

1. If the Property is being held for future development, provide a description of the plans for development of the property and how the property is being held for low-income housing development.

N/A - the project is currently developed and in use as low-income multifamily housing.

D. Describe how the corporation and the property meet the criteria provided in Bend Municipal Code 12.030.015 (link to code).

The Mountain Laurel Lodge project meets the criteria for exemption as allowed under ORS 307.515 to 307.537, and as described in Bend Municipal Code 12.025.015, as follows:

A. The property is an eligible property under 307.515 to 307.537 because:

- (1) The project is located within the City of Bend.
- (2) The project is a multifamily project containing 54 units, exceeding the minimum of three units.



Accommodation Information for People with Disabilities

To obtain this information in an alternate format such as Braille, large print, electronic formats, etc. please contact the Housing Department at Housing@bendoregon.gov or (541) 323-8550; Relay Users Dial 7-1-1.

Submittal Items Checklist

- Funding Application**
A copy of the completed funding application for at least one secured funding source.
- Proof of Funding**
Proof of funding such as an award letter or grant contract.
- City of Bend Certification of income level** (this is a separate City document to upload)
- Title Report**
A copy of the property's title report or a collection of Legal Description, Proof of Ownership, and Lien Documentation.
- Project Description Questionnaire and Submittal Checklist** (This form)
- Pro Forma Income Statements** (may be one or two separate documents for both pro-formas)
Please show what the rent payments (per unit per month) would be required both with and without the tax exemption.

Instructions for Submitting for Review in Portal:

1. Download and complete applicable sections of this document and have all applicable documentation from the checklist above compiled and ready to upload.
2. Open your CityView Portal account: <https://cityview.ci.bend.or.us/Portal/>
3. Click "Apply" under the "Engineering, Agreements & Affordable Housing" section
4. For the "Application Type" select "Tax Exemption"
5. Complete other applicable sections then choose "Next Step: Permit Type"
6. On next screen, check box "Non-Profit TaxExemption"
7. Click "Next Step: Work Items"
8. Complete next steps until you get to Step 7 "Upload Files"
9. Upload completed form into the "Project Description Questionnaire" section
10. Upload remaining items compiled from the checklist



Accommodation Information for People with Disabilities

To obtain this information in an alternate format such as Braille, large print, electronic formats, etc. please contact the Housing Department at Housing@bendoregon.gov or (541) 323-8550; Relay Users Dial 7-1-1.

Mountain Laurel Lodge			
2026 Budget (draft)		No Tax Exemption	
Income	Total	Unit	%
Rental Income	\$423,874	\$7,850	65.2%
Voucher Income	\$219,056	\$4,057	33.7%
Other Income	\$7,468	\$138	1.1%
Gross Income	\$650,398	\$12,044	100.0%
Vacancy	(\$13,008)	(\$241)	-2.0%
Effective Gross Income (EGI)	\$637,390	\$11,804	98.0%
Expenses	Total	Unit	%
Administrative	\$22,065	\$409	3.4%
Payroll & Taxes	\$62,075	\$1,150	9.5%
Legal & Professional	\$10,000	\$185	1.5%
Utilities	\$48,602	\$900	7.5%
Maintenance & Operating Expenses	\$112,418	\$2,082	17.3%
Insurance	\$25,775	\$477	4.0%
Management Fee	\$41,413	\$767	6.4%
Property Tax	\$24,500	\$454	3.8%
Total Operating Expenses	\$346,848	\$6,423	53.3%
Net Operating Income	\$290,542	\$5,380	44.7%
Capital Reserves	\$15,623	\$289	2.4%
Partnership Management Fee	\$10,416	\$193	1.6%
Debt Service - Perm (NOAH)	\$117,882	\$2,183	18.1%
Debt Service - HOME	\$44,873	\$831	6.9%
Debt Service - Weatherization	\$1,206	\$22	0.2%
Interest - Other	\$4,181	\$77	0.6%
w/d from Replacement Reserves	(\$10,900)	(\$202)	-1.7%
Cash Flow	\$107,261	\$1,986	16.5%

Mountain Laurel Lodge			
2026 Budget (draft)		Full Tax Exemption	
Income	Total	Unit	%
Rental Income	\$399,374	\$7,396	63.8%
Voucher Income	\$219,056	\$4,057	35.0%
Other Income	\$7,468	\$138	1.2%
Gross Income	\$625,898	\$11,591	100.0%
Vacancy	(\$12,369)	(\$229)	-2.0%
Effective Gross Income (EGI)	\$613,529	\$11,362	98.0%
Expenses	Total	Unit	%
Administrative	\$22,065	\$409	3.5%
Payroll & Taxes	\$62,075	\$1,150	9.9%
Legal & Professional	\$10,000	\$185	1.6%
Utilities	\$48,602	\$900	7.8%
Maintenance & Operating Expenses	\$112,418	\$2,082	18.0%
Insurance	\$25,775	\$477	4.1%
Management Fee	\$41,413	\$767	6.6%
Property Tax	\$0	\$0	0.0%
Total Operating Expenses	\$322,348	\$5,969	51.5%
Net Operating Income	\$291,181	\$5,392	46.5%
Capital Reserves	\$15,623	\$289	2.5%
Partnership Management Fee	\$10,416	\$193	1.7%
Debt Service - Perm (NOAH)	\$117,882	\$2,183	18.8%
Debt Service - HOME	\$44,873	\$831	7.2%
Debt Service - Weatherization	\$1,206	\$22	0.2%
Interest - Other	\$4,181	\$77	0.7%
w/d from Replacement Reserves	(\$10,900)	(\$202)	-1.7%
Cash Flow	\$107,900	\$1,998	17.2%

Tax Exemption Pass Through Verification	Project	Per Unit	
	Annually	Annually	Monthly
Tax Savings	\$24,500	\$454	\$38
Rental Income Reduction	\$24,500	\$454	\$38
Difference	\$0	\$0	\$0

With full tax exemption, per unit per month rents range from \$482 to \$1207, depending on unit size and income level.

Without tax exemption, per unit per month rents would range from \$520 to \$1245, depending on unit size and income level.

Please note: all figures are based on the draft budget for Mountain Laurel Lodge for 2026. The 2026 budget has not yet been finalized.

City of Bend

**Property Tax Exemption Program for
Qualified Rental Housing**

Certification of Income Levels

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) The property for which tax exemption is requested is offered for rent, or is held for the purpose of developing low income rental housing.
- (2) If occupied, the income levels of all occupants of the property for which tax exemption is being requested, at the time of this application or within 30 days of the filing of this application, are at or below 60 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.
- (3) The required rent payments reflect the full value of the property tax exemption for the duration of the tax exemption period.
- (4) Each year for the duration of the tax exemption period, the undersigned shall supply the City of Bend with a copy of the Certificate of Compliance from each state and/or federal affordable housing funding source listed in this application. Certificates of Compliance must be received by the City within 45 days from the date they are issued by the state or federal agency.



 Signed

MOUNTAIN LAUREL LODGE, LP.

 Organization/Company

ON BEHALF OF G.P.

 Title

1/14/26

 Date

EXHIBIT "A"
LEGAL DESCRIPTION

Parcel 1 of Partition Plat No. 2005-37, filed May 25, 2005, a portion of Lot 4 in Century Washington Center, Phase I, II, III and IV, and located in Section 6, Township 18 South, Range 12 East of the Willamette Meridian, City of Bend, Deschutes County, Oregon



15 Oregon Ave., Bend, OR 97703
Phone (541) 389-7711 Fax (541) 389-0506

PRELIMINARY TITLE REPORT ATTACHED

To: WFG National Title Insurance Company
700 NE Multnomah St., Ste. 190
Portland, OR 97232
Attn: Team Trevor

Date: October 1, 2025
Order No. 1029023
Reference: 990 SW Yates Dr.
Bend, OR 97702

Your File No.: 25-203982

We have enclosed our Preliminary Title Report pertaining to order number 1029023.

Thank you for the opportunity to serve you. Your business is appreciated!

If you have any questions or need further assistance, please do not hesitate to contact your Title Officer listed below.

Sincerely,

Tonya Vejar

tonya.vejar@amerititle.com

NOTICE: Please be aware that, due to the conflict between federal and state laws concerning the legality of the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving land that is associated with these activities.



15 Oregon Ave., Bend, OR 97703
Phone (541) 389-7711, Fax (541) 389-0506

October 1, 2025

File Number: 1029023

Client's File Number : 25-203982

Report No.: 1

Title Officer: Tonya Vejar tonya.vejar@amerititle.com

PRELIMINARY TITLE REPORT

Property

Address: 990 SW Yates Dr., Bend, OR 97702

<u>Policy or Policies to be issued:</u>	<u>Liability</u>	<u>Premium</u>
Proposed Insured: Catalina Housing, LLC		
2021 ALTA Standard Owner's Policy COMMERCIAL	\$4,700,000.00	\$7,650.00

Endorsements: TBD

Proposed Insured: TBD

2021 ALTA Lender's Policy (X) EXTENDED () STANDARD (Simultaneous)	TBD	TBD
--	-----	-----

Endorsements: TBD

Local Government Lien Search		\$30.00
-------------------------------------	--	---------

We are prepared to issue ALTA (07/01/21) title insurance policy(ies) of Stewart Title Guaranty Company, in the usual form insuring the title to the land described as follows:

Legal description attached hereto and made a part hereof marked Exhibit "A"

and dated as of 17th day of September, 2025 at 7:30 a.m., title is vested in:

[Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership](#)

The estate or interest in the land described or referred to in this Preliminary Title Report and covered herein is:

FEE SIMPLE

Except for the items properly cleared through closing, Schedule B of the proposed policy or policies will not insure against loss or damage which may arise by reason of the following:

GENERAL EXCEPTIONS:

- 1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- 2. Facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
- 3. Easements, or claims of easement, not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
- 4. Any encroachment (of existing improvements located on the subject Land onto adjoining Land or of existing improvements located on adjoining Land onto the subject Land) encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the subject Land.
- 5. Any lien, or right to a lien, for services, labor, material, equipment rental, or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

EXCEPTIONS 1 THROUGH 5 ABOVE APPLY TO STANDARD COVERAGE POLICIES AND MAY BE MODIFIED OR ELIMINATED ON AN EXTENDED COVERAGE POLICY.

SPECIAL EXCEPTIONS:

- 6. The 2025-2026 Taxes: A lien not yet due or payable.
- 7. Taxes assessed under Code No. 1001 [Account](#) No. 198543 [Map](#) No. 181206C000900, including the current fiscal year, not assessed because of Municipal or Other Exempt Exemption. If the exempt status is terminated an additional tax may be levied.
- 8. City liens, if any, of the City of Bend.

None as of the effective date herein.
- 9. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals of Central Oregon Irrigation District.
(No inquiry has been made. If a search is requested, a charge of \$30.00 per account will be added)
- 10. Excavation and removal of vegetation shall be prohibited on natural slopes in excess of 12% until the applicable lot development has been approved by the City of Bend, as shown on the official [plat](#) of said land.
- 11. No vehicle access strip abutting Mt. Washington Drive as shown on the official [plat](#) of said land.
- 12. All lots are subject to the City of Bend Solar Ordinance as shown on the official [plat](#) of said land.

13. Covenants, conditions and restrictions, but omitting any covenant or restriction based on race, color, religion, sex, sexual orientation, disability, handicap, familial status, marital status, ancestry, national origin or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: December 27, 1999

Instrument No.: [1999-61163](#)

Said Covenants, Conditions and Restrictions set forth above contain, among other things, levies and assessments of Century Washington Center Owners' Association.

Amended by instrument,

Recorded: September 23, 2022

Instrument No.: [2022-35440](#)

14. Easement (Reservation for Cross Access and Drainage), including the terms and provisions thereof,
Recorded: May 5, 2005
Instrument No.: [2005-27752](#)

Easement Amendment, including the terms and provisions thereof,

Recorded: March 14, 2007

Instrument No.: [2007-15348](#)

15. Reciprocal Access Easement and Public Sidewalk Easement as shown on the [Partition Plat No. 2005-37](#).

16. A Deed of Trust (Housing Trust Fund Program), including the terms and provisions thereof, to secure the amount noted below and other amounts secured thereunder, if any:

Amount: \$100,000.00

Trustor/Grantor: Mountain Laurel Lodge Limited Partnership

Trustee: First American Title

Beneficiary: State of Oregon, by and through its Housing and Community Services Department

Dated: February 17, 2005

Recorded: June 9, 2005

Instrument No.: [2005-36154](#)

17. A Deed of Trust, Line of Credit Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, including the terms and provisions thereof, to secure the amount noted below and other amounts secured thereunder, if any:

Amount: \$500,000.00

Trustor/Grantor: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership

Trustee: First American Title Insurance Company

Beneficiary: State of Oregon, by and through its Housing and Community Services Department

Dated: May 31, 2005

Recorded: June 9, 2005

Instrument No.: [2005-36155](#)

This Deed of Trust secures an equity line of credit and/or revolving loan. The Company requires satisfactory written statement from the existing lender confirming; (a) the payoff amount, (b) that the line of credit has been closed, and no further draws/advances will be permitted and/or the right to future advances has been terminated, and (c) agreeing to deliver a full satisfaction/release upon payment of the outstanding balance, (d) satisfactory documentation from the borrower to close the account.

