

**Bend-La Pine Schools**  
**Bend, OR 97703**  
**July 12, 2016**

Regular Meeting 5:00 p.m.  
Executive Session Immediately Following

The Board of Directors of Bend-La Pine Schools will meet in a regular meeting on July 12, 2016 at 5:00 p.m., with an executive session immediately following under ORS 192.660(2)(e) and (2)(f), in room 314 of the Education Center, 520 NW Wall Street, Bend, OR.

**Regular Meeting Agenda**

Call to Order	Chair Juba
Pledge of Allegiance	Stuart Young
Review of Agenda	Chair Juba
<i>Public Input</i> This is the time provided for individuals to address the Board. Visitors who wish to speak must sign up prior to the beginning of the meeting on the sign-up sheet provided. Please state your name and topic when you address the Board.	Chair Juba

**Charter School Hearing**

Central Oregon Family Charter School Introduction & Presentation	Superintendent Mikalson
Public Input	Chair Juba
Board Questions	Chair Juba

**Consent Agenda**

Approval of Minutes – June 14, 2016 <i>Reference: ORS 192.650 and ORS 332.057</i>	Chair Juba
Approval of Personnel Recommendations <i>Reference: ORS 332.505</i>	Deputy Superintendent Mathisen

**Action Items**

Election of Board Officers	Chair Juba
Approval of Yearly Business & Board Operations for the 2016-17 School Year :: Business Resolutions 1838-1847	Chair
Pacific Crest Affordable Housing Resolution 1837: Property Tax Abatement	Chair

**Reports**

Performance Audit Review	Chair
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**Discussion**

IP 28 & IP 65 Follow Up Discussion	Chair
Board Retreat Agenda Discussion	Chair

**Board Comments**

**Adjourn**

**Bend-La Pine Schools  
Bend, OR 97703**

The Board of Directors for Bend-La Pine Schools met in a regular meeting on June 14, 2016 in room 314 of the Education Center, 520 NW Wall Street, Bend, OR.

**Board Members Present**

Nori Juba  
Peggy Kinkade  
Ron Gallinat  
Andy High  
Julie Craig  
Stuart Young  
Cheri Helt *left meeting at 7:43 p.m.*

**Call to Order**

The meeting was called to order at 6:04p by Chair Juba. The Pledge of Allegiance followed.

**Discussion**

*IP 28 Discussion*

Chair Juba noted the updated agenda and invited IP 28 presenters to begin. Don Stearns, BEA president, introduced himself and thanked board members for their time to hear reasons to support IP 28. Stearns shared a presentation to better explain and encourage support of IP 28. He said IP 28 or A Better Oregon campaign will be a game changer to help fund public education. He reviewed the tax structure and how funds generated would help education, provide children access to health care and also support senior housing.

Iris Hodge, with Main Street Alliance, introduced herself to the board and explained she is an advocate for education, a concerned parent and a native Oregonian. Hodge reviewed how many C Corporations have avoided taxes and explained how IP 28 would make taxes more equitable. Hodge said the dollars earned would be used to hire teachers, reduce class size, extend the school year and ultimately help increase graduation rates.

Andy High asked about Governor Brown's proposal and how it seems to be the opposite of IP 28. Hodge addressed Governor Brown's proposal and noted she is not a small business owner and Main Street Alliance does not charge dues for membership. She reiterated the tax structure proposed in IP 28.

Peggy Kinkade asked how funds will be allocated to support education if IP 28 is designed to support better health care, senior living and public education. Stearns said funding would go straight to the classroom and advocates are working hard to ensure this happens. Julie Craig shared her fear that legislators will not use the dollars generated fund schools adequately. Stearns agreed it is a concern, however this is better than doing nothing at all and accepting status quo. Hodge added IP 28 would affect less than 1,000 businesses in Oregon and if they do try to trickle down the expense of the tax to consumers or smaller businesses, then these larger corporations will most likely go out of business. She said there are 40 other states with a steeper tax structure than what IP 28 proposes, so most companies will not leave Oregon in search of better tax rates.

Cheri Helt expressed her concern for the taxation on cost of living items, like food and gas, which could create a disproportionate way that funds are raised. She feels the tax increase will

be passed along to consumers, adding the LRO report states IP 28 will act like a consumer tax. Hodge said using the LRO report is not an accurate way to look at this tax, it's like comparing apples to oranges. Helt is worried that the money generated will never make it to schools or children, and her least favorite part of the measure is that there is no accountability for legislators.

Ron Gallinat asked about amounts that would be earmarked for education vs. healthcare and senior housing. Stearns was not sure and Hodge said there is not a specific figure or number they could site. Stuart Young asked if there is a preliminary formula for distribution. Stearns and Hodge said legally, they are not allowed to know and are going to rely on the governor and elected officials to ensure funds go where they need to go.

Chair Juba asked where the information about cost of living rates came from. Stearns will follow up on the source. Juba said there needs to be more resources devoted to education, and agrees this is a bold, game changing approach, but is not sure it is the best solution, adding this is something that has not been done before in the country and it might be better to ease into the proposed plan. Juba noted Senator Hass and OSBA are currently looking at another plan which could help fund education.

Stearns thanked the board for their time and offered to continue the conversation; he will be sending more information to them with comments and support from locals.

### **Public Input**

Caroline Skidmore and Megan Ellingsen, with Moms Demand Action for Gun Sense and Be Smart, explained their work to address gun violence. They would like to see more prevention education in the district, emphasizing the importance of locking up firearms in homes and vehicles. Be Smart is a program they are partnered with and offered to partner with the district on ways to educate students and their parents about gun security.

Ellingsen noted they had an opportunity to meet with Superintendent Mikalson and appreciates his time and her experiences in schools thus far. She said we have a legal and ethical responsibility to help protect students. She explained how the Be Smart program can help students and parents and offered to partner with the district to educate parents at every school. Chair Juba asked how they plan to engage parents, especially those who don't often attend these types of presentations. Ellingsen agreed that is one hurdle and a reason they would like to partner with the district. Julie Craig asked if they are working with local law enforcement. Skidmore said she recently met with Chief Porter and he was helpful in suggesting other community partners to work with. Stuart Young thanked Skidmore and Ellingsen and appreciates their efforts to help prevent children having to live in a culture of violence.

Collin Robinson, small business owner, father of two students in Bend-La Pine Schools, and Oregon PTA president expressed his support for IP 28. He feels the taxes earned will provide a funding solution that is needed in public schools.

Travis Overlay, teacher at Pilot Butte Middle School and Summit High School, and a veteran, feels there is a moral obligation to support IP 28. He said inadequate funding has created an overwhelming sense of duty for teachers to serve their students, spending time fundraising, writing grants, etc. to provide the basic necessities needed in a classroom. He feels IP 28 is a way to help fund schools and will have a real and lasting impact on students and the state.

Tracy Miller, Bend resident, thanked Stearns for his presentation and work being done on IP 28 to help fund schools. She said the sale of Troy Field is not a funding solution, adding the overwhelming community support to save Troy Field. Miller questioned Chair Juba on his involvement with real estate and why he did not disclose this when asked early in the process. Andy High suggested Miller read the minutes from the last board meeting as this question was clearly answered by Juba already. Juba said he is passionate about selling Troy Field because the district is underfunded, he does not have any personal interest in the sale and takes offense for Miller's accusation. He said there are seven board members who decided, together, that Troy Field is surplus property and does not have any educational value to the district. Juba noted he has served on the board for ten years and many community members don't realize the amount of time he has spent advocating for funding, locally and at the state level.

Cheri Helt added, as the Chair, Juba speaks for the board as a unified voice. There are seven board members who came to a unanimous agreement to sell Troy Field and it is not fair or appropriate to single out one board member. Peggy Kinkade shared about a recent meeting she and Chair Juba organized with the prospective buyers, City of Bend, Parks and Recreation and Save Troy Field representatives to discuss how all parties could work together. She added there is a collective interest amongst the board to fund education as well as supporting open space in the downtown area.

Chair Juba noted Jeremy Rogers, from the Oregon Business Council, submitted written public comment in opposition of IP 28. Comment will be added to the record of the meeting and accessible to board members.

Susan Whitney Kurtz, Bend resident, shared her request, with regards to the sale of Troy Field, for the district to comply with ORS 358.653. Kurtz gave a summary to the Board of the ORS and asked the district to research further into the sale of Troy Field to ensure the sale is not breaking the law. She added, she feels the people of Bend can raise the money needed to help preserve this historic piece of property.

