



NEWBERG AFFORDABLE HOUSING COMMISSION AGENDA
Tuesday, April 26, 2016 1:30 PM,
Permit Center Conference Room, 414 E. First Street, Newberg OR

- I. CALL MEETING TO ORDER**
- II. ROLL CALL**
- III. APPROVAL OF MINUTES – January 26, 2016 meeting**
- IV. PUBLIC COMMENTS**
- V. YAMHILL COUNTY AFFORDABLE HOUSING COMMISSION GRANT OPPORTUNITY UPDATE**
- VI. MICRO LOAN PROGRAM MANUFACTURED HOME MAINTENANCE AND REPAIR**
- VII. FLEXIBLE DEVELOPMENT TRACK STANDARDS – NMC 15.242**
- VIII. PROPOSED FY 2016-2017 BUDGET**
- IX. TRUST FUND ACTIVITY**
 - A. Priorities/Tasks
 - B. Newberg Affordable Housing Trust Fund Recapitalization
 - C. South Newberg Area
- X. NEXT MEETING – July 26, 2016**
- XI. OTHER BUSINESS**
- XII. ADJOURNMENT**

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the Community Development Department Office Assistant II of any special physical or language accommodations you may need as far in advance of the meeting as possible as and no later than 48 business hours prior to the meeting. To request these arrangements, please contact the Office Assistant II at (503) 537-1240. For TTY services please dial 711.

NEWBERG AFFORDABLE HOUSING COMMISSION MINUTES
Tuesday, January 26, 2016, 1:30 PM
Newberg City Hall Permit Center Conference Room
414 E. First Street

CALL MEETING TO ORDER

Chairman Stuart Brown opened the meeting at 1:45 PM.

ROLL CALL

Members Present: Stuart Brown, Chair Steve Comfort Terry Emery Mike Gougler

Members Absent: E.C. Bell

Staff Present: Doug Rux, Community Development Director
Renata Wakeley, Community Development Director, Mid-Willamette Valley Council of Governments

Also Present: Rick Rogers, Darcy Reynolds, Elise Hui, Steve Olson

ELECTION OF CHAIR AND VICE-CHAIR

Discussion on nominations for the position of Chair and Vice-Chair.

MOTION: Gougler/Comfort nominating Stuart Brown as Chair.
Motion carried (3 Yes/0 No).

MOTION: Emery/Comfort nominating E.C. Bell as Vice-Chair.
Motion carried (4 Yes/0 No).

APPROVAL OF MINUTES

Approval of the October 27, 2015 Newberg Affordable Housing Commission Meeting Minutes.

MOTION: Gougler/Comfort approved the Affordable Housing Commission minutes for October 27, 2015.
Motion carried (4 Yes/0 No).

PUBLIC COMMENTS – None.

AGENDA MODIFICATION

Chair Brown requested a modification to the agenda to discuss an opportunity for a manufactured home rehabilitation program (loan or grants). Chair Brown explained that there are 600 affordable homes manufactured housing in the community. There is a need for repairs and improvements to these homes with few financial resources. Habitat is interested in a collaboration with matching funds for grants or loans. Would be like micro loans. Request Council create a subcommittee to streamline for micro loans. Would also like to have special meeting by a subcommittee outside of the regular meeting.

MOTION: Brown/Gougler request to 1) modify the agenda and 2) that Council create a subcommittee of the Affordable Housing Commission and hold special meetings outside the regular meetings to discuss a possible program.
Motion carried (4 Yes/0 No).

WORKFORCE HOUSING PRESENTATION

Saj Jivanjee of Jivanjee Companies provided a presentation on workforce housing opportunities. A Power Point presentation was provided to the Commission. Mr. Jivanjee provided examples and details on the following workforce housing projects he has been involved with:

Ash Creek
Stark Street
Pendleton
Mill Pond
Burnside
Ascot Firs
Franklin Avenue
Amber Glen
Macadam
Division
Yacht Club

Mr. Jivanjee expressed three important factors: 1) Quality, 2) Time and 3) SDC fees. Mr. Jivanjee shared handouts on The Development Process for Corporate User and The Nature and Scope of Real Estate Investment. He also shared his model for workforce housing development.

There was a general discussion on how this model might fit into Newberg. The first critical element was to identify the available land. It was also discussed the need to modify land use regulations and what type of partnership the city and Yamhill County could have. Mr. Jivanjee shared some statistics on Newberg with a population of 22,000, 24th largest city in the state, 14% Hispanic population and median income of \$54,000 a year. It was also noted that the community has retirees with fixed incomes.

YAMHILL COUNTY AFFORDABLE HOUSING COMMISSION GRANT OPPORTUNITY

Doug Rux provided an introduction to the possible grant opportunity through the Housing Authority of Yamhill County through Business Oregon and the Community Development Block Grant Program. The Affordable Housing Commission may want to have a motion to recommend to the City Council to support the grant.