18. Regulatory Agreement, Declaration of Restrictive Covenants and Equitable Servitudes, including the terms and provisions thereof,
Recorded: June 9, 2005
Instrument No.: [2005-36156](#)
Between: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership
And: State of Oregon, by and through its Housing and Community Services Department
19. A Deed of Trust, including the terms and provisions thereof, to secure the amount noted below and other amounts secured thereunder, if any:
Amount: \$500,000.00
Trustor/Grantor: Mountain Laurel Lodge Limited Partnership
Trustee: First American Title Insurance Company of Oregon
Beneficiary: Pacific Crest Affordable Housing LLC
Dated: May 30, 2005
Recorded: June 9, 2005
Instrument No.: [2005-36160](#)
20. License, including the terms and provisions thereof,
Recorded: July 19, 2005
Instrument No.: [2005-46093](#)
21. Water Easement, including the terms and provisions thereof,
Recorded: July 19, 2005
Instrument No.: [2005-46094](#)
22. Easement (Signage for Parcel 1 on Parcel 2), including the terms and provisions thereof,
Recorded: March 14, 2007
Instrument No.: [2007-15347](#)
Between: Yates Drive Partners, LLC, an Oregon limited liability company
And: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership
23. 9% Low-Income Housing Tax Credit Declaration of Land Use Restrictive Covenants, including the terms and provisions thereof,
Recorded: June 18, 2007
Instrument No.: [2007-34256](#)
Between: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership
And: Oregon Housing and Community Services, a governmental agency of the State of Oregon
24. A Deed of Trust (Low Income Weatherization Program), including the terms and provisions thereof, to secure the amount noted below and other amounts secured thereunder, if any:
Amount: \$44,365.00
Trustor/Grantor: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership
Trustee: First American Title Insurance Company of Oregon
Beneficiary: State of Oregon, by and through its Housing and Community Services Department
Dated: May 23, 2007
Recorded: June 27, 2007
Instrument No.: [2007-36080](#)

25. Loan and Project Use Agreement, Declaration of Restrictive Covenants and Equitable Servitude- Low Income Weatherization Grant Program, including the terms and provisions thereof,
Recorded: June 27, 2007
Instrument No.: [2007-36081](#)
Between: Pacific Crest Affordable Housing LLC
And: Mountain Laurel Lodge Limited Partnership, and State of Oregon, by and through its Housing and Community Services Department
26. Oregon Affordable Housing Tax Credit Program Declaration of Land Use Restrictive Covenants, including the terms and provisions thereof,
Recorded: September 27, 2007
Instrument No.: [2007-52340](#)
Between: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership
And: Oregon Housing and Community Services Department, a governmental agency of the State of Oregon
27. Housing Development Grant Program-Project Use Loan Agreement, including the terms and provisions thereof,
Recorded: December 19, 2007
Instrument No.: [2007-64845](#)
Between: Mountain Laurel Lodge Limited Partnership
And: Oregon Housing and Community Services
28. Rights of tenants, as tenants only, under unrecorded leases or tenancies.
29. Personal property taxes, if any.
30. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts, which a correct survey would disclose.
31. Any lien, or right to a lien, for services, labor, material, equipment rental, or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

To remove this item, the Company will require an affidavit and indemnity on a form supplied by the Company.

IF THE ABOVE EXCEPTION IS TO BE REMOVED FROM A FORTHCOMING POLICY PRIOR TO THE EXPIRATION OF THE STATUTORY LIEN PERIOD, THE COMPANY MUST BE CONTACTED REGARDING ITS UNDERWRITING REQUIREMENTS FOR EARLY ISSUE.

32. Persons in possession or claiming the right of possession.

To remove this item, the Company will require an affidavit and indemnity on a form supplied by the Company.

33. The Company will require a copy of the Operating Agreement (including any approvals of withdrawal of member(s) or acceptance of new member(s)) and the Articles of Organization of Catalina Housing, LLC for its examination prior to closing. Any conveyance or encumbrance of the Limited Liability Company's property must be executed by all of the members unless otherwise provided for in the Operating Agreement.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

34. The Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance from the limited partnership named below:

Name: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership

- (a) A complete copy of the limited partnership agreement and any amendments or restatements thereto
- (b) Evidence that the partnership was validly formed and in good standing
- (c) If less than all general partners are executing documents, furnish evidence of the signing partner(s) authority, unless authorized in the above-referenced documents.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

INFORMATIONAL NOTES:

- A. This report does not include a search for financing statements filed in the office of the Secretary of State in this or any other State, or in a county other than the county wherein the Land is situated, and no liability is assumed if a financing statement is filed in the office of the County Clerk (Recorder) covering fixtures on the Land wherein the Land is described other than by metes and bounds or under the rectangular survey system by recorded lot and block.
- B. This transaction and the policy or policies and the endorsements contemplated in connection with this Commitment are subject to review and approval of the Company's Insuring Underwriter. The Company reserves the right to add additional exceptions or notes and to make further requirements after such review.
- C. Any map or sketch enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the company assumes no liability for any loss occurring by reason of reliance thereon.
- D. Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the parties to the transaction must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.
- E. Due to current conflicts or potential conflicts between state and federal law, which conflicts may extend to local law, regarding marijuana, if the transaction to be insured involves property which is currently used or is to be used in connection with a marijuana enterprise, including but not limited to the cultivation, storage, distribution, transport, manufacture, or sale of marijuana and/or products containing marijuana, the Company declines to close or insure the transaction, and this Preliminary Title Report shall automatically be considered null and void and of no force and effect.
- F. In the event that the contemplated transaction for which a Real Estate Report is required to be submitted to the US Department of Treasury Financial Crimes Enforcement Network ("FinCEN Report"), then the parties to transaction (Seller(s) and Buyer(s)) shall no later than the closing, provide to the Company the information and documentation necessary to enable the Company to complete the FinCEN Report. Such information and documentation include full legal name, date of birth, residential address, and the IRS taxpayer identification number of the beneficial owners of the Buyer(s), as further defined and described in Section 1031.320 of Chapter 31 of the Code of Federal Regulations ("Code")

NOTE: The FinCEN Report requires certain residential real estate transaction purchased with all cash or without institutional lender financing, where at least one buyer/transferee is a legal entity to be reported to the United States Treasury Department's Financial Crimes Enforcement Network. If the required information is not timely provided to the Company, the Company may elect to withdraw as the settlement company or otherwise be involved in the transaction.

If **AmeriTitle, LLC** is not acting as a "Reporting Person" under the FinCEN rule for this transaction, where said company is not performing any escrow or settlement functions, responsibility for compliance with FinCEN reporting requirements lies with the party designated as the Reporting Person under the rule, which may include the settlement agent, escrow agent, or other party facilitating the closing.

AmeriTitle, LLC expressly disclaims any and all liability for FinCEN reporting obligations where said company is not performing any escrow or settlement functions

THIS PRELIMINARY TITLE REPORT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

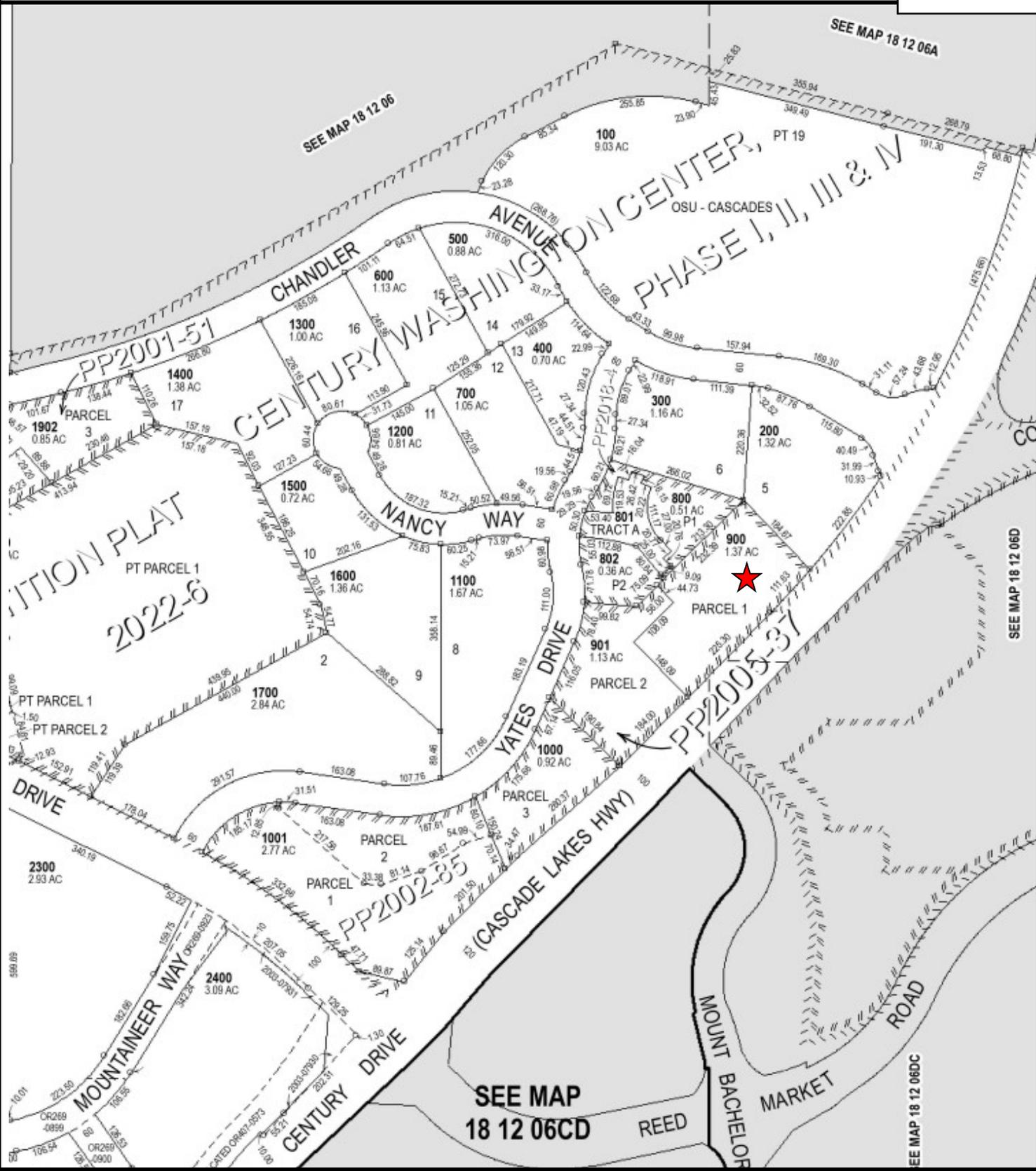
This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued and the full premium paid.

End of Report

"Superior Service with Commitment and Respect for Customers and Employees"

EXHIBIT "A"
LEGAL DESCRIPTION

Parcel 1 of Partition Plat No. 2005-37, filed May 25, 2005, a portion of Lot 4 in Century Washington Center, Phase I, II, III and IV, and located in Section 6, Township 18 South, Range 12 East of the Willamette Meridian, City of Bend, Deschutes County, Oregon



181206C000900
 Bend, OR 97702

THIS MAP IS FURNISHED AS AN ACCOMMODATION STRICTLY FOR THE PURPOSES OF GENERALLY LOCATING THE LAND. IT DOES NOT REPRESENT A SURVEY OF THE LAND OR IMPLY ANY REPRESENTATIONS AS TO THE SIZE, AREA OR ANY OTHER FACTS RELATED TO THE LAND SHOWN THEREOF

Section 02

DATA SUMMARY

DATA SUMMARY

APPLICANT INFORMATION

Project Name: Mountain Laurel Lodge

Project Address: 990 SW Yates Drive Bend 97701 Deschutes
Street City Zip Code County

Legislative Districts: 2 U.S. House 27 State Senate 54 State House

* To find the project's district numbers (some have changed recently) visit <http://www.leg.state.or.us/findlegsltr/findset.htm>

APPLICANT

CO-APPLICANT

Name: Acadia Properties, LLC
Contact: John Gilbert & Rob Roy
Street: 543 NW Broadway Street
City/St/Zip: Bend, Oregon 97701
Phone: 541-383-2505
Fax: 541-383-3618
E-Mail: jgilbert@acadia-properties.com
Tax I.D. #: 089-50-1403

Name: _____
Contact: _____
Street: _____
City/St/Zip: _____
Phone: _____
Fax: _____
E-Mail: _____
Tax I.D. #: _____

Applicant Type ("X"box)

Co-Applicant Type ("X"box)

For Profit Housing Authority
Not-for-Profit CHDO
Local Government

For Profit Housing Authority
Not-for-Profit CHDO
Local Government

OWNERSHIP ENTITY (LP, LLC, etc.)