### **Superintendent's Report**

Superintendent Mikalson thanked the board for their commitment to the district and shared highlights from the class of 2016. He complimented each high school for wonderful graduation ceremonies and is proud of the achievements and character of graduates. Mikalson expressed his thanks to families, friends, mentors and board members who tirelessly serve students to prepare them for their next steps in life. He is proud to be a part of the district. Chair Juba thanked Mikalson and appreciated his attendance at all graduations, even Marshall High's which was on Mikalson's wedding anniversary.

### **Consent Agenda**

Chair Juba noted the updated personnel recommendations at each board member's seat. **Ron Gallinat moved to approve the Consent Agenda. Peggy Kinkade seconded the motion. Unanimous approval.**

### **Action Items**

*Resolution 1835 : 2016-17 Budget Appropriations*

Brad Henry reviewed Resolution 1835 noting this is the final step in the formal budget process. He said there were no changes to the 2016-17 budget after board approval.

**Peggy Kinkade moved to approve Resolution 1835: 2016-17 Budget Appropriations. Stuart Young seconded the motion. Andy High shared he has spent time reading and**

reflecting on the presented budget and is comfortable supporting it, which he noted, is different than what he said at the budget committee meeting. Unanimous approval.

*Resolution 1836 : 2016-17 Impose Tax*

**Peggy Kinkade moved to approve Resolution 1836: 2016-17 Impose Tax. Ron Gallinat seconded the motion. Unanimous approval.**

Chair Juba noted the Pacific Crest Affordable Housing resolution was removed from the agenda, it will be a part of the July 12, 2016 agenda, as the board is currently clarifying some questions regarding the request.

*Ratification of Superintendent Contract*

Chair Juba reviewed key points of Superintendent Mikalson's new contract, including years, salary, evaluation timing, and his performance based bonus. Juba asked any board members for comment on Superintendent Mikalson's first year.

Peggy Kinkade said she is impressed with Mikalson and feels his first year as superintendent was great. Ron Gallinat appreciated Mikalson's staffing strategy noting the administrative changes seem to have all worked out well. Stuart Young complimented Mikalson on his energy and integrity, noting the first year as a superintendent is a challenge, and he is delighted to renew Mikalson's contract. Kinkade added, Mikalson presented a vision to the board and district and has empowered everyone in the district to be a part of that vision. She has heard positive comments, from the school level, that staff members are excited by the vision and momentum. Kinkade added she appreciates Mikalson's servant leadership. Julie Craig agreed and feels the right leader is in charge of the district and is happy to extend his contract and give him time to continue to implement his vision. Andy High shared his appreciation for Mikalson's work in policy governance and leading the board with patience and clarity. Chair Juba said Mikalson has translated his vision into action and appreciates how visible he is in buildings and classrooms. Mikalson has done everything he said he was going to do during his interview process and has maintained a laser focus on teaching and learning.

Chair Juba added the extension of contract after a superintendent's first year is not typical, but feels because of the success and progress he is worthy, and it is important for the board to show Mikalson they are committed to his vision and leadership. He said the district is in good standing in the state because of the continuity of leadership, noting former superintendents Doug Nelson and Ron Wilkinson's work.

Chair Juba asked for a motion to ratify Superintendent Mikalson's contract.

**Andy High moved to ratify Superintendent Mikalson's contract. Ron Gallinat seconded the motion. Unanimous approval.**

Superintendent Mikalson thanked the board for a great first year.

## **Reports**

### *Financial Update*

Zhai Logan reviewed the financial update in the packet, noting there are no major changes from the last update. Logan expressed her thanks to the board and to Superintendent Mikalson, adding their focus and discipline around budgeting makes financial work less challenging.

### *Sites & Facilities – Step 1 Report*

Brad Henry noted the summary in the packet and introduced Mike Tiller and Greg Blackmore who helped write the report. Henry reviewed the board charge given to the district in November

and that the process is different than in years past. Step 1 of the two-part process is complete and what is being presented tonight.

Henry expressed his thanks to the Sites and Facilities Committee members for their time evaluating components in schools along with projects and priorities. Henry said there were about 800 projects the committee reviewed and prioritized by years, 1-5, and then beyond 10 years. Majority of projects are in the categories of safety, security and preservation of assets.

Henry reviewed the Portland State population growth projections that were used and how those figures were factored into project planning. The numbers suggest a current need for a new high school and elementary school, and in the 20-year planning horizon there is a need for four new elementary schools and two new high schools. Henry also explained how the committee divided Bend into four zones as they worked on growth projections which helped them create their recommendation for school locations.

The Sites and Facility Committee reviewed how the Education Center building is currently being used and felt there were no better uses or options for the building. They did suggest finding a better location to serve the STRIVE program. Juba shared his thoughts on possibly repurposing the Education Center as a school and would like not to discredit that option. Henry also reviewed other land the district owns that could be surplus and sold.

Superintendent Mikalson thanked Henry, Tiller, Blackmore and the committee members for their time and work on Step 1. Juba agreed and appreciated the comprehensive report. Henry thanked Blackmore and Shawn Hasse who does GIS work for the district for their help.

#### *Performance Review Update*

Chair Juba asked Andy High to share an update on the Performance Review. High said Plan B is continuing to interview district personnel, architects, contractors, etc. and are on track to have a final report ready by the end of June. High plans to share the report at the July 12, 2016 board meeting. He noted, in the review process there have been no major concerns.

#### *Executive Limitation 8 – Academic Programs*

Superintendent Mikalson introduced Executive Limitation 8 – Academic Programs and said the focus of work and school design process for the 2015-16 school year led by Jay Mathisen, Jim Boen and Gary Timms with building leaders has been excellent. He asked Lora Nordquist to further explain the report in the board packet, adding this is an extensive executive limitation to report on and finding a balance of information is something he would like to continue to discuss with the board.

Peggy Kinkade asked about number four and which School to Career programs are included. Mikalson explained the focus is for career ready, not just college ready and opportunities are aligned with career related learning standards that are part of diploma requirements. Mikalson said student interest drives most of the internship opportunities and the district is continuing to add a variety of business as options for students. Future reports on this limitation will include a list of where students are working and interning.

Andy High asked for feedback on the updated high school schedule for 2016-17 as a part of the monitoring report next year. Mikalson agreed that would be good to add and will also keep the board up to date on the impact of the change throughout the year. High asked if ACT and SBAC testing and student opt out information should be included in the report. Nordquist thought that information would be more appropriate in Executive Limitation 7's monitoring report.

Kinkade asked about number five, and if La Pine High School is working toward providing more opportunities to their students like the other three comprehensive high schools in Bend. Nordquist shared La Pine High is working to increase their AP course offerings and college now options are also available at La Pine High, as seen in response number four. Mikalson noted the CTE report has further information on La Pine High's offerings.

Chair Juba said one thing the board is hoping to move away from are pockets of excellence in the district to more system wide excellence. He would like to see a list or matrix of all offerings at schools at each level to see where there is consistency and where there is room to improve. He added this executive limitation represents the meat of the district's work and more specifics on what is happening across the district would be helpful for board members. Mikalson offered to continue to work on more detail and appreciated the feedback from the board. Discussion ensued about what future monitoring reports would include and possible use of a narrative and matrix to help compare year to year.

#### *Executive Limitation 12 – Legally Required Policies*

Superintendent Mikalson reviewed the summary in board packet for Executive Limitation 12 – Legally Required Policies and thanked Peggy Kinkade for her leadership and work on the governance policies. He added this is probably the largest change in practice, as now it is his responsibility as the Superintendent to ensure the district is in compliance with all policies and regulations. Mikalson shared the process Jay Mathisen and Andrea Wilson are using to evaluate every policy and regulation, noting there is a spreadsheet of all current policies and regulations and timeline of work for included in the packet. Mikalson reviewed the process for updating policies and regulations and how the board will be notified. Chair Juba asked if there will be any effort to streamline and reduce the number of policies and regulations to which Mikalson answered, yes.

#### *Summer Board Calendar*

Peggy Kinkade said the July 12, 2016 board meeting will be held at 5:00 p.m. and all board members confirmed that would work for their schedules.

The August 2 board meeting and retreat will begin at 8:00 a.m., with the location to be determined. Kinkade suggested board members send topics of interest to Chair Juba. Juba suggested the board set goals for 2016-17, do a board self-assessment and affirm Carver's policy governance model during the retreat.