Darcy Reynolds, Housing Authority of Yamhill County, indicated that there had been an affordable housing grant program since 1980. The cities in the county historically operated on their own. Around 2000, the program rules changed and a non-profit was created where funds are pooled for a revolving loan program. In 2013, the program was modified to allow new CDBG applications for either loans or grants. She indicated that the City of McMinnville had received a prior grant for \$400,000 for grants to manufactured home owners. The grant included \$310,000 plus \$90,000 for administrative overhead and would take two years to administer. Approximately \$200,000 of those grant funds have been expended. For Newberg looking at a \$400,000 grant with \$90,000 going to administrative expenses to administer the grant for rehabilitation for manufactured homes. Grant amount is a maximum of \$10,000 per home, would have to be in a manufactured home park and

could not own the land. Anticipate 60-70 families could benefit from the grant. It is anticipated grant fund applications would be available in the third quarter of 2016. The Newberg City Council would need to hold a hearing and approve a resolution to support the grant request. There is a lot of preparation work to get done by the end of the second quarter of 2016 to be in a position to submit an application. Grant awards are anticipated at the end of 2016. The program provides two years to administer the grant, and it can take 4-5 months to do the environmental review. Anticipate construction occurring in April/May 2017.

MOTION: Brown/Comfort support a Council request to move forward with grant application.
Motion carried (4 Yes/0 No).

TRUST FUND ACTIVITY

Doug Rux indicated no responses had been returned as of the cut-off date of December 15, 2015 for the Notice of Funding Availability for \$25,000 available for loans. General discussion on the total amount of funds available of \$63,000 of which 15% is held in contingency and 5% available for grants. If the Commission wanted to use more for grants for a local manufactured home rehabilitation program the policy would have to be looked at. Staff will take a report to the City Council to inform them of the discussion on a short-term manufactured housing rehabilitation program.

Agenda items for Priorities/Tasks, Newberg Affordable Housing Trust Fund Recapitalization and South Newberg Area did not occur as the meeting was over its time allocation and will be placed on the next Affordable Housing Committee agenda.

MOTION: Comfort/Gougler motion to adjourn.
Motion carried (4 Yes/0 No).

NEXT MEETING – April 26, 2016

OTHER BUSINESS – None.

ADJOURNMENT – The meeting adjourned at 3:00 p.m.

Approved by the Newberg Affordable Housing Commission on April 26, 2016.

Recording Secretary

Affordable Housing Commission Chair

Chapter 15.242 FLEXIBLE DEVELOPMENT TRACK

Sections:

- [15.242.010](#) Flexible development track purpose and intent.
- [15.242.020](#) Flexible development standards.
- [15.242.030](#) Flexible development standards – Affordable housing provision.

15.242.010 Flexible development track purpose and intent.

The purpose of this chapter is to provide an optional “flexible development track” that would allow developers flexibility in some development standards, provided they commit to providing some affordable housing. Under this proposal, a developer who voluntarily chooses to **use** this track would be given flexibility in development standards intended to make it easier and less expensive to create housing. In exchange for this flexibility, the developer would have to provide at least a certain amount of affordable housing. The obligation to provide affordable housing can be achieved with any combination of market-rate housing, provision of affordable housing units guaranteed to remain affordable in the long term, and/or in-lieu credits through cash contributions to the **City** of Newberg housing trust fund. [Ord. [2730](#) § 1 (Exh. A (7)), 10-18-10. Code 2001 § 151.230.]

15.242.020 Flexible development standards.

Developers choosing this option may elect to **use** any/all of the following flexible development standards. **Use** of this option will require the developer to make provisions for affordable housing as described in NMC [15.242.030](#).

A. **Lot** Standards.

1. **Street** Frontage. **Lot frontage** or **easement** width required may be reduced from 25 feet to 20 feet.
2. **Lot** Depth-to-Width Ratio. **Lot** depth-to-width ratio may exceed standards otherwise permitted.
3. Other **Lot** Dimensions. Other required **lot** dimensions, such as **lot** width, may be reduced without limit.
4. Rounding Up Credit for “Partial” **lots**. Where the maximum number of **lots** allowed is a fraction, the number of **lots** allowed may be rounded (with decimals 0.5 or over rounded up). For example, where zoning allows 10.8 **lots**, the **applicant** may round up to 11 **lots**. **Lot** sizes within the development may be reduced by up to 25 percent in order to attain the partial **lot**.
5. Multifamily Density Bonus. Multifamily residential developments may increase the allowed number of units by up to five percent beyond the maximum density otherwise allowed in the zone.
6. Minimum **Lot** Size. Minimum **lot** sizes may be reduced as follows:
 - a. R-2: reduce from 3,000 square feet to 2,500 square feet.
 - b. R-3: reduce from 3,000 square feet to 1,500 square feet.
 - c. R-P: reduce from 3,000 square feet to 2,500 square feet.

B. Site Design Standards.

1. Side **Yard** Setback. Side **yard** setback may be reduced to three feet.
2. **Front Yard** Setback. **Front yard** setbacks may be reduced to 10 feet.
3. Coverage. **Lot coverage, parking coverage** or combined coverage may be increased an additional 10 percent beyond the applicable standard (for example, from 30 percent to 40 percent).