CONSULTANT (if applicable)

Name: Mountain Laurel Lodge LP (to-be-formed)
Contact: John Gilbert & Rob Roy
Street: 543 NW Broadway Street
City/St/Zip: Bend, Oregon 97701
Phone: 541-383-2505
Fax: 541-383-3618
E-Mail: jgilbert@acadia-properties.com
Ownership Tax ID #: Not yet assigned

Name: _____
Contact: _____
Street: _____
City/St/Zip: _____
Phone: _____
Fax: _____
E-Mail: _____

All Correspondence Should Be Directed to:

Contact: John N. Gilbert, III **Title:** Principal
Name: Acadia Properties, LLC **Phone:** 541-383-2505
Address: 1293 NW Wall Street #107 **Fax:** 541-383-3618
City/St/Zip: Bend, Oregon 97701 **E-Mail:** jgilbert@acadia-properties.com

Indicate to which entity funds should be disbursed: To be formed.

NONPROFIT INFORMATION

(If Applicable)

Source of your exemption ("X" box)

IRC Section 501(a) IRC Section 501(c)(3)
 IRC Section 501(c)(4) ORS 456

Date incorporated: _____ Date IRS 501(c)(3) received: _____
Date Articles of Incorporation & By-laws filed: _____ Date Articles or By-laws amended: _____
Date Purpose/Mission statement: _____ Date Purpose/Mission statement amended: _____

Do the By-laws set forth the development of affordable housing as a purpose?

Yes (X)	No (X)
---------	--------

Is the project a for-profit / not-for-profit joint venture?

Yes (X)	No (X)
---------	--------

DEVELOPMENT TEAM INFORMATION

(Provide the following information, as it applies to the project.)

Contractor: R&H Construction (not finalized) **Ph:** 541-312-2961 **Email:** jmontgomery@rhconst.com
Architect: Steele & Associates **Ph:** 541-382-9867 **Email:** ssteele@steele-arch.com
Tax Atty: Holland & Knight, LLP **Ph:** 503-243-5866 **Email:** Paul.dagle@hklaw.com
Tax Acct: Blume Loveridge **Ph:** 425-453-2088 **Email:** jfleming@blcpa.com
Syndicator: Homestead Capital **Ph:** 503-276-1555 **Email:** sa@homesteadcap.com
Property Mgr: Cascade Management **Ph:** 503-684-7888 **Email:** dave@cascade-management.com

OHCS-BASED FUNDING REQUESTS

<u>Source of Funds</u>	<u>\$ Amount</u>	<u>Source of Funds</u>	<u>\$ Amount</u>
Trust Fund	<u>100,000</u>	Elderly/Disabled	_____
HOME	<u>500,000</u>	Risk Sharing	_____
LIHTC (annual allocation)	<u>689,500</u>	Loan Guarantee	_____
HELP	_____	Lease Guarantee	_____
OAHTC (32% of loan amt)	<u>540,000</u>	Seed Money	_____
Weatherization (Wx)	<u>44,365</u>	Predevelopment	_____
ADF	_____	Oregon Rural Rehab	_____
Other?	_____	Conduit	_____
	_____	MAP	_____

Common property management?

PROJECT RENTS AND INCOME LEVELS

Legislation requires that when OHCS resources are utilized, OHCS will give substantial preference to applicants who rent to tenants whose net income is at 2 times or greater, the rent. (e.g. if rent is \$300 per month, a tenant who earns a net of \$600 should be considered income eligible.) Will the project accept this as its policy?

Yes (X)	No (X)
X	

Upon completion of the project, how many units will be receiving project based assistance? 0

Number of RD units receiving project-based assistance? _____

Number of Section 8 units project-based assistance? _____

Number of units receiving other type of project-based assistance? _____

Explain other type assistance _____

In the table below, indicate the income and rental limitations of the proposed units. Assume all funding source restrictions when completing. Round up to the nearest 10%, i.e., a 47% rental charge would be listed as 50%.

Unit Type by bedroom size:	Number of units by bedroom size:	Percent of Median Income as adjusted for family size will not exceed:	Rents not to exceed the following percent of median income:
<i>Example:</i>	<i>Example:</i>	<i>Example:</i>	<i>Example:</i>
2 bedroom	8	50%	50%
3 bedroom	12	60%	60%
1 Bedroom	7	50%	50%
1 Bedroom	35	60%	60%
2 Bedroom	1	50%	50%
2 Bedroom	11	60%	60%

If the income limitation percentage of the household residing in the unit is not equal to the proposed rental percentage charge, then provide an explanation why. (For instance, if the rent limitation is 40% of area median income and the household income will be 30% or less of area median income (indicate the reasoning behind the choices).

X _____

Name, title and address of the Chief Executive Officer (i.e., Mayor, City Manager) of the project's locality:

Name: Ron Garzini **Title:** Interim City Manager
Address: 710 NW Wall St. PO Box 431 **City:** Bend, Oregon **Zip:** 97709

PROPOSED PROJECT SCHEDULE

Project Name: Mountain Laurel Lodge Schedule date: 8/5/04

ACTIVITY	PROPOSED DATE (month/year) *	REVISED DATE (month/year) *	COMPLETED DATE (month/year) *
SITE			
Option/Contract executed			January 2004
Site Acquisition	March 2005		
Zoning Approval			October 2003
Site Analysis	December 2004		
Building Permits & Fees	May 2005		
Off-Site Improvements	June 2005		
PRE-DEVELOPMENT			
Plans Completed	February 2005		
Final Bids	March 2005		
Contractor Selected	December 2004		
FINANCING			
CONSTRUCTION LOAN:			
Proposal	January 2005		
Firm Commitment	March 2005		
PERMANENT LOAN:			
Proposal	November 2004		
Firm Commitment	November 2004		
SYNDICATION AGREEMENT (LIHTC)	March 2005		
CONSTRUCTION BEGINS	June 2005		
CONSTRUCTION COMPLETED	June 2006		
CERTIFICATE OF OCCUPANCY	July 2006		
LEASE UP COMPLETED	December 2006		

* Indicates completion by end of month



Oregon

Theodore R. Kulongoski, Governor

Housing and Community Services

Street Address: 725 Summer Street NE, Suite B

Mailing Address: PO Box 14508

Salem, OR 97301-1271

(503) 986-2000

FAX (503) 986-2020

TTY (503) 986-2100

www.hcs.state.or.us



Setting the Standard...



November 8, 2004

Mr. John Gilbert
Acadia Properties, LLC
543 NW Broadway Street
Bend, Oregon 97701

RE: **CONSOLIDATED FUNDING RESERVATIONS**
MOUNTAIN LAUREL LODGE, Project Number 00000489

Dear Mr. Gilbert:

Oregon Housing and Community Services ("OHCS," "Department") has reserved the following funding for Acadia Properties LLC for the development of the Mountain Laurel Lodge project.

- \$ 100,000 Housing Development Grant (Trust Fund);
- \$ 689,500 annual allocation of 2005 Low Income Housing Tax Credits;
- \$ 540,000 of Oregon Affordable Housing Tax Credits;
- \$ 500,000 HOME Investment Partnerships Program Grant (HOME);
- \$ 44,365 Low-Income Weatherization Program.

Please be advised that readiness to proceed is an important criterion. In order to retain these reservations, you must meet the following conditions, subject to Department approval, by **February 10, 2005**. Failure to meet all conditions to OHCS satisfaction may result in the revocation of the reservations.

No funds will be released until the general conditions are met unless pre-approved by OHCS and only for predevelopment activities as indicated under the Housing Development Grant Program.

Note: As an applicant for state resources through the Consolidated Funding Cycle, you are subject to applicable state laws and rules. Please be informed that the Bureau of Labor and Industry BOLI is in the process of revising, or has revised, OAR 839-016-0100 which interprets the Prevailing Wage Law. The Prevailing Wage Law essentially requires that the prevailing wage rate be paid to workers on public works if public funds are used. Please make sure you stay current on the status of this and other rules as they may have a financial impact on your project, including the receipt of funding conditionally reserved for your project through the Consolidated Funding Cycle. For more information on OAR 839-016-0100 you may contact BOLI at (503) 731-4200.

Note: Many of our programs require specific documents to be completed either now or at a later time during project development. Documents necessary for satisfaction of Conditions of Reservation can be found on our website at:
http://www.ohcs.oregon.gov/OHCS/HRS_Reservation_Letter_Attach.shtml under the link entitled "Reservation Letter Attachments." If you do not have internet access, please contact me and I will be glad to send them in hard copy form.

General Conditions (all must be completed no later than February 10, 2005):

1. A Monthly Progress Report must be submitted beginning December 10, 2004 for November 2004, and thereafter on a monthly basis until project completion. The report should indicate all activities undertaken during the previous month. The reports submitted for November and December will be used to ascertain progress in meeting the conditions of this award letter and retention of the funding reservations. A blank Report form is provided at the web address above.
2. The HOME Program requires a firm commitment for each non-Department funding source. Supply evidence of firm commitment from the representative of each of the following sources of funding:
 - Low Income Housing Tax Credit Equity
 - City of Bend CDBG
 - Permanent Loan financing
3. Complete and submit a copy (form included in the Fall 2004 CFC Application) of the Management Plan and Management Agent's Qualifications for review. Include a sample lease or rental agreement. If during project development the management agent or plan should change, a revised plan must be submitted.
4. A preliminary review of the architectural materials submitted with your application has been completed. Comments and requirements will be sent to you under separate cover. All concerns that do not meet OHCS's minimum architectural requirements must be addressed before the project can proceed. When developing your project schedule, allow adequate time in your project schedule to permit the detailed architectural review, possible plan revisions, and a follow up review (if necessary) before bids are solicited or construction begins.

If your architect has any questions regarding design standards or the specific comments outlined above, please contact OHCS's architect, John Czarniecki. He can be reached by phone at 503-986-0972.

5. When your General Contractor has been identified, tell us what steps he/she will take to assure affirmative outreach efforts in the solicitation and use of subcontractors.
6. Resident services appropriate and specific to the identified needs of the targeted population are required by OHCS. Complete and submit, for Department approval, a Resident Services Plan (required format in the Fall 2004 CFC Application). Provide commitment letters or executed agreements with all the agencies providing services to the project.

Due to the fact that you intend to have the project's site manager coordinate the Resident Services plan, the following must be submitted with the Plan in order to receive Department approval:

- a copy of the job description for the site manager position which includes Resident Services coordination;
 - a list of minimum qualifications and experience for the site manager position;
 - a statement describing how the duties of site management and resident services coordination will be compatible.
7. Beginning with the 2004 Spring CFC awards, new construction projects and those undergoing substantial rehabilitation will be required to provide high-speed, shared data internet access to the

living area of each housing unit. Your application indicated that internet access would be provided to each unit, however your application does not provide any additional information. Please indicate where the cost of installation is included in your total project cost and provide a narrative describing what type of connection you will be using, if a consultant will be assisting, and other details of your internet plan. Please remember that the cost of internet installation is to include only the costs incurred over and above the cost of laying regular phone and/or cable t.v. lines to the units.

8. You must complete one of the following within **15 days of the date of this letter**:
- a) Initial each page, sign this letter and **return the original** indicating your acceptance of the reservations and all the terms and conditions of the reservations; or,
 - b) If you have concerns about any of the conditions or timelines contained in this letter, contact me. I will discuss your concerns with your Regional Advisor to the Director (RAD) and if necessary we may schedule a conference with you to discuss your specific concerns.