Board Leadership will meet at 8:00 a.m. on July 12, 2016.

#### **Board Comments**

Andy High appreciates the efforts of IP 28 and the presentation and testimony of those in support of the measure, adding there is much at stake with the proposal and wants to be respectful of all opinions and not get into a debate on a personal level.

Julie Craig agreed with High and will continue to research IP 28, she agrees that schools need more funding. She noted the Springfield School Board recently urged parents to opt out of state assessments. The written statement from Springfield is worth reading, albeit a little late in the school year, it is a statement that should gain the attention of the state.

Stuart Young appreciates Juba's leadership as Board Chair and is thankful for the energy and integrity of fellow board members. He thanked the SMART folks for sharing their information

with the board and added anything we can do to help address and educate about prevention of violence is worth the effort.

Ron Gallinat complimented the graduation ceremonies and appreciated all the work of staff members to make each one a memorable event.

Peggy Kinkade appreciated the passion of those advocating for IP 28 and efforts to find a solution to better fund education. She was a panelist at REALMS for the 'I am ready for high school' passage presentations today, and was impressed with the three dimensions of achievement students included in their presentations. The presentations were a great reflection of what she would hope for all students.

Chair Juba thanked those who are trying to find alternate solutions for funding schools. He also appreciated the SMART group's approach to solving a problem and is hopeful we can come up with a solution for both issues.

Meeting adjourned at 9:07 p.m.

Respectfully submitted,  
Andrea Wilson





## HUMAN RESOURCES

*Education Center*

*520 N.W. Wall Street  
Bend, Oregon 97703-2699  
(541) 355-1100  
Fax: (541) 355-1109*

DATE: July 7, 2016

TO: Shay Mikalson, Superintendent  
Board of Directors for Bend – La Pine Schools

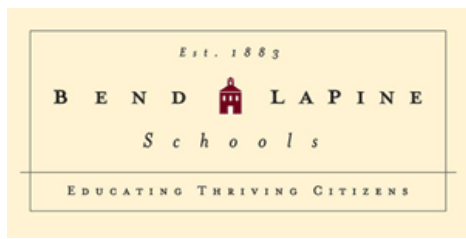
FROM: Jay Mathisen, Deputy Superintendent  
Jon Lindsay, Director of Human Resources - Certified

RE: Administrative and Licensed Recommended Hires, Resignations, and Retirees

The Human Resource Department recommends approval of the following hires, resignations and retirees at the school board meeting on July 12, 2016. All hires are subject to successful drug testing, background check, and Oregon licensure.

### **CERTIFIED HIRES 2016/17**

NAME	POSITION	LOCATION	STATUS	HIRE DATE
Anderson, Pandie	Dual Immersion – Lang Arts #106057	High Desert MS	Regular	07/12/2016
Barker, Stephanie	Health/PE Teacher @ .333 #106256	Summit HS	Temporary	07/12/2016
Burkhart, Kristina	Primary Teacher #106103	Pine Ridge ES	Temporary	07/12/2016
Covarrubias, Nancy	Primary Teacher #106066	Bear Creek ES	Regular	07/12/2016
Daray, Robert	Intermediate Tchr #106104	Pine Ridge ES	Temporary	07/12/2016
Faith, Robbie	Intermediate Tchr #106102	Ponderosa ES	Regular	07/12/2016
Gibson, Carrie	Spanish Teacher .167 #106317	Mtn View HS	Temporary	07/12/2016
Gutierrez, Manuel	Dual Immersion Tchr #106067	Bear Creek ES	Regular	07/12/2016
Hobbs, Alice	K-8 Teacher @ .65 #106207	West Side Village	Temporary to Part-time Regular	07/12/2016
Jensen, Stephanie	Student Services #106229	Silver Rail ES	Regular	07/12/2016
Keesling, Karen	Study Skills @ .167 #106270	Bend Sr HS	Non-Contract to Part-time Temporary	07/12/2016
Kent, III, Fred	Biology Teacher @ .50 #106279	La Pine HS	Full-time Regular	07/12/2016
Lyons, Greg	Auto Teacher @ .667 #106216	Mtn View HS	Regular	07/12/2016
Lyons, Greg	Business Teacher @ .333 #106319	Mtn View HS	Temporary	07/12/2016
Miller, Richard “Dan”	Music Teacher @ .60 #106098	Highland ES	Regular	07/12/2016
Mithoff, Gail	Primary Teacher @ .50 #106304	Bear Creek ES	Temporary	07/12/2016



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Myers, Barbara	French Teacher #106152	Pilot Butte MS	Temporary	07/12/2016
Parker, Erin	Counselor @ .50 #106211	RE Jewell ES	Temporary	07/12/2016
Robertson, Sarah	Language Arts @ .667 #106274	Bend Sr HS	Temporary	07/12/2016
Ruzicka, Donna	Life Skills Center @ .50 #106220	Special Programs Buckingham ES	Temporary	07/12/2016
Shears, Annette	Resource Teacher #106137	Marshall HS	Temporary to Regular	07/12/2016
Sherburne, Jason	SRC Teacher #106137	Mtn View HS	Regular	07/12/2016
Spring, Lindsey	Language Arts @ .25 #106280	La Pine HS	Part-time to Full-time Regular	07/12/2016
Stermer, Allyson	Graphics Teacher @ .333 #106320	Mtn View HS	Temporary	07/12/2016
White, Dannika	Primary Teacher #106101	Pine Ridge ES	Temporary to Full-time Regular	07/12/2016
Wilkinson, Erin	Counselor #106210	Mtn View HS	Regular	07/12/2016
Williams, Karen	Art - TOSA @ .10 #106228	Elk Meadow ES	Temporary	07/12/2016

### **CERTIFIED RESIGNATIONS**

NAME	POSITION	LOCATION	HIRE/RESIGNED DATES
Glogau, Kathleen	Science Teacher	Bend Sr HS	
Hinkson, Traci L	Agricultural Teacher	Mtn View HS	08/29/2011 - 08/28/2016
Meyer, Laura	Intermediate Teacher	High Desert MS	08/28/2012 - 06/30/2016
Richards, Dean	TOSA- Imprv of Instruction	Teaching & Learning	01/16/2014 - 06/30/2016

### **CERTIFIED RETIREE**

NAME	POSITION	LOCATION	HIRE/RESIGNED DATES
Steele, Janet	Primary Teacher	Buckingham ES	08/30/1993 - 06/30/2016



## HUMAN RESOURCES

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*(541) 355-1100*

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July 7, 2016

TO: Shay Mikalson, Superintendent  
Bend-La Pine School Board of Directors

FROM: Jon Lindsay, Director of Human Resources – Licensed Staff  
Debbie Watkins, Director of Human Resources – Classified Staff

RE: Classified/Confidential Recommended Hires and Resignations

The Human Resources Department recommends approval of the following hires and resignations at the School Board meeting on July 12, 2016

### Classified Hiring

Name	Position/Posting No.	Location	Temp/Regular Position	Hire Date
Altman, Cheryl	#106236 EA – Inclusion	Buckingham	Temp 3.90 hrs / day	6/28/16
Bowers, Keith	#106250 Fleet Service Manager	Transportation	Reg 8 hrs / day	6/8/16
Brooks, Lisa	#106291 Media Manager / Crossing Guard	Pilot Butte	Reg 5 hrs and 52 min / day	6/24/16
Claussen, Sandra	#106302 EA – Student Instruction	Bear Creek	Temp 3.75 hrs / day	6/24/16
Curfew, David	#106259 Warehouse Delivery Driver	Warehouse	Reg 3.75 hrs / day	6/10/16
Crakes, Kristen	#106303 EA – Student Instruction	Bear Creek	Reg 3.5 hrs / day	6/24/16
Daprano, Anthony	#106222 EA – Inclusion	Special Programs	Reg 6.5 hrs / day	6/7/16
Desmarais, Jaime	#106251 School Office Secretary II	Ponderosa	Reg 8 hrs / day	6/8/16
Everest, Thomas	#106225 Building Services Manager	Maintenance	Reg 8 hrs / day	6/27/16
Frasher, Michelle	#106176 Consulting Nurse	Special Programs	Temp 4 hrs / day	6/2/16
Gilbert, Julie	#106287 EA – Student Instruction	Ponderosa	Temp 3.95 hrs / day	6/17/16
Gourley, Sarah	#106297 EA – Student Instruction	Teaching and Learning	Reg 3.75 hrs / day	6/27/16
Green, Brettney	#106221 EA – Inclusion	Special Programs	Temp 6.5 hrs / day	6/10/16
Green, Stephanie	#106236 EA – Inclusion	Buckingham	Temp 3.90 hrs / day	6/28/16
Holliday, Kelly	#106300 EA – Inclusion	Special Programs	Reg 2.4 hrs / day	6/22/16
Hulbert, John	#106092 Summer Mow Crew	Maintenance	Temp 8 hrs / day	6/13/16



