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housing in Central Oregon by harnessing his knowledge of law, financing and housing development – a combination of skills many say, in a housing developer, is a rarity.

In person, Kemper is energetic and dynamic, with broad shoulders and an intense gaze. He has a Lyndon Johnson-esque intensity about him, especially when he is talking about affordable-housing finance and development.

Those who have worked with him described him as a go-getter, a mover and a shaker, and a hard-nosed businessman who knows how to bring a development to fruition and “make the deal go” – a phrase often spoken by Kemper.

Kemper, 65, became Housing Works’ executive director after consulting with and working as a development partner for the housing authority since the mid-1990s. As the founder of Kemper Co., a real estate development and consulting firm, he worked with Housing Works as a partner in the development of three affordable-housing complexes, including Putnam Pointe, a mixed-use development with commercial space and affordable housing in Bend.

He originally started out in law, with degrees from Lewis & Clark College and New York University. He worked as in-house counsel for PacifiCorp and later co-founded ScanlanKemperBard, a real estate merchant bank. Some of the bank’s early investments included investing in bonds issued by public housing authorities, including Housing Works.

Kemper’s experience in finance, law and development, many say, has been integral to Housing Works’ success.

“Tom has a unique skill set that you don’t see in a lot of other people,” said Peter Baer, president of Pinnacle Architecture, which has designed numerous projects for Housing Works.

“Developers always see opportunities,” Baer said. But Kemper is able to see some that others cannot. “He’s very innovative.”

A small plot of land, owned by the city of Bend, sits on Northeast Forbes Road, across from Lava Lanes Bowling Alley and Pilot Butte in eastern Bend. This year, the city decided to open a competitive bidding process for the plot, giving the land, for free, to a developer willing to build affordable housing.

The plot consists of two narrow strips of land with an access road cutting in between them. A high-tension power line runs across the southern end of the plot, which makes it impossible for heavy construction equipment to drive through.

When the city put the land out for bid, McConnell predicted that few would apply.

“It is a funky little thing,” McConnell said of the plot. “You don’t look at it and think, ‘Oh, we could build a house here.’”

Kemper does.

“We just sat down and thought about it. We’re creative. Let’s figure it out!” Kemper said.

He admits that the plot is an improbable choice for development. “It is weird!” he said, laughing.

Housing Works has applied for tax-credit funding from the Oregon Housing and Community Services agency, which will allow the housing authority to move forward with construction. Housing Works plans to



IMAGE FROM GOOGLE EARTH
A small plot on Northeast Forbes Road in Bend is “weird,” Tom Kemper acknowledges, but he has a plan for building housing there.

build 32 units on the land, along with 5,000 feet of office space on the ground floor that will be reserved for Housing Works’ property management company and office space for social service agencies. Preference will be given to people who have HIV, are victims of domestic violence or are developmentally disabled.

The housing units will have project-based Section 8 vouchers attached to the units, meaning people who move in will have two-thirds of their rent paid for by the federal Section 8 program.

“He might have actually been the only applicant for that city surplus lot,” McConnell said. “He was the only one who had that vision of how to make it work.”

Housing Works’ development of Ochoco School Crossing is another example of an improbable affordable-housing development.

Ochoco School Crossing is a 29-unit apartment complex being built from the conversion of Ochoco Grade School, the oldest school in Prineville, which closed in 2015 after a new elementary school was built.

The Crook County School District put the school and the six acres of land around it up for sale that year. After touring the building, Kemper said, he immediately wrote a letter of interest to the school board “and went after it.” Within six weeks, Housing Works had purchased the property and began planning the conversion.

“Most people would have just torn it down and done something commercial on it,” Kemper said. “We looked at it and (thought), we think we can preserve the building.”

Last fall, construction began on 29 units for lower-income renters – a combination of studio, one-bedroom, two-bedroom and three-bedroom apartments. Two-bedroom units make up the bulk of the complex; the 800-square-foot classrooms, Kemper explained, were most conducive to that size of apartment.

The development is on six acres of land. In addition to housing, Housing Works will lease a separate building, which was once the cafeteria, to NeighborImpact, a social services agency, to open a Head Start school.

Housing Works is also leasing another building, which used to be the gym, to Crook County Parks and Recreation, which will rehabilitate the building to become a community recreation center. There is additional land on the back of the property that Housing Works gave to the Parks District, which will build a pocket park.

With the exception of demolishing

interior clay brick walls and replacing them with walls that are more seismically sound, little had to be done to the building to convert it into an apartment complex.

The complex is expected to open this fall.

The completion of Ochoco School Crossing is not the only project Housing Works is working on this year, or even this month. The frenzy of construction, beginning or nearing completion, makes the housing authority a plate spinner of housing development.

Most recently, on March 20, Housing Works broke ground on two projects, the Village Meadow Apartments, a 48-unit apartment complex in Sisters, and the LaPine Townhomes, a 42-unit subdivision. All the units will be affordable to people who make 60 percent of the area median income, or \$38,400 a year for a family of four.

Earlier in March, Housing Works received certificates of occupancy – the last step in housing construction before anyone can move in – for Daggett Townhomes, a 24-unit housing development in Bend. Late last year, the authority received certificates of occupancy for the Moonlight Townhomes, a 29-unit development near the St. Charles Medical Center in Bend.

“It’s just constant,” McConnell said.

“We’ve been very focused on trying to increase housing units throughout Central Oregon,” Kemper said. “There’s not enough affordable housing in Central Oregon.”

During his time at Housing Works, the authority has developed single-family homes, townhomes, duplexes, triplexes and apartment complexes like Ochoco School Crossing.

Some developers are willing to build only certain kinds of housing, such as single-family homes. When asked why he is willing to build all manner of housing types, Kemper became quizzical.

“Why wouldn’t you?” he said.

He ardently believes building an array of housing types, especially multifamily housing, is essential to solving Central Oregon’s shortage of affordable housing, given that Central Oregon’s demographics are changing and people, depending upon their lifestyles, prefer

different kinds of housing.

“The issue really is who’s going to want to live in those places,” Kemper said. “You have to think about who’s (moving here) and make sure you’ve got housing for those people.”

Millennials, for instance, may prefer to live in an apartment. Retired seniors either want a single-family home or a condominium that doesn’t require a lot of upkeep.

Housing Works builds housing for those who make 60 percent of the area median income, about \$38,400 a year for a family of four, or less. A family making that amount of money can afford a mortgage between \$188,000 and \$245,000, according to a report on Bend’s housing market by Portland-based economic consulting firm ECONorthwest, depending upon the down payment. A home for sale in that range is practically impossible to find in Central Oregon; the average sale price of a home in Bend, according to the Redmond-based real estate company Beacon Appraisal Group, was \$418,000 in 2017.

Housing Works has begun developing for-sale homes that it sells to the homeowner while maintaining ownership of the property that the house is on, known as a ground lease. That means the homeowner’s mortgage doesn’t include the cost of the land, which significantly drives down the amount they pay.

Housing Works developed six homes in the NW Crossing, an affluent and trendy neighborhood on the west side of Bend where home prices easily exceed \$1 million, “where people would kill to live,” Kemper said. There are working-class families living in that neighborhood whose combined income is around \$48,000.

Housing Works last year also built seven homes in Skygate, a 45-home subdivision in Sisters. The city of Sisters has a policy akin to inclusionary zoning, which requires any development to make 10 percent of the developed units affordable to people who make below 60 percent of the area median income.

Skygate’s developer was required to

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“You can only build what you can finance. That’s the problem.”

TOM KEMPER,
FORMER
DIRECTOR OF
HOUSING
WORKS



PHOTO BY CELESTE NOCHE