Housing Development Grant Program (Trust Fund) Conditions:

1. Oregon Administrative Rules require grant terms and conditions be established in a Project Use Agreement. Please provide the name of the entity that will receive the grant funds. The Project Use Agreement will be sent to under separate cover. It will be your responsibility to see that the Project Use Agreement is recorded as an encumbrance against the project property.
2. OHCS may consider releasing Trust Fund program funds prior to meeting all of the General and Trust Fund Conditions only in the following instances and upon completion of the following:
 - a) Trust Fund program funds used for predevelopment expenses can only be used to assist in meeting the General and Trust Fund conditions (architectural, appraisals, etc); and,
 - b) Provide for Department approval an expenditure plan indicating the amount of Trust Fund Program funds required and the use of the funds; and,
 - c) If you do not own the property at the time of fund disbursement, then you will be required to open an escrow account and have the Project Use Agreement placed in escrow and recorded immediately upon obtaining title to the property.

Low-Income Weatherization Program Conditions (Wx)

1. Eligible activities for the Low-Income Weatherization Program funds must demonstrate measurable cost effective energy conservation. For each dollar of the funds requested, you will be required to demonstrate, at a minimum, an equal number of kilowatt savings in electricity for the first year of operation. The reservation amount will be adjusted if the kilowatt savings per hour (kWh) are not demonstrated.
2. To meet program requirements, at least 50% of the units in the project must be rented to households whose income is at or below 60% of the area median income, adjusted by family size, as defined by the U. S. Department of Housing and Urban Development. The recipient's

commitment will remain in place for a minimum of ten (10) years from the date of completion of the project. This commitment will be included in the Project Use Agreement

If you do not own the property at the time of fund disbursement, you will be required to open an escrow account and have the Weatherization Program Project Use Agreement placed in escrow and recorded immediately upon obtaining title to the property.

3. Weatherization funds will be disbursed to reimburse weatherization eligible items when they are purchased and installed.
4. A post construction inspection needs to be completed to verify the proposed energy measures have been satisfactorily completed. An independent third party such as an architect, energy consultant, or local community action agency energy weatherization representative is acceptable to complete the inspection. The inspection must be completed and the results provided to the Department.
6. Eligible baseload measures (lighting, refrigerators, dishwashers, clothes washers, dryers and freezers) should be included which meet Energy Star Criteria and/or units comply with UL-250 with energy-efficiency standards established in the National Appliance Energy Conservation Act of 1987. Refrigerators may not have through-the-door ice or water services, since this feature increases energy use. Documentation of energy savings and costs for appliances and lighting must be supplied to OHCS to meet program requirements. Do not include delivery and installation costs. Include methods of calculations and base measurement for each appliance installed.
7. Reference for effective baseload appliances can be found at <http://www.energy.state.or.us/res/tax/appliance.htm>

Low Income Housing Tax Credits:

1. After this CFC Reservation letter has been returned to us signed and initialed, OHCS will mail a formal LIHTC Offer of Reservation and a LIHTC Reservation and Extended Use Agreement ("Agreement") to you. The Agreement will contain rent restriction language based on information you provided in the Fall 2004 Consolidated funding Cycle Application. It must be signed, notarized and returned to this office within 60 days of the date of the Offer of Reservation Letter. A reservation fee (5% of the annual amount of tax credit offered) is due and payable to the Oregon Housing and Community Services Department at the time you execute the Agreement.
2. OHCS must sign and notarize the Agreement in the same month OHCS receives your signed Agreement and the reservation fee. If you have chosen to lock the percentage rate, it will be applied at the published rate in the month in which the Agreement is executed by all parties and the reservation fee received. You have 60 days from the date of the Offer of Tax Credit Reservation letter to return the signed Agreement and the appropriate reservation fee. Fall CFC applicants may therefore lock in December, January or February; Spring CFC applicants may lock in July, August or September.

If the Reservation and Extended Use Agreement and appropriate reservation fee are NOT returned to OHCS within 60 days of the date of the Offer of Tax Credit Reservation letter, you will forfeit the option of locking the rate and must wait until the Placed in Service date to rate lock.

Please return this CFC Reservation letter in a timely fashion as a delay will not extend the time period you have in which to make your rate lock decision - you will still be held to the December, January, February or July, August, September lock rates.

- 3. OHCS's "Hold Harmless Agreement" should be signed when you enter into the Reservation and Extended Use Agreement.
- 4. All LIHTC projects require a comprehensive market study of the housing needs of the individuals served by each project. A disinterested third party approved by OHCS must prepare the study. A third party market study must be submitted and approved by the department prior to obtaining a carryover allocation. Make certain that the market study addresses the issues outlined in the department's format for the study. The latest format is included in the department's Fall 2004 Consolidated Funding Cycle application.
- 5. If the project will not be completed in 2005 you will need to apply for a carryover allocation to show the "10% test" will be met by June 30, 2006. The application for a carryover allocation must be submitted by December 1, 2005 and include an updated data summary form to include limited partnership name and taxpayer identification number, updated housing operating budget, and updated LIHTC forms from the CFC application packet if there are any changes. An application for carryover is available from OHCS. Be sure to re-date any pro forma sheets that are updated.

Certification of the 10% test must be provided by a third party tax professional, such as a Certified Public Accountant or a Tax Attorney, before June 30, 2006. If you would like to complete your carryover allocation, i.e., complete the 10% test, at the time of submission of your carryover application it will be necessary to provide certified costs.

- 7. **Managers Unit:** Please clearly indicate the number of manager units to be included at the property. It is important to note this in all LIHTC documentation because a unit used for a full time manager is considered common space and will not require the resident to be income qualified while still allowing the unit to be included in the project basis. Not designating a manager's unit requires that units, in order to remain in basis, must house an income-qualified tenant.

Please state the unit mix as follows:

53 # Units affordable (LIHTC income qualified units)

1 # Units considered common space (manager's unit)

- 9. Please describe how your partnership fulfills these expectations:

You are requesting the 9 % credit.

You are requesting the 130% bonus in a difficult to develop area or a qualified census tract.

If yes to both of the above, HOME funds must be loaned to the partnership at or above the Applicable Federal Rate (AFR) or must be deducted from the basis calculation.

If yes to both of the above, HOME funds may be loaned below the AFR if at least 40% of the LIHTC units are targeted and affordable to households at or below 50%

of median family income and not impact basis.

_____ If yes to both of the above, HOME funds may not be traced to basis or non-basis items such as land acquisition unless a written, legal opinion (acceptable to OHCS) is acquired. Otherwise the HOME funds must be removed from basis.

10. If you are requesting other than State HOME funds, or any other funds that will be loaned to the project, please submit a discussion on the terms of those funds. Describe if it is a grant or a loan, and if the funds are loaned to a partnership. If a HOME loan or partnership loan, discuss the terms of payoff and include the payment data for that loan on your pro forma expense page.
11. If your project is in a hard to develop area, provide map with census tract identified to qualify for the 130% bonus or recalculate your annual tax credits at 100% of costs.

Oregon Affordable Housing Tax Credit Program:

1. Enclosed is a copy (original mailed to NOAH) of the "Reservation Letter" reserving Oregon Affordable Housing Tax Credits for 180 days or until **180 days from date of letter**. In order to receive a "Certification" qualifying your lender to claim the tax credits, the following must be provided:

Evidence you have received a firm commitment of financing for \$1,688,213 from NOAH by May 8, 2005 which indicates the amount of OAHTC to be used.

Included under the Development Forms link on the CFC website is a sample copy of the "Declaration of Land Use Restrictive Covenants". We will complete this document and require it be recorded against the project property at the time your permanent loan with NOAH is closed.

HOME Conditions of Reservation

1. The HOME reservation will be subject to a satisfactory environmental review. The environmental review process must be completed and a release of funds obtained from HUD prior to you taking any "choice limiting" actions on the project site. In other words, you cannot undertake any action or activity that could limit the project to the specific site or perform any physical development activities on the site until a release of funds is obtained from HUD. This includes, but is not limited to, property acquisition, demolition, or construction work. It doesn't matter whether these activities are to be paid with HOME funds or some other source of funds including your own resources. No activities can be done until OHCS receives a release of funds from HUD. Doing so could jeopardize an award of HOME funds.

A HOME Program staff person has initiated the environmental review process and you may already have been or soon will be contacted about the results of the review and whether it is necessary for you to publish a public notice. Publication of a public notice provides a 30-day period for citizens to comment on your project. At the end of the comment period, if no issues are raised through public comment, HUD will release the HOME funds. You can estimate a minimum of 45 days from time of publication before HUD will provide a Release of Funds. The time period will be longer if public concerns on the project are raised.

2. A HOME grant reservation becomes an award when all of the General and HOME conditions are met. At that time a HOME Grant Agreement will be executed. Costs incurred prior to execution

of a grant agreement can not be paid with HOME funds. Currently the understanding of costs incurred includes any obligations incurred due to contractual agreements to perform work. Therefore, you should not enter into any agreement or contracts that will be paid with HOME funds until a grant agreement is executed.

There is one exception. Some predevelopment costs incurred prior to execution of the HOME Grant Agreement (and no earlier than 6 months before application) may be eligible for reimbursement with HOME funds. Reimbursement of HOME funds will be limited to the following costs: legal, consulting, environmental and other studies, engineering and design costs, zoning approvals, inspections and testing for hazards, costs related to obtaining site options, project financing and fees for loan commitments. These activities must not have a physical impact on the site. Reimbursement will occur after execution of the HOME Grant Agreement. Prior Department approval must be received before HOME funds can be used to reimburse predevelopment costs. Therefore you must:

- a) Provide OHCS an expenditure plan indicating the amount of HOME funds required and the use of the funds.
3. Prior to acquiring the property, obtain an appraisal indicating the fair market value of the property (appraisals are acceptable only when completed by a licensed appraiser or real estate broker). You must notify the seller of the fair market value (refer to URA sample letter 5C included in the CFC Application) and the seller must sign the notice agreeing to sell the property for the lesser of the negotiated sales price or the fair market value of the property. The appraisal and seller signed notification must be submitted to this office before the property is acquired even if non-HOME funds are to be used for the acquisition.
 4. Property tax exemption has been identified as a potential match contribution on this project. In order to determine the amount of property tax exemption that can be credited as match, you must provide verification from the taxing jurisdiction indicating the number of years the exemption will be granted. If the exemption will be on-going and will continue as long as the ownership and use of the property remains the same, then this must be indicated in the letter verifying tax exemption eligibility. If you must apply annually for the tax exemption then we can only credit one year towards your match obligation. If this occurs, then you must identify additional eligible match or the HOME reservation will be reduced.
 5. Sponsors with projects containing 5 or more units must affirmatively market the units before renting them. Therefore, it is necessary to take steps to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area to the available housing.
 - a) Execute the Affirmative Marketing Policy found at: http://www.ohcs.oregon.gov/OHCS/HRS_Reservation_Letter_Attach.shtml under the "Reservation Letter Attachments".
 - b) Describe the affirmative marketing efforts to be taken in renting the units.
 6. Please submit in narrative form the efforts that you will take to meet section 3 criteria by providing economic opportunities to low and very low income persons residing in the targeted geographical area. Section 3 of the Housing and Urban Development Act of 1968 requires HOME recipients to direct jobs, training and contracting opportunities to businesses owned by or employing low and

very low income residents. HOME recipients are required to keep records and provide reports on their section 3 efforts. Section 3 requirements, details and recordkeeping forms are included at http://www.ohcs.oregon.gov/OHCS/HRS_Reservation_Letter_Attach.shtml under the Reservation Letter Attachments".

- 7. All HOME projects with construction costs in excess of \$50,000 must have a project sign located prominently at the site. In addition to the contributors listed on the sign, sponsors must include any contribution of HOME funds under HUD in lettering no smaller than that used to acknowledge other contributors to the project. Use the "HUD" name rather than "HOME" name when listing the project's contributors. The sign is to be installed prior to construction and is to be maintained for the duration of the construction contract. Project sign costs can be reimbursed from HOME funds. Once construction/rehab begins, provide OHCS with photos of the approved Project Sign, plus Fair Housing and EEO posters on display at the construction site. Contact OHCS if you need copies of these posters. Photos may be submitted as prints, color photocopies or digital images.
- 8. HOME-assisted units must be designated as fixed or floating. "Fixed" units remain the same throughout the period of affordability. "Floating" units change but each substituted unit must be comparable in terms of size, features, and number of bedrooms to the originally designated HOME-assisted unit.