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Johnson, Kimberly	#106236 EA – Inclusion	Buckingham	Temp 3.90 hrs / day	6/28/16
Karpstein, Eilean	#106292 Fan Advocate	Ensworth	Reg 3.8 hrs / day	6/28/16
King, Wyndee	#106222 EA – Inclusion	Special Programs	Reg 6.5 hrs / day	5/26/16
Lisle, Stephanie	#106287 EA – Student Instruction	Ponderosa	Temp 3.95 hrs / day	6/17/16
Mayfield, Kimberly	#106221 EA – Inclusion	Special Programs	Temp 6.5 hrs / day	6/13/16
Miller, Connie	#106221 EA - Inclusion	Special Programs	Temp 7 hrs / day	5/31/16
Nolan, Carol	#106286 Secretary II / Media Manager	Ensworth	Reg 7 hrs / day	6/28/16
Oates, Mindy	#106284 EA – Student Instruction	Ensworth	Reg 6.5 hrs / day	6/21/16
Pearson, Wendy	#106221 EA – Inclusion	Special Programs	Temp 6.5 hrs / day	6/9/16
Schneider, Rachel	#106221 EA - Inclusion	Special Programs	Temp 6.5 hrs / day	5/26/16
Sutton, Melva	#106242 Secretary II	Sky View	Reg 4 hrs / day	6/13/16
Towne, Sara	#106221 EA – Inclusion	Special Programs	Temp 6.5 hrs / day	6/9/16

### Confidential Hiring

Name	Position/Posting No.	Location	Temp/Regular Position	Hire Date
Douglass, Melody	#106235 Payroll Specialist	Payroll	Reg 8 hrs / day	6/14/16

### Classified Resignations

Name	Position	Location	Resign Date
Daprano, Anthony	EA – Student Instruction	WE Miller	9/12/12 – 6/16/16
Drew, Kristin	EA - Inclusion	Cascade	2/4/16 – 6/16/16
Galliher, Lori	Bus Driver	La Pine Transportation	1/20/15 – 6/16/16
Jaeger, Corrina	District Buyer	Business Office	6/20/05 – 7/1/16
Loomis, Carolyn	Bus Driver	La Pine Transportation	8/5/97 – 6/16/16
Ocampo, David	Operation Manager 2	Transportation	2/17/14 – 7/15/16
Welker, Thomas	EA – Inclusion	La Pine High Transition Co-op	9/4/07 – 6/16/16
Whiteley, Breanna	EA – Inclusion	Cascade	9/1/15 – 6/16/16

**Administrative School District No. 1  
Bend-La Pine Schools**

**Resolution No. 1838**

**Board Meeting Schedule**

**BE IT RESOLVED** that the Board of Directors of Administrative School District No. 1, Deschutes County, shall conduct its Regular Board meetings on the second and fourth Tuesday of each month. In addition, a school site visitation will be held on the first Tuesday of each month, with exceptions, as presented in the attached Board meeting calendar for 2016-17.

**BE IT RESOLVED** that Regular Board meetings shall be held at 6:00 p.m. unless otherwise specified.

**BE IT RESOLVED** that this Board may change meeting dates, time, and locations by majority vote of this body, and subject to proper notice, pursuant to ORS 192.640.

Moved by \_\_\_\_\_

Second by \_\_\_\_\_

Yes votes \_\_\_\_\_

No votes \_\_\_\_\_

Dated this 12<sup>th</sup> day of July 2016.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Vice Chair

\_\_\_\_\_  
Board Secretary

## Board Meeting Calendar 2016-17

**The Board of Directors for Bend-La Pine Schools will meet on the second and fourth Tuesday of each month at 6:00 p.m. in room 314 of the Education Center, 520 NW Wall Street, Bend. (unless otherwise noted)**

July 12, 2016	5:00 p.m.	Room 234
August 2, 2016 Board Retreat & Regular Meeting	8:00 a.m.	TBD
September 13, 2016	6:00 pm	Room 314
September 27, 2016	6:00 pm	Room 314
October 11, 2016	6:00 pm	La Pine High School
October 25, 2016	6:00 pm	Room 314
November 8, 2016	6:00 pm	Room 314
December 13, 2016	6:00 pm	Room 314
January 10, 2017	6:00 pm	Room 314
January 24, 2017	6:00 pm	Room 314
February 14, 2017	6:00 pm	Room 314
February 28, 2017	6:00 pm	Room 314
March 14, 2017	6:00 pm	Room 314
March 28, 2017	6:00 p.m.	Room 314
April 11, 2017	6:00 pm	Rosland Elementary
April 25, 2017	6:00 pm	Room 314
May 9, 2017	6:00 pm	Room 314
May 23, 2017	6:00 pm	Room 314
June 13, 2017	6:00 pm	Room 314
June 27, 2017	6:00 pm	Room 314

**Administrative School District No. 1  
Bend-La Pine Schools**

**Resolution No. 1839**

**Parliamentary Procedure**

**BE IT RESOLVED** that the Board of Directors of Administrative School District No. 1, Deschutes County, adopts Robert's Rules of Order, current edition, as the parliamentary law governing the procedure of this Board in the conduct of its meetings.

Moved by \_\_\_\_\_

Second by \_\_\_\_\_

Yes votes \_\_\_\_\_

No votes \_\_\_\_\_

Dated this 12<sup>th</sup> day of July 2016.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Vice Chair

\_\_\_\_\_  
Board Secretary

**Administrative School District No. 1  
Bend-La Pine Schools**

**Resolution No. 1840**

**Designation of Authority**

**BE IT RESOLVED** that the Board of Directors of Administrative School District No. 1, Deschutes County, hereby designates the Superintendent, Shay Mikalson, as the Chief Administrative Officer, Clerk and Budget Officer of the school district and gives approval of his facsimile signature.

**BE IT FURTHER RESOLVED** that the Board of Directors of Administrative School District No. 1, Deschutes County, hereby designates the Chief Operations and Financial Officer, Bradley J. Henry as Deputy Clerk and Chief Financial Officer.

Moved by \_\_\_\_\_

Second by \_\_\_\_\_

Yes votes \_\_\_\_\_

No votes \_\_\_\_\_

Dated this 12<sup>th</sup> day of July 2016.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Vice Chair

\_\_\_\_\_  
Board Secretary



**Administrative School District No. 1  
Bend-La Pine Schools**

**Resolution No. 1841**

**Depositories and Authorized Signatures**

**BE IT RESOLVED** that deposit accounts up to deposit insurance limits may be held at any insured financial institution with a head office or branch in Oregon.

**BE IT FURTHER RESOLVED** that deposit accounts in excess of deposit insurance limits may only be maintained at financial institutions designated as “qualified depositories for public funds” by the Oregon State Treasurer’s Office.

**BE IT FURTHER RESOLVED** that the Board of Directors of Administrative School District No. 1, Deschutes County, hereby directs that all District accounts with depositories shall have four authorized signors.

**BE IT FURTHER RESOLVED** that the following persons are designated as Custodian of Funds and authorized to sign financial instruments: Superintendent, Deputy Superintendent, Assistant Superintendent, Chief Operations and Financial Officer, and Business Manager.

**BE IT FURTHER RESOLVED** that the persons designated as Custodian of Funds will be bonded in the amount of at least \$100,000. This is in compliance with ORS 332.525.

**BE IT FURTHER RESOLVED** that any two of these authorized persons may on behalf of this corporation:

1. Write any check, draft, and/or advice of debt.
2. Withdraw funds from any checking, savings, or time deposit account, or any certificate of deposit, or other investment vehicle allowed under ORS 294.035 through 294.046.