Designate here that the HOME-assisted units in this project shall be:

_____ Fixed Floating

- 9. As part of the subsidy layering review, OHCS must be immediately notified if additional governmental assistance besides that listed in the current Sources of Funding is obtained in for this project.
- 10. Submit the Fair Housing Resolution, found at: http://www.ohcs.oregon.gov/OHCS/HRS_Reservation_Letter_Attach.shtml under the "Reservation Letter Attachments". It is to be typed on Board of Directors letterhead and signed by members of your Board.

Participatory Requirements

As a recipient of Housing and Community Services funds, OHCS requires compliance with the following. Meeting these requirements will be a measure of determining sponsor capacity in future Department applications.

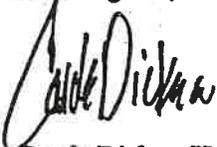
- 1. Review the timelines you indicated in the Project Schedule enclosed with the CFC Application and revise from time to time as applicable. Submit a revised Project Schedule when changes are necessary. Your ability to meet these timelines will be a measurement for retaining the funding reservations.
- 2. As changes occur to the project's development and operating costs, a revised Sources of Funding, Uses of Funding, and/or Operating Budget reflecting the current project status must be submitted.
- 3. OHCS has standard grant, loan and tax credit documents that generally are not open to modification. Copies of sample documents will be forwarded to you and should be reviewed by

you and your legal counsel to acquaint yourselves with the program obligations. Should requests be made by you or your legal counsel to modify any language in the documents, you will be obligated for reasonable legal costs incurred by OHCS in considering such modifications. Such OHCS legal costs will be billed to you and must be paid by you to OHCS prior to execution of the documents. Any requests for modifications to the standard documents should be discussed with the Housing Development Representative.

4. Submit a revised Uses of Funding once construction bids are received and project costs are finalized. Upon receipt, OHCS shall re-examine the amount of resources reserved for the project and may elect to adjust according to need.
5. Compliance with the Fair Housing Act as amended: You will need to research the Fair Housing Act to make sure the project is in compliance. A copy which summarizes some of the requirements of the Act may be obtained by contacting OHCS.
6. To ensure that minority-owned, women-owned and emerging small business enterprises will be used to the greatest extent possible, undertake the affirmative outreach efforts as outlined in your CFC application. As requested, provide reports showing the efforts undertaken and the results of such efforts.
7. Adherence to all federal, state and program regulations applicable to your organization and your proposed project is a basic requirement.
8. Grant disbursements must be requested on OHCS's Drawdown Request form with back-up documentation such as invoices, billings, and paid receipts. An Electronic Funds Transfer set-up form must be completed prior to any drawdowns for project expenses. Examples of these forms can be found at: http://www.ohcs.oregon.gov/OHCS/HRS_Reservation_Letter_Attach.shtml under the "Reservation Letter Attachments".
9. Display of the Fair Housing name and/or logo when project units are marketed/promoted is required.
10. Oregon Housing and Community Services shall be listed by name on all materials where the project contributors are listed by name.
11. Upon receipt of the grant and/or tax credit resources, you agree to provide, from time to time as requested, annual income and operating expense reports for the completed development for the agreed upon period of affordability.
12. It is expected that grant funds will be expended for eligible project-related expenses by June 1, 2005.
13. Develop an administrative notebook that will be available on site for management use which contains copies of:
 - Current year rent and income limits and utility allowances (adding subsequent limits as they are issued)
 - The executed project use agreements and restrictive covenants for each OHCS grant, loan or tax credit resource provided to the project.
 - 8609s (if project received LIHTC)
 - current resident services plan

OHCS congratulates you on your funding reservation(s) and looks forward to a successful completion of your project. Please contact me at 503-986-2137 or carole.dicksa@hcs.state.or.us, if you have any questions concerning your Grant and Tax Credit reservations.

Best Regards,



Carole Dickson, HOME Program Manager
Housing Resources Section

Enclosures

c: Darcy Strahan, Regional Advisor to the Director

AGREED TO AND ACCEPTED ON THE TERMS AND CONDITIONS SET FORTH ABOVE FOR THE FOLLOWING GRANT AND/OR TAX CREDIT RESERVATIONS:

\$ 100,000 Housing Development Grant (Trust Fund);

\$ 689,500 annual allocation of 2005 Low Income Housing Tax Credits;

\$ 540,000 of Oregon Affordable Housing Tax Credits;

\$ 500,000 HOME Investment Partnerships Program Grant (HOME);

\$ 44,365 Low-Income Weatherization Program.

By: John N. Gilbert III


Principal, Acadia Properties, LLC

11/23/04
Date

(Low Income Rental Housing)

307.515 Definitions for ORS 307.515 to 307.523. As used in ORS 307.515 to 307.523:

(1) “Governing body” means the city or county legislative body having jurisdiction over the property for which an exemption may be applied for under ORS 307.515 to 307.523.

(2) “Lender” means the provider of a loan secured by the recorded deed of trust or recorded mortgage made to finance the purchase, construction or rehabilitation of a property used for low income housing under the criteria listed in or adopted under ORS 307.517, 307.518 or ORS 307.520.

(3) “Limited equity cooperative” means a cooperative corporation formed under ORS chapter 62 whose articles of incorporation, in addition to the other requirements of ORS chapter 62, prohibit members from selling their ownership interests:

(a) To any person other than a low income person; or

(b) For a sales price that exceeds the sum of:

(A) The price the member paid for the ownership interest;

(B) The cost of any permanent improvements the member made to the housing unit during the member’s ownership;

(C) Any special assessments the member paid to the limited equity cooperative during the member’s ownership that were expended to make permanent improvements to the building in which the member’s housing unit is located; and

(D) A return on the amounts described in subparagraphs (A) to (C) of this paragraph, computed from the year in which the respective amount was paid, that equals the greater of the result of:

(i) Adjusting each amount by the percentage increase, if any, in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor; or

(ii) Increasing each amount by three percent compounded annually.

(4) According to the election of a governing body pursuant to ORS 307.519 (1), “low income” means:

(a) Income at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development;

(b)(A) For the initial year that persons occupy property for which an application for exemption is filed under ORS 307.521, income at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development; and

(B) For every subsequent consecutive year that the persons occupy the property, income at or below 80 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development; or

(c) For housing units on property that is awarded tax credits through the federal Low-Income Housing Tax Credit program and is a qualified low-income housing project meeting the requirements of 26 U.S.C. 42(g)(1) (C), income at or below 80 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development, provided the average area median income of all housing units on the property is at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development.

(5) “Rent” includes charges paid by the holder of a proprietary lease in a limited equity cooperative for occupancy of a housing unit owned by the cooperative. [1989 c.803 §1; 1991 c.930 §3; 1993 c.168 §3; 2015 c.180 §44; 2015 c.310 §3; 2021 c.528 §2; 2023 c.398 §19]

307.517 Criteria for exemption. (1) Property or a portion of the property is exempt from taxation as provided under ORS 307.515 to 307.523 if:

(a) The property is:

(A) Offered for rent; or

(B) Held for the purpose of developing low income rental housing, for a period not exceeding a reasonable maximum period, if any, adopted by the governing body;

(b) The property, if occupied, is occupied solely by low income persons;

(c) The required rent payment reflects the full value of the property tax exemption;

(d) The exemption has been approved as provided in ORS 307.523, pursuant to an application filed on July 1, 2030;

(e) The housing units on the property were constructed after the local governing body adopted the provisions of ORS 307.515 to 307.523; and

(f) The information disclosed on the application filed pursuant to ORS 307.521 meets any other criteria adopted by the governing body.

(2) A governing body that adopts the provisions of ORS 307.515 to 307.523 may adopt additional criteria for exemption that do not conflict with the criteria described in subsection (1)(a) to (e) of this section.

(3) For the purposes of subsection (1) of this section, a person that has only a leasehold interest in property is deemed to be a purchaser of that property if:

(a) The person is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in this activity on that property; or

(b) The rent payable has been established to reflect the savings resulting from the exemption from taxation. [1989 c.803 §2; 1997 c.752 §5; 2005 c.94 §36; 2015 c.310 §1; 2018 c.111 §10; 2019 c.579 §33]

307.518 Alternative criteria for exemption. (1) Property or a portion of property is exempt from taxation as provided under ORS 307.515 to 307.523 if:

(a) The property, if unoccupied, is:

(A) Offered for rental solely as a residence for low income persons; or

(B) Held for the purpose of developing low income rental housing, for a period not exceeding a reasonable maximum period, if any, adopted by the governing body;

(b) The property, if occupied, is occupied solely as a residence for low income persons;

(c) An exemption for the property has been approved as provided under ORS 307.523, pursuant to an application filed before July 1, 2030;

(d) The property is owned or being purchased by a nonprofit corporation organized in a manner that meets the criteria for a public benefit corporation or a religious corporation, both terms as defined in ORS 65.001;

(e) The property is owned or being purchased by a nonprofit corporation that expends no more than 10 percent of the nonprofit corporation's annual income from residential rentals for purposes other than the acquisition, maintenance or repair of residential rental property for low income persons or for the provision of on-site child care services for the residents of the rental property; and

(f) The information disclosed on the application filed pursuant to ORS 307.521 meets any other criteria adopted by the governing body.

(2) A governing body that adopts the provisions of ORS 307.515 to 307.523 may adopt additional criteria for exemption that do not conflict with the criteria described in subsection (1)(a) to (e) of this section.

(3) For the purposes of this section, a nonprofit corporation that has only a leasehold interest in property is considered to be a purchaser of that property if:

(a) The nonprofit corporation is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in the rental activity on that property; or

(b) The rent payable has been established to reflect the savings resulting from the exemption from taxation.

(4) A partnership shall be considered a nonprofit corporation for purposes of this section if:

(a) A nonprofit corporation is a general partner of the partnership; and

(b) The nonprofit corporation is responsible for the day-to-day operation of the property that is the subject of the exemption under ORS 307.515 to 307.523. [1991 c.930 §2; 1993 c.168 §4; 1995 c.79 §121; 1995 c.702 §1; 1997 c.541 §127; 1997 c.752 §6; 1999 c.487 §1; 2001 c.315 §55; 2005 c.94 §37; 2010 c.29 §6; 2013 c.158 §36; 2015 c.310 §2; 2018 c.111 §11; 2019 c.579 §34]

307.519 Exemption limited to tax levy of governing body that adopts ORS 307.515 to 307.523; exception; additional provisions. (1) Except as provided in subsection (2) of this section, the exemptions granted under ORS 307.515 to 307.523 apply only to the tax levy of a governing body that adopts the provisions of ORS 307.515 to 307.523. At the time of adoption, the governing body shall elect a definition of "low income" under ORS 307.515.

(2) The exemptions granted under ORS 307.515 to 307.523 apply to the tax levy of all taxing districts in which property certified for exemption is located if, upon request of a governing body that has adopted the provisions of ORS 307.515 to 307.523, the rates of taxation of such taxing districts whose governing boards

agree to the policy of exemption under ORS 307.515 to 307.523, when combined with the rate of tax of the governing body that adopts the provisions of ORS 307.515 to 307.523, equal 51 percent or more of the total combined rate of taxation on the property granted exemption.

(3) A governing body may adopt additional provisions relating to the exemption granted under ORS 307.515 to 307.523 that do not conflict with the provisions of ORS 307.515 to 307.523. [1989 c.803 §3; 1991 c.930 §4; 2015 c.310 §4; 2021 c.528 §3]

307.520 Limited equity cooperative property. (1) Property or a portion of property owned by a limited equity cooperative is exempt from taxation as provided under ORS 307.515 to 307.523 if:

(a) The property is occupied by low income persons holding a proprietary lease in the limited equity cooperative;

(b) The charges paid by the occupant to the limited equity cooperative for occupancy reflect the full value of the property tax exemption;

(c) The exemption has been approved as provided in ORS 307.523, pursuant to an application filed before July 1, 2030;

(d) The housing units on the property were constructed, or converted to limited equity cooperative ownership, after the local governing body adopted the provisions of ORS 307.515 to 307.523; and

(e) The information disclosed on the application filed pursuant to ORS 307.521 meets any other criteria adopted by the governing body.

(2) A governing body that adopts the provisions of ORS 307.515 to 307.523 may adopt additional criteria for exemption that do not conflict with the criteria described in subsection (1)(a) to (d) of this section. [2023 c.398 §21]

307.521 Application for exemption; policies for considering applications. (1) A person seeking the exemption granted under ORS 307.515 to 307.523 must file an application for exemption with the governing body. The exemption, if granted, shall be for a period of 20 years.