**BE IT FURTHER RESOLVED** that the use of facsimile signatures of the designated persons is authorized.

**BE IT FURTHER RESOLVED** that the Superintendent may give District depositories written authorization to accept telephone instructions from any individual identified in the third paragraph of this resolution for the purchase or sale of District investments or transfer of funds between District depository accounts and / or District owned investments. All such telephone transfer of funds shall be documented and signed by any two of the authorized persons named in the third paragraph of this resolution.

Moved by \_\_\_\_\_

Second by \_\_\_\_\_

Yes votes \_\_\_\_\_

No votes \_\_\_\_\_

Dated this 12<sup>th</sup> day of July 2016.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Vice Chair

\_\_\_\_\_  
Board Secretary

**Administrative School District No. 1  
Bend-La Pine Schools**

**Resolution No. 1842**

**Salary and Insurance Payments**

**BE IT RESOLVED** that the Board of Directors of Administrative School District No. 1, Deschutes County, hereby authorizes the District Clerk and / or his designees to make salary payments, as well as workers' compensation, health, liability, and other insurance payments according to the provisions of the District Budget, Board Executive Limitations and State Law.

Moved by \_\_\_\_\_

Second by \_\_\_\_\_

Yes votes \_\_\_\_\_

No votes \_\_\_\_\_

Dated this 12<sup>th</sup> day of July 2016.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Vice Chair

Board Secretary

**Administrative School District No. 1  
Bend-La Pine Schools**

**Resolution No. 1843**

**Public Contracting Rules and Procedures Including Class Special Procurements and  
Exemptions**

**WHEREAS**, Bend-La Pine School District No. 1 ("District") is an Oregon school district which is subject to Oregon's public contracting laws; and

**WHEREAS**, the District's Board of Directors (the "Board"), serves as the District's Local Contract Review Board ("LCRB"); and

**WHEREAS**, ORS 279A.065(5) provides that a local contracting agency may adopt its own rules of procedure for public contracting that:

- (A) Specifically state that the model rules adopted by the Attorney General do not apply to the contracting agency; and
- (B) Prescribe the rules of procedure that the contracting agency will use for public contracts, which may include portions of the model rules adopted by the Attorney General; and

**WHEREAS**, the Board, with required notice, did on July 9, 2013 adopt with Resolution No. 1784 public contracting rules and procurement guidelines including certain exemptions and class special procurements described in administrative regulation DJ-AR; now therefore

**BE IT HEREBY RESOLVED**, that the Board of Directors appoints the Superintendent, Chief Operations and Financial Officer, Business Manager, or District Buyer to determine whether or not a particular contract or purchase is exempt by virtue of meeting criteria in the adopted public contracting rules and procurement guidelines.

**BE IT FURTHER RESOLVED**, that the Board of Directors appoints the Superintendent or Superintendent's designee to approve contracts and purchases on behalf of the District unless otherwise restricted by law or in the Board's Executive Limitations.

Moved by \_\_\_\_\_

Second by \_\_\_\_\_

YES votes \_\_\_\_\_

NO votes \_\_\_\_\_

Dated this 12<sup>th</sup> day of July 2016.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Board Secretary

\_\_\_\_\_  
Vice Chair

**Administrative School District No. 1  
Bend-La Pine Schools**

**Resolution No. 1844**

**Non-resident Tuition**

**BE IT RESOLVED** that the Board of Directors of Administrative School District No. 1, Deschutes County, hereby establishes the tuition for non-resident pupils to be \$8,189 for the 2016-17 school year.

Moved by \_\_\_\_\_

Second by \_\_\_\_\_

Yes votes \_\_\_\_\_

No votes \_\_\_\_\_

Dated this 12<sup>th</sup> day of July 2016.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Vice Chair

\_\_\_\_\_  
Board Secretary

**Administrative School District No. 1  
Bend-La Pine Schools**

**Resolution No. 1845**

**Legal Services**

**BE IT RESOLVED** that the firm of Bryant, Lovlein and Jarvis is hereby appointed as the general legal advisor to this District and to represent this District whenever called upon. The Board of Directors of this District does reserve the right to seek and employ other legal services with the knowledge and advice of this general counsel.

**BE IT FURTHER RESOLVED** that staff counsel with High Desert ESD, be appointed as the legal advisor to this Board whenever called upon for the employer/employee relationships including, but not limited to, negotiations labor agreement contracts, dismissals, hearings and appeals.

**BE IT FURTHER RESOLVED** that the firm of Hawkins, Delafield & Wood, LLP be appointed as the legal advisors to this District in matters requiring legal opinion on borrowing issues including, but not limited to, tax anticipation notes, tax and revenue anticipation notes, certificates of participation and bond issues.

**BE IT RESOLVED** that the Hungerford Law Firm be appointed as the legal advisors to this District and to represent this District whenever called upon for special education issues including, but not limited to, hearings and appeals.

Moved by \_\_\_\_\_

Second by \_\_\_\_\_

Yes votes \_\_\_\_\_

No votes \_\_\_\_\_

Dated this 12<sup>th</sup> day of July 2016.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Vice Chair

\_\_\_\_\_  
Board Secretary

**Administrative School District No. 1  
Bend-La Pine Schools**

**Resolution No. 1846**

**Professional Services**

**BE IT RESOLVED** that SGA Certified Public Accountants and Consultants, be appointed as the independent auditing firm for the District to conduct the annual audit of District funds, for the 2015-16 school year and to provide procedural reviews and consultant services as requested for the 2016-17.

**BE IT FURTHER RESOLVED** that the firm of Beecher Carlson is hereby appointed as insurance agent of record for property / casualty / liability insurance and risk management consultant to the District.

**BE IT FURTHER RESOLVED** that the firm of La Porte & Associates is hereby appointed as insurance agent of record for workers compensation insurance.

Moved by \_\_\_\_\_

Second by \_\_\_\_\_

Yes votes \_\_\_\_\_

No votes \_\_\_\_\_

Dated this 12<sup>th</sup> day of July 2016.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Vice Chair

\_\_\_\_\_  
Board Secretary

**Administrative School District No. 1  
Bend-La Pine Schools**

**Resolution No. 1847**

**Substitute Teacher Salary**

**WHEREAS** ORS 342.610 sets the parameters for compensation to substitute teachers and authorizes the School Board to establish salaries within those parameters; then,

**BE IT RESOLVED** the Board of Directors of Administrative School District No. 1 establishes the 2016-17 substitute teacher salary at the per diem amount set each year by the State for the first 10 consecutive days in any one assignment for the same teacher, and after the first 10 days of such assignment the rate will be 1/190<sup>th</sup> of the district's current base salary per day.

Moved by \_\_\_\_\_

Second by \_\_\_\_\_

Yes votes \_\_\_\_\_

No votes \_\_\_\_\_

Dated this 12<sup>th</sup> day of July 2016.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Vice Chair

\_\_\_\_\_  
Board Secretary

# PACIFIC CREST AFFORDABLE HOUSING

The Firehall  
5 NW Minnesota Avenue  
Suite 210  
Bend, Oregon 97701  
T (541) 383-2505  
F (541) 383-3618

May 31, 2016

Bend-La Pine School District Board  
520 NW Wall Street  
Bend, Oregon 97701

**RE: Request for 20-year property tax exemption for 2 upcoming affordable housing projects in Bend, Oregon**

Dear School Board,

The purpose of this letter is to formally request that the Bend-La Pine School District exempt its portion of property taxes for a period of 20 years for two affordable housing projects to be developed in Bend by Pacific Crest Affordable Housing (PCAH). This request is contingent upon the projects being awarded funding from the State of Oregon Housing and Community Services department (OHCS).

## **History**

In November 2003 the City of Bend adopted a tax exemption program, as allowed under Oregon Revised Statute 307.515 to 307.537, permitting local taxing authorities to exempt property taxes for qualifying affordable multifamily rental projects for a period of 20 years. To qualify for exemption, projects must serve households earning equal to or less than 60% of the Area Median Income (AMI) for Deschutes County (as determined by the US Department of Housing and Urban Development). Under the statute, qualifying projects can receive an exemption on 100% of their property tax bill if taxing districts accounting for 51% or more of the total tax rate agree to the exemption. A summary of ORS 307.515 to 307.537 is attached (see *Attachment A*).

Our projects will qualify for property tax exemption under the City's program, and we have also requested tax exemption for these projects from Deschutes County. Approval of our tax exemption request by the Bend-LaPine School District will put us over the 51% threshold needed to receive a 100% exemption.

PCAH has developed 5 affordable housing projects, 4 of them within the Bend-LaPine School District (two in Bend and two in La Pine) (see *Attachment B*). ***The Bend-LaPine School District approved 20-year tax exemptions for all four of our previous projects located within the District.*** The School District's support for these projects was invaluable to our efforts to obtain funding for these projects and to offer the lowest rents possible to our residents.



## Need

Housing affordability for lower income populations has been a challenging issue in Bend for some time, and increasingly so now that the rental vacancy rate is less than 1% and rental rates and sales prices are skyrocketing. The few market rate rental units that are available are too expensive for most lower income households, and the lower-priced market rate rentals tend to be in very poor condition. The affordable (i.e., income-restricted) housing that is available has long waiting lists, and the demand for housing vouchers far outpaces their availability. Homeownership is out of reach for the majority of lower income households. The result is that too many lower income households are doubling up in small units, living in substandard housing, living with the constant threat of homelessness, or experiencing homelessness.

Many of these households, of course, include children, the majority of whom are part of the Bend-LaPine School District. Census data shows that in 2014 (the most recent year for which this particular statistic is available), over 7,000 children were living in poverty in Deschutes County, with 2,799 of those living in Bend (American Community Survey, 2014). During the 2014-2015 school year, 680 children in the Bend-LaPine School District were homeless (Oregon Department of Education, 2015). ***These families are disproportionately impacted by the affordable housing crisis by a huge margin.***

## The Projects

The two projects for which we are seeking tax exemption, called “Azimuth 335” and “Canal Commons”, will be part of the solution by providing a total of **114 new units** of high quality, permanent, affordable housing for Bend (see *Attachment C*)

Azimuth 335, which will contain 50 one- and two-bedroom units, will be located on Northwest Crossing Drive, near Lemhi Pass Drive, in NorthWest Crossing. Canal Commons will be composed of 64 one-, two- and three-bedroom units and will be located on Butler Market Road and 27th Street.

Both projects will be reserved entirely for households earning equal to or less than 60% of AMI. Rents will be set to be affordable to households earning equal to or less than 50% of AMI (based on income and rental figures published annually by HUD). Rents will range from roughly **\$448 to \$776** (depending on unit type and the income level of the residents). *These rents are between 30% and 60% below market rate rents.* (More detail on income limits and rent levels is contained in *Attachment D*).

Both projects will be rent- and income-restricted for **60 years**.

The projects will be designed and built to be indistinguishable from higher end market rate housing and will include amenities such as community rooms, fitness rooms, reading rooms, internet stations, community gardens, and pedestrian oriented grounds. Both projects will also include a suite of resident services designed to ensure that our residents have access to the social services, job training programs and healthcare services that they need to thrive, as well as recreational and social opportunities to enhance their quality of life. We pride ourselves on building beautiful, high quality permanent housing that our low-income residents are proud to call home, and these two projects will be no exception.

## Timing

PCAH will apply to OHCS for a variety of public funds for the development of Azimuth 335 and Canal Commons in August 2016. If awarded the funds we will begin construction in the

spring of 2017 and occupy the building in the spring of 2018. Tax exemption would begin on July 1, 2018 and continue for 20 years.

### **The Developer**

PCAH is an award-winning, Bend-based developer of affordable housing, which has been serving Central Oregon since 2005. PCAH has built five high quality affordable housing projects in Central Oregon (see *Attachment B*). PCAH is guided by a mission “to provide high quality, comfortable, and stable housing which our low-income residents are proud to call home, and to contribute to the advancement of sustainable building in affordable housing development”. PCAH has found a niche in creating successful public-private partnerships, utilizing multiple public and private funding sources, building high quality affordable housing which is indistinguishable from higher end market rate housing, and pushing the envelope in sustainable building, all while maintaining some of the lowest rents in the region.

## **Frequently Asked Questions**

Below we have addressed a number of questions that frequently arise when we are requesting tax exemption for our projects.

### **How does tax exemption help?**

Property tax exemption benefits our projects, and enhances our funding applications, in two important ways:

1. It demonstrates the support of the local community for the projects.
2. It enables us to offer even lower rents than we would be able to without tax exemption.

Like our previous projects, our two upcoming projects are dependent upon the award of federal Low Income Housing Tax Credits and other public funds. These funds are awarded on a competitive basis by OHCS and *the competition is fierce*. Projects that demonstrate local support, particularly in the form of financial assistance, and that provide the lowest rents possible stand a greater chance of being selected for funding. Plus, the more we can lower our rents, the better we are able to achieve our ultimate goal of assisting the community’s low-income households to the greatest degree possible.

### **Who benefits from the savings if there is a full tax exemption?**

The residents. As required by the Oregon Revised Statutes, the full value of the tax exemption will be directly passed through to the residents of the buildings in the form of reduced rent. For Canal Commons, exemption on an estimated tax bill of \$36,838 would translate to a savings of **\$48 per month per household** (on average), or \$576 per year per household. For Azimuth 335, exemption on the estimated tax bill of \$25,141 would translate to a savings of **\$42 per month per household** (on average), or \$503 per year per household. For low-income households, these savings would be significant and meaningful and could make a huge difference in their ability to make ends meet from month to month. So for a cost of **\$555** to the School District for the first year of exemption (see description of the financial impact below), the savings to the low-income residents would be substantial.

### **Who will ensure that the rents really do stay affordable?**

As noted above, these projects will remain rent- and income-restricted for 60 years. These restrictions are written into our grant and loan agreements and recorded against the properties for the entirety of the affordability periods. The extensive and ongoing oversight and monitoring that comes with the combination of federal and state funds in the project will



ensure that the rent and income restrictions are adhered to for the full 60 years, that the buildings are maintained in top physical condition, and that the resident services are appropriate and meaningful to the residents. OHCS, our equity partner, and our permanent lender have compliance divisions that regularly monitor our performance in these areas. If any deficiencies are noted, we are required to remedy them within a specific period of time or face penalties. We have an impeccable record of compliance with affordability, income eligibility, fair housing, and maintenance requirements imposed by our funders and partners.

**Do all affordable housing projects apply for tax exemption?**

No. Approximately 75% - 90% of all of the affordable housing units developed in Oregon each year are developed by non-profit organizations and public agencies. Non-profit organizations have a separate process for obtaining tax exemption and projects developed by public agencies (such as housing authorities) are already exempt from property taxes.

**Will approval of this tax exemption open the floodgates to other requests?**

No. Such exemptions are only allowed for rental projects that meet the strict qualifying criteria of the ORS and the additional restrictions imposed by the City of Bend. Furthermore, for the small number of projects that do qualify for this exemption, the School Board has the right to judge any of these projects on their merits and decide whether to grant a request for tax exemption accordingly.

**Financial Impact on the Bend-LaPine School District**

If exemption is approved for both projects, the financial impact on the Bend-LaPine School District's operations would be approximately **\$555** per year (\$225 for Azimuth and \$330 for Canal Commons). Over 20 years the financial impact would be approximately **\$14,912** (\$6,049 for Azimuth and \$8,863 for Canal Commons). The Net Present Value of the impact over 20 years, using a 3% discount rate, would be approximately **\$10,775** (\$4,371 for Azimuth and \$6,404 for Canal Commons).

**Financial Impact on schools statewide**

With tax exemption for both projects, the financial impact on schools statewide would be **\$19,135** per year (\$7,762 for Azimuth and \$11,373 for Canal Commons). This is a total of 0.0003% of the Governors proposed \$5,239,336,773 K-12 budget for 2007-2008.

**Financial Impact on Property Owners in the Bend-LaPine School District.**

The median assessed value for homes in Deschutes County is currently \$176,000. Exempting taxes for these two projects would increase the average homeowner's school bond payments within the Bend-LaPine School District by \$0.07.

**What are the benefits for the School District?**

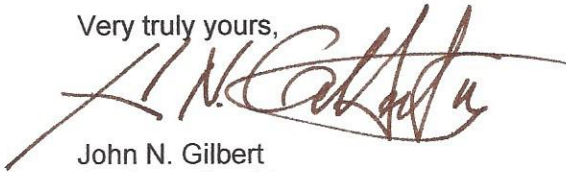
The most significant benefit to the school district is that these two new projects will provide safe, stable, permanent housing for low-income children and their families, and the vast majority of these children will attend Bend-LaPine schools. The role of safe, stable, permanent housing in fostering academic success and a positive school experience is well-documented. ***In this regard, PCAH and the School District are partners in looking after the well-being of low-income children in our community.***

In addition, all of our projects have large, attractive community rooms with full audio/visual capabilities. We make these rooms available to community organizations (at no charge) with the goal of supporting community activities. These rooms will be available to the school district as well for classes, presentations, meeting or other activities.