(2) The application must be filed as set forth in ORS 307.523 and must include the following information, as applicable:

(a) A description of the property or a portion of the property for which the exemption is requested;

(b) A description of the purpose of the project and whether all or a portion of the property is being used for that purpose;

(c) A certification of income levels of low income occupants;

(d) A description of how the tax exemption will benefit project residents;

(e) If the exemption is an exemption described in ORS 307.518, evidence satisfactory to the governing body that the corporation is a nonprofit corporation and meets the criteria for a public benefit corporation or a religious corporation;

(f) If the exemption is an exemption described in ORS 307.520, evidence satisfactory to the governing body that the housing units are owned by a limited equity cooperative that meets the criteria for a cooperative corporation under ORS chapter 62;

(g) A description of the plans for development of the property if the property is being held for future low income rental housing development; and

(h) A description of how the applicant and the property, respectively, meet any additional criteria adopted by the governing body pursuant to ORS 307.517 (2), 307.518 (2) or 307.520 (2).

(3) The applicant shall verify the information in the application by oath or affirmation.

(4)(a) Prior to accepting an application under ORS 307.515 to 307.523, a local jurisdiction shall adopt standards and guidelines to establish the policies governing the consideration of applications under ORS 307.515 to 307.523.

(b) Policies considered may include, but are not limited to:

(A) Rent regulatory agreements or other enforcement mechanisms to demonstrate that the required rent payment reflects the full value of the property tax exemption.

(B) Enforcement mechanisms to ensure that housing that is exempt under ORS 307.515 to 307.523 is maintained in decent, safe and sanitary conditions for the occupants.

(C) Methodology and timing for submitting evidence of use of rentals received from low income persons. [1989 c.803 §4; 1991 c.459 §63; 1991 c.930 §5; 1997 c.752 §7; 2005 c.94 §38; 2015 c.310 §5; 2023 c.398 §22]

307.523 Application deadlines; certification of exemption. (1) Application shall be made on or before December 1 of the calendar year immediately preceding the first assessment year for which exemption is requested, and shall be accompanied by the application fee required under ORS 307.527. However, if the property is acquired after November 1, the application shall be made within 30 days after the date of acquisition.

(2) Within 60 days of the filing of an application under ORS 307.521, the governing body shall take final action upon the application as provided under ORS 307.527, and certify the results of the action to the county assessor, as set forth in ORS 307.512.

(3) Upon receipt of certification under subsection (2) of this section, the county assessor shall exempt the property from taxation to the extent certified by the governing body.

(4) Notwithstanding the dates specified in ORS 307.517, 307.518 and 307.520, property granted exemption pursuant to an application filed under ORS 307.517, 307.518 or 307.520 before July 1, 2030, shall continue to receive the exemption on the same terms, including duration, on which the exemption was granted. [1989 c.803 §5; 1991 c.459 §64; 1991 c.930 §6; 1997 c.541 §128; 2013 c.193 §5; 2018 c.111 §12; 2019 c.579 §35; 2023 c.398 §23]

307.525 Action against landlord for failure to reduce rent. In addition to any other provision of law, if a landlord violates ORS 307.517 (1)(c), a tenant may recover damages in an amount triple the actual damages sustained as a result of the violation. The court may award reasonable attorney fees to the prevailing party in an action under this section. [1989 c.803 §6; 1995 c.618 §62]

307.527 Ordinance or resolution approving or disapproving application; application fee. (1) Final action upon an application by the governing body shall be in the form of an ordinance or resolution that shall contain the owner's name and address, a description of the housing unit, either the legal description of the property or the county assessor's property account number, any specific conditions upon which the approval of the application is based and if only a portion of the property is approved, a description of the portion that is approved.

(2) Following approval, the governing body shall file with the county assessor and send to the applicant a copy of the ordinance or resolution approving or disapproving the application. The copy shall contain or be accompanied by a notice explaining the grounds for possible termination of the exemption prior to the end of the exemption period or thereafter, and the effects of termination. In addition, the governing body shall file with the county assessor a document listing the same information otherwise required to be in an ordinance or resolution under subsection (1) of this section, as to each application deemed approved under this section.

(3) If the application is denied, the governing body shall state in writing the reasons for denial and send the notice of denial to the applicant within 10 days after the denial. The notice shall inform the applicant of the right to appeal under ORS 307.533.

(4) The governing body, after consultation with the county assessor, shall establish an application fee in an amount sufficient to cover the cost to be incurred by the governing body and the county assessor in administering ORS 307.515 to 307.523. The application fee shall be paid to the governing body at the time the application for exemption is filed. If the application is approved, the governing body shall pay the application fee to the county assessor for deposit in the county general fund, after first deducting that portion of the fee attributable to its own administrative costs in processing the application. If the application is denied, the governing body shall retain that portion of the application fee attributable to its own administrative costs and shall refund the balance to the applicant. [1989 c.803 §7; 1995 c.79 §122; 2013 c.193 §6]

307.529 Notice of proposed termination of exemption; grounds; terminating exemption. (1) Except as provided in ORS 307.531, if, after an application for exemption under ORS 307.517 has been approved under ORS 307.527, the governing body finds that construction or development of the exempt property differs from the construction or development described in the application for exemption, or is not completed on or before July 1, 2030, or that any provision of ORS 307.515 to 307.523 is not being complied with, or any provision required by the governing body pursuant to ORS 307.515 to 307.523 is not being complied with, the governing body shall give notice of the proposed termination of the exemption to the owner, by mailing the notice to the last-known address of the owner, and to every known lender, by mailing the notice to the last-known address of every known lender. The notice shall state the reasons for the proposed termination and shall require the owner to

appear at a specified time, not less than 20 days after mailing the notice, to show cause, if any, why exemption should not be terminated.

(2) If the owner fails to appear and show cause why the exemption should not be terminated, the governing body shall notify every known lender, and shall allow any lender not less than 30 days after the date the notice of the failure to appear and show cause is mailed to cure any noncompliance or to provide assurance adequate to the governing body that all noncompliance shall be remedied.

(3) If the owner fails to appear and show cause why the exemption should not be terminated, and the lender fails to cure or give adequate assurance of the cure of any noncompliance, the governing body shall adopt an ordinance or resolution stating its findings terminating the exemption. A copy of the ordinance or resolution shall be filed with the county assessor, and a copy shall be sent to the owner at the owner's last-known address and to the lender at the last-known address of the lender within 10 days after its adoption. [1989 c.803 §8; 1991 c.459 §65; 1991 c.930 §7; 1993 c.168 §5; 1997 c.541 §129; 1997 c.752 §8; 1999 c.487 §2; 2010 c.29 §7; 2018 c.111 §13; 2019 c.579 §36]

307.530 Termination if property held for future development or other purpose; additional taxes. An exemption granted under ORS 307.515 to 307.523 shall be immediately terminated and additional taxes imposed as provided in ORS 307.531 if the exempt property:

- (1) Is being held for future development of low income rental housing; and
- (2) Is used for any purpose other than the provision of low income rental housing. [1997 c.752 §10]

307.531 Termination of exemption without notice; grounds; additional taxes. (1) If, after application has been approved under ORS 307.527, a declaration as defined in ORS 100.005 with respect to the property is presented to the county assessor or tax collector for approval under ORS 100.110, or if the governing body should file its termination findings with the county assessor pursuant to ORS 307.529:

- (a) The exemption granted the housing unit or portion under ORS 307.515 to 307.523 shall terminate immediately, without right of notice or appeal;
- (b) The property or a portion of the property shall be assessed and taxed as other property similarly situated is assessed and taxed; and
- (c) Notwithstanding ORS 311.235, there shall be added to the general property tax roll for the tax year next following the presentation or discovery, to be collected and distributed in the same manner as other real property tax, an amount equal to the difference between the taxes assessed against the property and the taxes that would have been assessed against the property had it not been exempt under ORS 307.515 to 307.523 for each of the years, not to exceed the last 10 years, during which the property was exempt from taxation under ORS 307.515 to 307.523.

(2) If, at the time of presentation or discovery, the property is no longer exempt, additional taxes shall be collected as provided in this section, but the number of years for which the additional taxes shall be collected shall be reduced by one year for each year that has elapsed since the year the property was last granted exemption beginning with the oldest year for which additional taxes are due.

(3) The assessment and tax rolls shall show potential additional tax liability for each property granted exemption under ORS 307.515 to 307.523.

(4) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate. [1989 c.803 §9; 1991 c.459 §66; 1991 c.930 §8]

307.533 Review; correction of tax rolls; payment of tax after exemption terminates. (1) Review of a denial of an application under ORS 307.527, or of the termination of an exemption under ORS 307.529, shall be as provided by ORS 34.010 to 34.100.

(2) If no review of the termination of an exemption as provided in subsection (1) of this section is effected, or upon final adjudication, the county officials having possession of the assessment and tax rolls shall correct the rolls in the manner provided for omitted property under ORS 311.216 to 311.232 to provide for the assessment and taxation of any property for which exemption was terminated by the governing body or by a court, in accordance with the finding of the governing body or the court as to the assessment year in which the exemption is first to be terminated. The county assessor shall make such valuation of the property as shall be necessary to permit such correction of the rolls. The owner may appeal any such valuation in the same manner as provided for appeals under ORS 311.216 to 311.232.

(3) Where there has been a failure to comply with ORS 307.529, the property shall become taxable beginning January 1 of the first assessment year following the date on which the noncompliance first occurred. Any additional taxes becoming due shall be payable without interest if paid in the period prior to the 16th day of the month next following the month of correction. If not paid within such period, the additional taxes shall be delinquent on the date they would normally have become delinquent if timely extended on the roll or rolls in the year or years for which the correction was made. [1989 c.803 §10; 1991 c.459 §67; 1991 c.930 §9; 1997 c.541 §131]

307.535 Extension of deadline for completion; exception to imposition of additional taxes. Notwithstanding any provision of ORS 307.515 to 307.523:

(1) If the governing body finds that construction of the housing unit otherwise entitled to exemption under ORS 307.517 was not completed by July 1, 2030, due to circumstances beyond the control of the owner, and that the owner had been acting and could reasonably be expected to act in good faith and with due diligence, the governing body may extend the deadline for completion of construction for a period not to exceed 12 consecutive months.

(2) If property granted exemption under ORS 307.515 to 307.523 is destroyed by fire or act of God, or is otherwise no longer capable of owner-occupancy due to circumstances beyond the control of the owner, the exemption shall cease but no additional taxes shall be imposed upon the property under ORS 307.531 or 307.533. [1989 c.803 §11; 1991 c.459 §68; 1991 c.930 §10; 1997 c.541 §132; 1999 c.487 §3; 2010 c.29 §8; 2018 c.111 §14; 2019 c.579 §37]

307.537 [1989 c.803 §12; 1991 c.459 §69; 1991 c.930 §11; 1997 c.752 §16; 2001 c.114 §15; repealed by 2015 c.310 §6]

Chapter 12.25

QUALIFIED RENTAL HOUSING TAX EXEMPTION

Sections:

- 12.25.010 Definitions.**
- 12.25.015 Criteria for Tax Exemption.**
- 12.25.020 Application for Exemption.**
- 12.25.025 Review of Application.**
- 12.25.030 Property Tax Exemption.**
- 12.25.035 Termination.**
- 12.25.040 Regulatory Power.**

12.25.010 Definitions.

The following definitions apply in this chapter:

- A. **AMI** or **area median income** means the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.
- B. **City Manager** means the City Manager of the City of Bend, or the City Manager's designee.
- C. **Low-income person** or **persons** means the following:
 - 1. Income at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development;
 - 2. For the initial year that persons occupy property for which an application for exemption is filed under ORS [307.521](#), income at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development; and for every subsequent consecutive year that the persons occupy the property, income at or below 80 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development; or
 - 3. For housing units on property that is awarded tax credits through the Federal low-income housing tax credit program and is a qualified low-income housing project meeting the requirements of [26 U.S.C. 42\(g\)\(1\)\(C\)](#), income at or below 80 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development, provided the average area median income of all housing units on the property is at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information.

D. **Qualified rental housing** means a property or portion of a property that is offered for rent solely as a residence for low-income persons. [Ord. NS-2418, 2021]

12.25.015 Criteria for Tax Exemption.

A. Properties or portions of properties meeting the following criteria shall be eligible for property tax exemption as provided in ORS [307.515](#) through [307.537](#). Eligible properties must be:

- 1. Located within the limits of the City of Bend;
- 2. Multifamily projects containing three or more units;
- 3. Offered for rent, or held for the purpose of developing qualified rental housing; and
- 4. If occupied, occupied solely by low-income persons. Property will be deemed to be occupied by low-income persons if it is made available and reserved exclusively for low-income persons and has been occupied by a low-income person within the last six months. Only that portion of the real property and improvements located thereon that is occupied by low-income persons shall be eligible property.