We are very excited about the prospect of developing Azimuth 335 and Canal Commons. We know first-hand the depth of the need for affordable housing within our community and we look forward to contributing to a long-term solution with the support of the Bend-LaPine School District.

Thank you very much for your consideration of our request. Should you have any further questions, please do not hesitate to contact us at 541-383-2505.

Very truly yours,

A handwritten signature in dark ink, appearing to read "John N. Gilbert", written in a cursive style.

John N. Gilbert  
Co-Operating Manager

A handwritten signature in dark ink, appearing to read "Rob Roy", written in a cursive style.

Rob Roy  
Co-Operating Manager

**OREGON REVISED STATUTES  
CHAPTER 307 — PROPERTY SUBJECT TO TAXATION; EXEMPTIONS**

**ORS 307.515 to 307.537 Low Income Rental Housing  
Summary**

Oregon Revised Statute 307.515 to 537 allows local governments to exempt property taxes for low income housing projects that are offered for rent to persons with incomes at or below 60% of Area Median Income. The exemptions are offered for a period of up to 20 years, and the values of the tax exemptions must be passed along to the residents in the form of lowered rents. The following is a brief summary of the program, as outlined in ORS 307.515 to 307.537.

**Criteria for Tax Exemption**

To qualify for tax exemption under this statute, a property or a portion of the property must be offered for rent (or held for the purpose of developing low income rental housing), and must be occupied solely by low income persons. Under this statute, “low income” refers to persons with incomes at or below 60% of the Area Median Income, as determined by the State Housing Council based on information from the US Department of Housing and Urban Development.

**Exemptions by all of the Taxing Districts**

Generally, under the provisions of the statute, exemptions are provided by the governing body of the jurisdiction in which the property is located. However, if enough of the taxing districts agree to provide exemptions so that the tax rates of the participating jurisdictions equal at least 51% of the combined rate of taxation on the property, then the property is entitled to tax exemptions from all of the taxing districts within the jurisdiction.

**Applications for Exemption**

To qualify for tax exemption, the applicant must file an application for exemption with the local governing body having jurisdiction over the property. The application must provide certain components as required by the statute, including:

- A description of the property or portion of the property for which the exemption is requested
- A description of the purpose of the project
- A certification of income levels of low income occupants
- A description of how the tax exemption will benefit project residents
- Rent regulatory agreements or other enforcement mechanisms to demonstrate that the required rent payment reflects the full value of the property tax exemption
- A description of the plans for development of the property if the property is being held for future low income rental housing development

Prior to accepting any application for tax exemption under this provision, the local governing body having jurisdiction over the property must adopt standards and guidelines to be utilized in considering applications. The standards and guidelines must establish a policy governing the basic requirements for approving an application and must meet the regulations outlined in ORS regarding application contents.

Approval of each application must be approved by the Council through the adoption of a resolution or an ordinance.

**Termination of Tax Exemption**

If at any point, the property ceases to be used for the provision of affordable rental housing, the tax exemption must be terminated immediately without right of notice or appeal. In addition, additional taxes will be imposed as required by the statute.

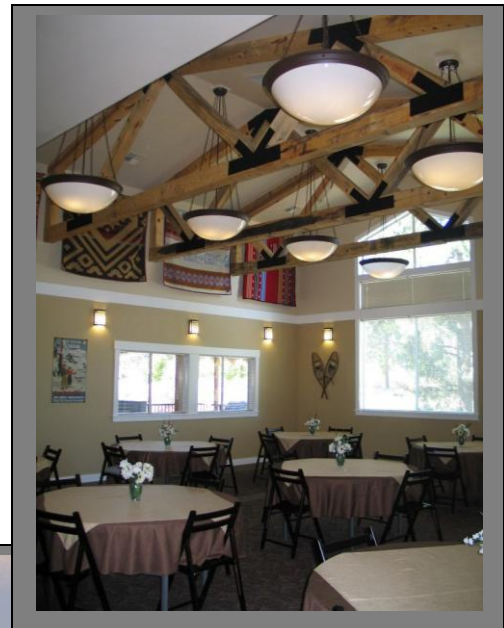


# Mountain Laurel Lodge

Bend, Oregon

*Developed by  
Pacific Crest Affordable Housing*

- Completed in 2006
- 100% occupied
- Delivered on time and under budget
- 4 stories – 75,000 sf
- 53 independent living rental apartments for low income seniors
- Rents affordable to households earning 40%-50% of Area Median Income
- First subsidized housing project on Bend's more affluent west side
- Public funds provided by: Low-Income Housing Tax Credit Program, US Department of Housing and Urban Development (HOME), Oregon Department of Housing and Community Services, City of Bend, Bend-LaPine School District
- Environmentally sustainable design and construction exceeding the Portland Development Commission's "Green" Affordable Housing Development Guidelines
  - Solar heated common area water
  - 18.3 kW solar array for generating electricity
  - R50 ceiling insulation
  - EnergyStar appliances and light fixtures throughout
  - Native, drought tolerant landscaping

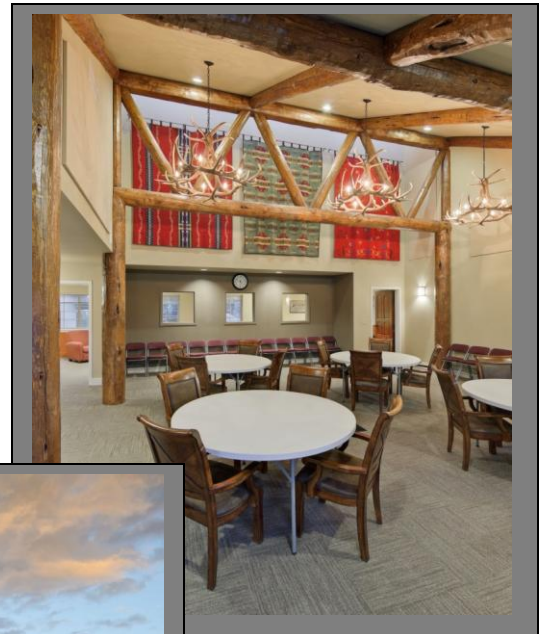


# Discovery Park Lodge

Bend, Oregon

*Developed by  
Pacific Crest Affordable Housing*

- Completed in 2009
- 100% occupied
- Delivered on time and under budget
- 4 stories – 78,000 sf
- 53 independent living rental apartments for low income seniors
- Rents affordable to households earning 40%-50% of Area Median Income
- Located in the desirable NorthWest Crossing neighborhood
- Public funds provided by: Low-Income Housing Tax Credit Program, US Department of Housing and Urban Development (HOME), Oregon Department of Housing and Community Services, City of Bend, Bend-LaPine School District
- Environmentally sustainable design and construction exceeding the Portland Development Commission's "Green" Affordable Housing Development Guidelines
  - Solar heated hot water for entire building, including all apartments
  - 14.99 kW solar array for generating electricity
  - R50 ceiling insulation
  - EnergyStar appliances and light fixtures throughout
  - Native, drought tolerant landscaping



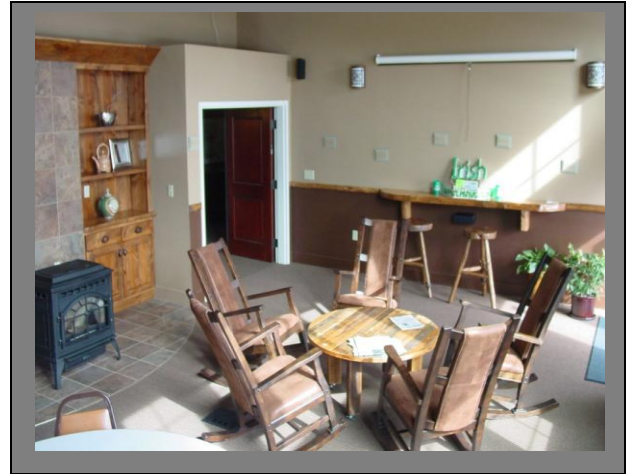


# Little Deschutes Lodge

La Pine, Oregon

*Developed by  
Pacific Crest Affordable Housing*

- Completed in 2010
- 100% occupied
- Delivered on time and under budget
- 2 stories – 26,000 sf
- 26 independent living rental apartments for low income seniors
- Rents affordable to households earning 30%-50% of Area Median Income
- Public funds provided by: Low-Income Housing Tax Credit Program, US Department of Housing and Urban Development (HOME), Oregon Department of Housing and Community Services, Deschutes County, City of La-Pine, Bend-LaPine School District, La Pine Parks and Recreation District
- Environmentally sustainable design and construction exceeding the Portland Development Commission's "Green" Affordable Housing Development Guidelines
  - Solar heated hot water for entire building and a 24 kW solar array for generating electricity
  - Ground source heat pump system heats and cools building
  - Insulated concrete form exterior walls and Solatubes throughout
  - Dual flush toilets and plumbed for gray water reuse
  - R50 ceiling insulation and EnergyStar appliances and light fixtures throughout
  - Native, drought tolerant landscaping