B. The required rent payments must reflect the full value of the tax exemption;

C. The housing units on the property are required to have been constructed after November 5, 2003.

D. The application for tax exemption under this chapter must have been filed before July 1, 2030.

E. The tax exemption on the property must be approved by the City Council in accordance with the provisions of ORS Chapter [307.523](#) and this chapter.

F. For the purposes of this tax exemption, a person that has only a leasehold interest in property is deemed to be a purchaser of that property if:

- 1. The person is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in this activity on that property; or
- 2. The rent payable has been established to reflect the savings resulting from the exemption from taxation. [Ord. NS-2418, 2021]

12.25.020 Application for Exemption.

A. Persons seeking tax exemption for eligible property must submit an application to the City Manager on a form provided by the City of Bend and pay the fee established by the City Council and set forth in the City of Bend fee resolution. The application shall contain the following information:

- 1. The applicant’s name, address, and telephone number;

2. A legal description of the property for which the exemption is requested;
 3. If only a portion of the property is eligible, a description of the eligible portion of the property for which the exemption is requested, including the number of affordable housing units;
 4. A description of the purpose of the project and whether all or a portion of the property is being used for that purpose;
 5. A certification of income levels of low-income occupants;
 6. A description of how the tax exemption will benefit project residents;
 7. A description of the plans for development of the property if the property is being held for future qualified rental housing development;
 8. A list of secured lienholds with addresses of the lienholders; and
 9. Such other information as requested by the City of Bend.
- B. The applicant shall verify the information in the application by oath or affirmation.
- C. An application which does not contain all the information required by this section and/or is not accompanied by payment of the proper fees shall be returned. Any application returned for these reasons shall be deemed not to have been filed.
- D. An application must be filed on or before December 1 of the calendar year immediately preceding the first assessment year for which the application is requested, and shall be accompanied by the application fee required by the City. However, if the property is acquired after November 1, the application shall be made within 30 days after the date of acquisition. [Ord. NS-2418, 2021]

12.25.025 Review of Application.

- A. The City Manager will process each application and make a written recommendation to the City Council in sufficient time to allow the Council to take final action within 60 days of the filing of the application. Upon receipt of the City Manager's recommendation for approval or denial, the Council will consider the application and determine if the applicant qualifies for the exemption. Within 60 days of the filing of the application, the Council must adopt a resolution approving or denying the application.
- B. Council will grant the exemption for any qualified rental housing that meets the requirements of this chapter.
- C. A resolution approving an application must contain findings on the criteria for approval and must certify to the Deschutes County tax assessor that all or a portion of the property for which the application was made is exempt from the ad valorem property tax levy of the City of Bend.

- D. If the application is denied, the City shall state in writing the reasons for denial and send the notice of denial to the applicant within 10 days after the denial. The notice shall inform the applicant of the right to appeal under ORS [307.533](#).
- E. On or before April 1 following approval, the City shall file with the Deschutes County assessor and send to the applicant a copy of the resolution approving or denying the application. If the application is approved, the copy shall contain or be accompanied by a notice explaining the grounds for possible termination of the exemption prior to the end of the exemption period or thereafter, and the effects of termination. In addition, the City shall file with the county assessor on or before April 1 a document listing the same information otherwise required to be in a resolution as to each application deemed approved. [Ord. NS-2418, 2021]

12.25.030 Property Tax Exemption.

- A. Except as provided in subsection [\(B\)](#) of this section, the exemptions granted under this chapter apply only to the tax levy of the City.
- B. The exemption granted under this chapter applies to the tax levy of all taxing districts in which property certified for exemption is located if, upon request, the rates of taxation of such taxing districts whose governing boards agree to the policy of exemption under ORS [307.515](#) through [307.523](#), when combined with the rate of taxation of the City, equal 51 percent or more of the total combined rate of taxation on the property granted exemption.
- C. Property tax exemptions approved under this chapter will be for a period of 20 years. For example, in the event that an exemption is initially approved for an undeveloped parcel and later the exemption was extended to include subsequent construction, the total duration of the exemption may not be increased but will continue to run for a maximum of 20 years from the initial approval. Nothing in this chapter prevents a subsequent, new application for an additional 20-year exemption from being submitted after the first exemption term is completed.
- D. Applications for property tax exemption under this policy are eligible for property tax exemptions for tax years beginning on or after July 1, 2004.
- E. The exemption provided for in this chapter is in addition to any other exemption provided by law. [Ord. NS-2418, 2021]

12.25.035 Termination.

Termination of tax exemption will be accomplished under the conditions and pursuant to the procedures and subject to the remedies contained in ORS [307.515](#) through [307.537](#). [Ord. NS-2418, 2021]

12.25.040 Regulatory Power.

The City Manager may issue rules necessary for the implementation of this policy. [Ord. NS-2418, 2021]

The Bend Code is current through Ordinance NS-2505, passed August 7, 2024.

Disclaimer: The city recorder's office has the official version of the Bend Code. Users should contact the city recorder's office for ordinances passed subsequent to the ordinance cited above.

[City Website: www.bendoregon.gov](http://www.bendoregon.gov)

[Hosted by General Code.](#)



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: March 25, 2026

SUBJECT: Deliberations: Application for a proposed commercial activity in conjunction with farm use (winery / Lava Terrace Cellars) in the Multiple Use Agricultural Zone at 20520 Bowery Lane, Bend

POSSIBLE MOTIONS:

- Move to approve the application and direct staff to return with a draft decision for the Board’s consideration on a date to be determined.
• Move to deny the application and direct staff to return with a draft decision for the Board’s consideration on a date to be determined.
• Move to continue Board deliberations on a date to be determined.

BACKGROUND AND POLICY IMPLICATIONS:

The Board of County Commissioners will conduct deliberations in consideration of an application for a commercial activity in conjunction with farm use to establish a winery (ref. 247-22-000464-CU, 466-SP, 24-018-A, 25-734-MA).

BUDGET IMPACTS:

None

ATTENDANCE:

Nathaniel Miller, Associate Planner
Anthony Raguine, Principal Planner

Decision Matrix Page 1 of 8 (Lava Terrace Cellars – Deschutes County File Nos. 247-24-000464-CU, 466-SP, 24-018-A, 25-734-MA)

Issue Area 1 and Approval Criteria	Hearings Officer’s Decision	Opponent Positions	Applicant’s Position	Staff Comment	Board Determination
<p>Does the proposal comply with requirements for Off Street Parking?</p> <ul style="list-style-type: none"> • DCC 18.116.030(G)(4) (Off Street Parking) <p>Under this issue area, the applicant requests a change to two conditions of approval:</p> <ul style="list-style-type: none"> • Condition of Approval L. A change in the number of required parking spaces. • Condition of Approval Q. A corresponding change in the required landscaping per parking space. 	<p>The Hearings Officer included the following conditions of approval:</p> <p><u>L. Available Parking.</u> This approval is conditioned upon the unqualified continuance and availability of the amount of parking and loading space required by DCC Title 18 as set forth in this Decision. The Applicant shall submit a revised and final site plan showing where the required parking spaces will be located, including the size of each parking stall.</p> <p>The Hearings Officer’s Decision requires a total of 21 off-street parking spaces to accommodate the tasting room, wine events, and employees. - 12 for wine events - 6 for the tasting room - 3 for employees</p> <p><u>Q. Parking Area Landscaping.</u> <i>Prior to the issuance of building permits</i>, the property owner shall submit a revised site plan depicting the parking area landscaping required by this Decision, which must note whether any trees are to be planted under overhead utility lines and, if so, show that the height of those trees has been taken into consideration.</p>	<p>No comments were submitted specific to DCC 18.116.030(G)(4).</p> <p>Condition of Approval L & Q No comments were received specific to the requested conditions of approval alterations.</p>	<p>Yes, the applicant has satisfied this standard. The revised site plan submitted with the Modification of Application is in response to the Hearings Officers condition of approval and demonstrates compliance with the required parking pursuant to DCC 18.116.030(G)(4).</p> <p>Condition of Approval L. The applicant requests a change to the required parking. Wine tastings and wine events will not occur simultaneously. Therefore, 14 parking spaces will suffice. - 12 for wine events - 2 for employees</p> <p>Condition of Approval Q. If the above reduction from 21 to 14 parking spaces in Condition of Approval N is approved, the corresponding landscaping condition of approval also should be modified for consistency. The request is for 525 sq. ft. of landscaping to be reduced to 300 sq. ft.</p>	<p>Staff concurs with the applicant’s analysis and requests that the Board make findings about compliance with this criterion.</p> <p>Staff also requests that the Board determine if the proposed alterations to parking and landscaping conditions of approval can be approved.</p> <p>Condition of Approval L. Staff concurs with the applicant pertaining to the needed parking and request for a reduction in parking spaces. No agency comments were received that raised concerns. No specific evidence was submitted by the public demonstrating the need for more parking. The current site plan illustrates 14 parking spaces.</p> <p>Condition of Approval Q. If the Board approves 14 parking spaces, a total of 350 square feet of landscaping would be required (14 x 25 sq. ft. = 350 sq. ft.) Staff concurs with the applicant that the change in required landscaping (per parking space) can occur. The current site plan illustrates 983 sq. ft. of delineated landscaping.</p>	<p>Yes: May be approved and the conditions of approval may be modified.</p> <hr/> <p>Yes: May be approved. However, one or both of the conditions of approval may not be modified as requested.</p> <hr/> <p>No: May be denied.</p>

Decision Matrix Page 2 of 8 (Lava Terrace Cellars – Deschutes County File Nos. 247-24-000464-CU, 466-SP, 24-018-A, 25-734-MA)

Issue Area 2 and Approval Criteria	Hearings Officer’s Decision	Opponent Positions	Applicant’s Position	Staff Comment	Board Determination
<p>Does the proposal comply with requirements for Clear Vision Areas?</p> <ul style="list-style-type: none"> • DCC 18.116.020(A) (Clear Vision Areas) 	<p>The Hearings Officer included the following condition of approval:</p> <p><u>J. Clear Vision Areas on the Site Plan.</u> <i>Prior to the issuance of building permits, a revised and final site plan shall be submitted to the Planning Division which correctly illustrates the clear vision areas at all access points.</i></p>	<p>Appellant raised traffic safety issues on Bowery Lane. One outstanding criterion (Clear Vision Areas) would influence traffic safety on Bowery Lane. No other new issues were raised after the submission of the Modification of Application specific to Clear Vision Areas.</p>	<p>Yes, the applicant has satisfied this standard. The revised site plan submitted with the Modification of Application includes the required Clear Vision Areas at the south and east site entrances pursuant to DCC 18.116.020(A).</p>	<p>Staff concurs with the applicant’s analysis and requests that the Board make findings about the proposal and compliance with this criterion.</p>	<p>Yes: May be approved.</p> <hr/> <p>No: May be denied.</p>
Issue Area 3 and Approval Criteria	Hearings Officer’s Decision	Opponent Positions	Applicant’s Position	Staff Comment	Board Determination
<p>Does the proposal comply with the requirements for Service Drive Widths?</p> <ul style="list-style-type: none"> • DCC 18.116.030(F)(5) (Service Drive Width) 	<p>The Hearings Officer included the following condition of approval:</p> <p><u>T. Service Drive Width.</u> <i>Prior to the issuance of building permits, the property owner shall submit a revised site plan depicting service drives at a minimum width of twenty-four (24) feet for all two-way access aisles and a minimum width of twelve (12) feet for all one-way access aisles.</i></p>	<p>No specific comments to this approval criterion were submitted.</p>	<p>Yes, the applicant has satisfied this standard. The revised site plan submitted with the Modification of Application is in response to the Hearings Officer’s condition of approval and demonstrates compliance with the required service drive widths.</p>	<p>Staff concurs with the applicant’s analysis and requests that the Board make findings about the proposal and compliance with this criterion.</p>	<p>Yes: May be approved.</p> <hr/> <p>No: May be denied.</p>

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Issue Area 5 and Approval Criteria	Hearings Officer’s Decision	Opponent Positions	Applicant’s Position	Staff Comment	Board Determination
<p>Does the proposal comply with the Site Plan Review requirements for Transportation Access?</p> <ul style="list-style-type: none"> DCC 18.124.060(K) (Transportation Access) <p>Under this issue area, the applicant proposed two conditions to replace the one condition crafted by the Hearings Officer.</p>	<p>Conditions of approval imposed in the Decision must be satisfied by the applicant to ensure consistency with the code provisions cited therein.</p> <p>EE. <u>Evacuation of the Right of Way</u>. <i>Prior to the issuance of building permits</i>, the property owner shall cause for the removal of all private property, including fences, posts, walls, crops, landscaping, and other features, from the existing public right of way for Bowery Lane along the frontage to the subject property.</p>	<p>Numerous comments were received from December 11, 2025, to February 25, 2026, related to traffic safety and access to the site. These comments are included in the record.</p> <p>These comments include concerns specific to:</p> <ul style="list-style-type: none"> Rock pillars in the right of way along Bowery Lane. Access from Highway 97 Access from Hunnell Road 	<p>Yes, the applicant has satisfied DCC 18.124.060(K). As conditioned in the Hearings Officer decision, and represented through the submitted traffic analysis, the proposal complies with this standard.</p> <p>Condition of Approval EE</p> <p>In the Modification of Application, the applicant proposes the following revisions to Condition of Approval EE, underlined below:</p> <p><u>Evacuation of the Right of Way</u></p> <p>EE (1) Prior to the issuance of building permits, the property owner shall cause for the removal of all private property <u>that does not support agricultural activities</u>, including fences, posts, walls, crops, landscaping, and other features, from the existing public right of way for Bowery Lane along the frontage to the subject property, and</p> <p>EE(2): <u>Private property that supports agricultural activities, including fences, posts, trellises, and vines shall be removed before April 30, 2027, and shall not delay the start of operations or obtaining building permits.</u></p>	<p>Staff confirms that traffic analysis and the proposal has been reviewed by the Road Department and Senior Transportation Planner. All comments and concerns are represented within the record and available for review.</p> <p>In coordination with the Road Department, staff concurs that timing of the applicant’s compliance with Condition of Approval EE can be tailored to protect crop production. However, the Senior Transportation Planner requested that the right of way evacuation condition apply to all private property. As such, the following revised Condition EE is proposed by staff:</p> <p><u>Evacuation of the Right of Way</u> <i>Prior to April 30, 2027</i>, the property owner shall cause for the removal of all private property, including fences, posts, walls, crops, landscaping, and other features, from the existing public right of way for Bowery Lane along the frontage to the subject property.</p> <p>Staff requests that the Board make findings about the proposal and address the requested change in the condition of approval from the Hearings Officer decision.</p>	<p>Yes: May be approved and the condition of approval may be modified either as proposed by the applicant or as proposed by staff.</p> <p>Yes: May be approved. However, the condition of approval may not be modified as requested.</p> <p>No: May be denied.</p>

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Issue Area 6 and Approval Criteria	Hearings Officer’s Decision	Opponent Positions	Applicant’s Position	Staff Comment	Board Determination
<p>During the review process, the applicant requested a Variance for the Winery Building as it was confirmed to not meet the required 20-foot front yard setback.</p> <p>Does the Winery Building comply with the required 20-foot front yard setback?</p> <ul style="list-style-type: none"> DCC 18.32.050(A) 	<p>To address the front yard setback for the Wine Storage Building, the following condition of approval was added to the Hearings Officer’s Decision:</p> <p>G. <u>Front Yard Setback for Wine Storage Building.</u> <i>Prior to the issuance of building permits, the property owner will submit confirmation that the Wine Storage Building meets the front yard setback requirements.</i></p>	<p>Front setback not specifically addressed.</p>	<p>The Winery Building can be re-permitted through the Building Division for the necessary alterations to bring the structure into compliance with the front yard setback standards.</p> <p>Included with the Modification of Application the applicant withdrew the variance request for the nonconforming setback. The applicant now proposes to remove a portion of the building to comply with the 20-foot setback standard.</p>	<p>The Winery Building currently does not comply with the setback standards of the MUA10 Zone. Staff concurs with the applicant that the structure can be modified and new building permit(s) attained to meet the front setback requirement of 20 feet from Bowery Lane.</p> <p>In any decision approving the use, staff recommends modifying condition of approval G in the Hearings Officer Decision to read:</p> <p><i>Prior to the initiation of use, the Winery Building shall receive approval from the Building Division for the required modification to meet the front setback of 20 feet.</i></p>	<p>Yes: May be approved, but only with a condition of approval requiring modification of the structure and obtaining any new permit(s) required by the Building Division.</p> <p>No: May be denied.</p>
Issue Area 7 and Approval Criteria	Hearings Officer’s Decision	Opponent Positions	Applicant’s Position	Staff Comment	Board Determination
<p>Can wineries only be sited on property in the Exclusive Farm Use Zone pursuant to ORS 215.452, and not in any other zone?</p> <ul style="list-style-type: none"> DCC 18.32.030(C) (Commercial Activity in Conjunction with Farm Use) 	<p>ORS 215.452 does not preclude the siting of commercial activities in other zone districts. Commercial activities in conjunction with farm use are an allowed use within the MUA10 Zone.</p>	<p>Wineries are only allowed on properties which are within the Exclusive Farm Use Zone (EFU) pursuant to ORS 215.452. The appellant argues that there is inconsistency between the Hearings Officer’s Decision on the subject applications and the previous approval under Deschutes County File nos. 247-22-000024-CU, 22-025-SP, 22-757-A, 22-914-A (Commercial Activity in Conjunction with Farm Use for a Meadery in the EFU Zone).</p>	<p>The proposed winery can be approved as a Commercial Activity in Conjunction with Farm Use under the provisions of the Multiple Use Agricultural Zone.</p>	<p>Staff concurs with the Hearings Officer’s analysis that a Commercial Activity in conjunction with Farm Use, including a winery, can be sited on properties other than those within the Exclusive Farm Use Zone.</p>	<p>No: May be approved.</p> <p>Yes: May be denied.</p>

Issue Area 8 and Approval Criteria	Hearings Officer's Decision	Opponent Positions	Applicant's Position	Staff Comment	Board Determination
<p>Did the Hearings Officer consider only a portion of the record when crafting the Hearings Officer Decision?</p>	<p>This issue was not raised before the Hearings Officer and only raised on appeal.</p>	<p>The Hearings Officer only considered testimony placed in the public record between the dates of 11/8/2023 and 11/18/2023.</p>	<p>The applicant concurs with the staff's recommendation on this issue.</p>	<p>Staff understands that Hearings Officers consider all relevant record materials when considering the approvability of any proposal.</p> <p>There is no evidence to suggest that the Hearings Officer only considered a portion of the record.</p> <p>Staff recommends the Board deny this appeal issue.</p>	<p>No: May be approved.</p> <hr/> <p>Yes: May be denied.</p>

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Issue Area 9 and Approval Criteria	Hearings Officer’s Decision	Opponent Positions	Applicant’s Position	Staff Comment	Board Determination
<p>Is the site suitable for the proposed use based upon:</p> <ol style="list-style-type: none"> 1. Site, design, and operating characteristics of the use; 2. Adequacy of transportation access to the site; and 3. The natural and physical features of the site, including, but not limited to, general topography, natural hazards, and natural resource values. <ul style="list-style-type: none"> • DCC 18.128.015 (A) (Site Suitability) 	<p>The Hearings Officer found that, as conditioned, the subject proposal for a commercial activity in conjunction with a farm use complies with the criterion of DCC 18.128.015 (A).</p>	<p>During the course of the review, and open record periods, numerous record entries and testimony were received which challenge the proposal and site suitability. A summary of concerns raised which align with DCC 18.128.015 (A) include:</p> <ul style="list-style-type: none"> • Traffic access and safety • Wastewater management • Aquifer contamination • Water usage • Scale of operations, and • “Scope creep” 	<p>The proposal complies with the standards of DCC 18.128.015 (A). The operations on the site are limited. The applicant has submitted a site plan which demonstrates compliance with parking standards in DCC 18.124 and DCC 18.116.030.</p> <p>The Modification of Application materials include a determination letter from the Oregon Department of Environmental Quality (DEQ) stating that the use is under the <i>de minimis</i> 6,000 case per year limit. Production of 1,500 cases per year does not require DEQ permitting.</p>	<p>Staff defers to the Board to assess whether the proposal meets DCC 18.128.015 (A) (site suitability).</p> <p>In the event that the Board approves the applications, staff recommends the Board include the conditions of approval from the Hearings Officer Decision that were not otherwise modified by the Board above..</p>	<p>Yes: May be approved.</p> <hr/> <p>No: May be denied.</p>

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Issue Area 10 and Approval Criteria	Hearings Officer’s Decision	Opponent Positions	Applicant’s Position	Staff Comment	Board Determination
<p>Will the use be compatible with existing and projected uses on surrounding properties based upon the following factors:</p> <ol style="list-style-type: none"> 1. Site, design, and operating characteristics of the use; 2. Adequacy of transportation access to the site; and 3. The natural and physical features of the site, including, but not limited to, general topography, natural hazards, and natural resource values? <ul style="list-style-type: none"> • DCC 18.128.015 (B) (Compatible with Uses on Surrounding Properties) 	<p>The Hearings Officer found that, as conditioned, the subject proposal for a commercial activity in conjunction with a farm use complies with the criterion of DCC 18.128.015 (B).</p>	<p>A number of neighbors believe that the proposed winery will not be compatible with existing and projected uses on surrounding properties because it is in a residential neighborhood and the following issues show a lack of suitability and compatibility:</p> <ul style="list-style-type: none"> • Land value degradation • Water usage • Environmental impacts (noise & odor) • Scale of operations • Pollution of aquifer • Contrary to residential character • Off-site grapes required • Undermines statewide planning goals • Deteriorates local road which is maintained by neighbors 	<p>The proposal complies with the standards of DCC 18.128.015 (B).</p> <p>The applicant identifies the potential off-site impacts such as noise, odor, lights, traffic, and visual impacts. However, due to the size of the property, limited operating hours, and proximity to nearby properties, the proposal complies with the standards of DCC 18.128.015 (B).</p>	<p>Staff defers to the Board to assess whether the proposal meets DCC 18.128.015 (A) (site suitability).</p> <p>In the event that the Board approves the applications, staff recommends the Board include the conditions of approval from the Hearings Officer Decision that were not otherwise modified by the Board above.</p>	<p>Yes: May be approved.</p> <hr/> <p>Yes: May be approved, but only with the condition(s) of approval from the Hearings Officer’s Decision, except as modified by the Board.</p> <hr/> <p>No: May be denied.</p>



BOARD OF
COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: March 25, 2026

SUBJECT: 2026 Legislative Session Review from Northwest Policy Advocates

BACKGROUND:

Deschutes County Lobbyist Doug Riggs, Northwest Policy Advocates, will provide an end of 2026 legislative session review and presentation.

BUDGET IMPACTS:

None

ATTENDANCE:

Jen Patterson, Strategic Initiatives Manager
Doug Riggs, Northwest Policy Advocates



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: March 25, 2026

SUBJECT: Sponsorship Requests and FY 2027 Discretionary Grant Timeline

RECOMMENDED MOTION:

N/A

BACKGROUND AND POLICY IMPLICATIONS:

Sponsorship Requests:

The BOCC has received two new sponsorship requests for FY 26.

- 1. Building a Better Bend Lecture Series is requesting sponsorship for their May 7, 2026. lecture series: "Is Bend a 'Happy City'? The Science & Placemaking of Making Happy Cities."
a. Sponsorship opportunities are at the following levels: \$500, \$1,000, \$2,000, and \$5,000.
b. Last year the County sponsored the event at the \$500 level.
2. REDI Annual Luncheon on April 8, 2026.
a. For FY 25 a table sponsorship was included in the VLF grant funds allocated annually to EDCO.
b. FY 26 VLF grant funds do not include table sponsorships at EDCO events.
c. A table sponsorship is \$1,200.

There is \$200 remaining in the sponsorship and fundraising budget for FY 26.

FY 2027 Discretionary Grant Timeline:

During the March 4, 2026, BOCC meeting the Commissioners reviewed and finalized FY 27 Video Lottery Fund allocations for recommendation to the Budget Committee. This includes allocating \$14,375 in Discretionary Grant funds. Due to the limited pool of funds and the high level of interest in the Discretionary Grant program, in FY 26 the BOCC

changed the Discretionary Grant cycle from a quarterly review and allocation to a once yearly review and allocation process. In FY 26 Discretionary Grant requests were due by October 15 and the BOCC reviewed and allocated the funds in November.

Would the BOCC like to keep the same timeline or consider other options?

BUDGET IMPACTS:

Sponsorship Requests: The sponsorship and fundraising allocations have been accounted for in the FY 26 budget.

FY 27 Discretionary Grant Timeline: No budget impact.

ATTENDANCE:

Jen Patterson, Strategic Initiatives Manager