# Little Deschutes Lodge II

La Pine, Oregon

*Developed by  
Pacific Crest Affordable Housing*

- Completed in 2013
- 100% occupied
- Delivered on time and under budget
- 2 stories – 26,000 sf
- 26 independent living rental apartments for low income seniors
- Rents affordable to households earning 30%-50% of Area Median Income
- Public funds provided by: Low-Income Housing Tax Credit Program, Oregon Department of Housing and Community Services, Deschutes County, City of La-Pine, Bend-LaPine School District, La Pine Parks and Recreation District
- Awarded Novogradac's National Best Small Community Renewable Energy Award
- Environmentally sustainable design and construction includes:
  - Solar heated hot water for entire building and a 32 kW solar array for generating electricity
  - Ground source heat pump system heats and cools building
  - Insulated concrete form exterior walls and Solatubes throughout
  - Dual flush toilets and plumbed for gray water reuse
  - R50 ceiling insulation and EnergyStar appliances and light fixtures throughout
  - Native, drought tolerant landscaping

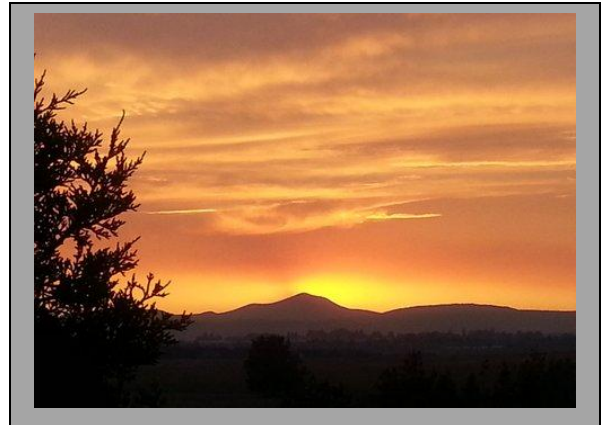


# IronHorse Lodge I

Prineville, Oregon

*Developed by  
Pacific Crest Affordable Housing*

- Completed in 2016
- 2 stories – 27,500 sf
- 26 independent living rental apartments for low income seniors
- Rents affordable to households earning 30%-50% of Area Median Income
- Public funds provided by: Low-Income Housing Tax Credit Program, Oregon Department of Housing and Community Services, Crook County, City of Prineville, Crook County School District, Crook County Parks and Recreation District, and Central Oregon Community College
- On track to achieve **Earth Advantage Platinum** status and the **Energy Trust of Oregon Zero Net Energy** designation
- Environmentally sustainable design and construction includes:
  - Solar heated hot water for entire building and a 67 kW solar array for generating electricity
  - Passive solar design
  - Air source heat pump system heats and cools building
  - Insulated concrete form exterior walls and Solatubes throughout
  - Dual flush toilets and plumbed for gray water reuse
  - R60 ceiling insulation and EnergyStar appliances and light fixtures throughout
  - Native, drought tolerant landscaping





Azimuth 335



CONCEPTUAL VIEW FROM NW CROSSING DRIVE  
SUBJECT TO CHANGE

PACIFIC CREST AFFORDABLE HOUSING  
**BLRB** architects



Azimuth 335



CONCEPTUAL VIEW FROM PARKING LOT  
SUBJECT TO CHANGE

PACIFIC CREST AFFORDABLE HOUSING  
**BLRB** architects



**CANAL COMMONS**  
 SPECIFIC CREST AFFORDABLE HOUSING  
 CONCEPTUAL SITE PLAN

RB architects

0 20 40 80

N

FUTURE STREET BRIDGE

FUTURE PEDESTRIAN BRIDGE

CANAL

(FUTURE) EMPIRE AVENUE

SOLAR PHOTOVOLTAIC ARRAY

8 UNITS

8 UNITS

8 UNITS

9 UNITS

9 UNITS

9 UNITS

9 UNITS

9 UNITS

12 UNITS

PLAY FIELD

WOONERF

COMMUNITY GARDEN

LIVING STREET

THORNHILL LANE

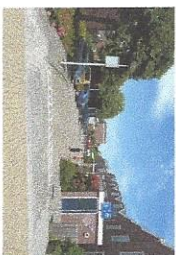
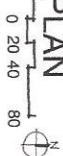
PARKING 24 SPACES

PARKING 77 SPACES

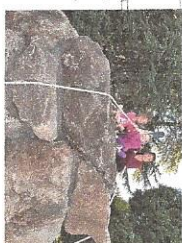
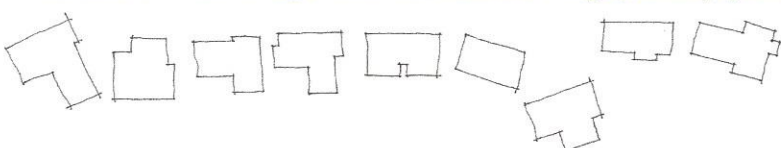
FIRE DEPT ACCESS GATE

## PACIFIC CREST AFFORDABLE HOUSING

## BLRB architects



THORNHILL LANE - WOONERF IMAGES (LIVING STREET)



PLAYGROUND IMAGES

## **Affordability at Azimuth 335 and Canal Commons**

*Both Azimuth 335 and Canal Commons will be reserved entirely for low-income households. The income and rent structures at both projects are summarized below. The income and rent figures are based on income and rent limits published annually by HUD. The actual rent and income figures at the time of opening could be slightly more or less, depending on HUD's published figures at that time. **All of our rents are between 30% and 60% below market rate rents.***

### **AZIMUTH 335 (50 units)**

- Thirty (30) of the units will be available to households with incomes at or below 60% of AMI, and will have rents set to be affordable to households earning 50% of AMI.
- The remaining 20 units will be available to households with incomes at or below 50% of AMI, and will have rents set to be affordable to households earning 40% of AMI.

Based on the current HUD figures, the above restrictions translate to the following income and rental rates:

**For the 30 units at the 60% AMI level**, maximum qualifying incomes will be approximately \$25,080 to \$32,280 (depending on household size, assuming 1- to 3-person households). Monthly rents for these units will be set upon opening at roughly \$560 for a one-bedroom and \$672 for a two-bedroom (*all utilities included*).

**For the remaining 20 units at the 50% AMI level**, maximum qualifying incomes will be approximately \$20,900 to \$26,900 (depending on household size, assuming 1- to 3-person households). Monthly rents for these units will be set upon opening at roughly \$448 for a one-bedroom and \$538 for a two-bedroom (*all utilities included*).

### **CANAL COMMONS (64 units)**

- Thirty-six (36) of the units will be available to households with incomes at or below 60% of AMI, and will have rents set to be affordable to households earning 50% of AMI.
- The remaining 28 units will be available to households with incomes at or below 50% of AMI, and will have rents set to be affordable to households earning 40% of AMI.

Based on the current HUD figures, the above restrictions translate to the following income and rental rates:

**For the 36 units at the 60% AMI level**, maximum qualifying incomes will be approximately \$25,080 to \$38,700 (depending on household size, assuming 1- to 5-person households). Monthly rents for these units will be set upon opening at roughly \$560 to \$776, depending on unit size (*all utilities included*).

**For the remaining 28 units at the 50% AMI level**, maximum qualifying incomes will be approximately \$20,900 to \$32,250 (depending on household size, assuming 1- to 5-person households). Monthly rents for these units will be set upon opening at roughly \$448 to \$621, depending on unit size (*all utilities included*).