C. **Street** and **Sidewalk** Standards.

1. **Sidewalk** Location. **Sidewalks** may be constructed on one side only of local **streets**.
2. **Sidewalk** Type. Curb-side **sidewalks**, six feet in width, may be constructed on local **streets**, eliminating required planter strips.
3. **Street** Width. Subject to fire marshal and **city** engineer approval, **street** width may be reduced to 28 feet with parking on both sides where, in their determination, adequate emergency **access**, large vehicle **access**, and parking can be maintained.
4. **Right-of-Way** Width. **Right-of-way** width may be reduced, depending upon the street/planter strip/sidewalk configuration. In no case shall the **right-of-way** width be less than 38 feet. [Ord. 2763 § 1 (Exh. A § 11), 9-16-13; Ord. 2730 § 1 (Exh. A (7)), 10-18-10. Code 2001 § 151.231.]

15.242.030 Flexible development standards – Affordable housing provision.

A developer that chooses to utilize the flexible development standards described in NMC 15.242.020 shall provide affordable housing, as detailed below. The required amount of affordable housing to be provided will be at least 50 percent of the extra units above what would normally be expected in the development. “What would normally be expected” would be calculated as 80 percent of the target density. The formula is as follows:

$50\% \times [\# \text{ dwelling units in development} - (\text{target density in zone } \{du/ac\} \times \text{lot size in acres} \times 80\%)] = \text{required equivalent affordable dwelling units (EADUs)}$.

The following describe affordable **dwelling** units:

A. Long-Term Affordable **Dwellings**.

1. Moderate Income Units. One moderate income unit equals 0.75 EADUs. “**Moderate income units**” are defined as residential units on the subject property reserved for qualifying buyers or renters with incomes at or below 100 percent of Newberg area median income.
2. Low Income Units. One low income unit equals 1.0 EADU. “**Low income units**” are defined as residential units on the subject property reserved for qualifying buyers or renters with incomes at or below 80 percent of Newberg area median income.
3. Very Low Income Units. One very low income unit equals 1.25 EADUs. “**Very low income units**” are defined as residential units on the subject property reserved for qualifying buyers or renters with incomes at or below 50 percent of Newberg area median income.
4. In order to **use** this option, the **applicant** must ensure a legal mechanism is in place to guarantee that the requisite long-term affordable housing units remain affordable for a period of not less than 25 years. Potential tools to guarantee long-term affordability of

the units include deed restrictions, mortgage encumbrances, or agreements made in order to receive federal funding. The agreement must be approved by the **city** attorney.

5. The **applicant** also may meet this obligation by transferring title to a sufficient amount of buildable land for development of equivalent number of affordable housing units, as prescribed in subsections (A)(1), (A)(2) and/or (A)(3) of this section, to a nonprofit (IRC 501(c)(3)) affordable housing developer or comparable development corporation for the purpose of complying with subsections (A)(1), (A)(2) and/or (A)(3) of this section. The land shall be located within the project, except as provided in subsection (C) of this section, and all needed public facilities shall be extended to the area or areas proposed for transfer. If to be transferred, ownership of the land shall be transferred to the affordable housing developer or development corporation in accordance with said development agreement.

6. The **director** shall determine the Newberg area median income, using the best available data.

7. The maximum monthly rental rates for moderate, low, and very low income units shall be determined as follows:

a. For moderate income units, the maximum monthly rental rate shall be 30 percent of the area monthly median income minus estimated average monthly tenant-paid utility costs.

b. For low income units, the maximum monthly rental rate shall be 24 percent of the area monthly median income minus estimated monthly tenant-paid utility costs.

c. For very low income units, the maximum monthly rental rate shall be 15 percent of the area monthly median income minus estimated monthly tenant-paid utility costs.

8. For for-sale, long-term affordable **dwelling units**, the seller shall demonstrate that the sales price does not exceed the following:

a. For moderate income units, the maximum sales price shall be set such that a typical purchaser's total annual mortgage, homeowner's insurance, and property tax payments will not exceed 30 percent of the annual area median income.

b. For low income units, the maximum sales price shall be set such that a typical purchaser's total annual mortgage, homeowner's insurance, and property tax payments will not exceed 24 percent of the annual area median income.

c. For very low income units, the maximum sales price shall be set such that a typical purchaser's total annual mortgage, homeowner's insurance, and property tax payments will not exceed 15 percent of the annual area median income.

9. The maximum rental rates and maximum sales prices described in subsections (A)(7) and (A)(8) of this section shall be adjusted for inflation. In addition, they may be adjusted uniformly each year such that the rates/prices equal market value at the end of the 25-year period. For example, the price of a unit that initially has a maximum sales price that is 75 percent of market value may be sold at 85 percent of market value after 10 years, and at 95 percent of market value after 20 years.

B. Market-Rate Affordable Units. Market-rate affordable units are **dwelling**s on the subject property that, by virtue of their size, are more likely to be affordable on the open market. Such market-rate units must meet one or more of the following criteria:

1. Studio or one-bedroom **dwelling**s with less than 600 square feet **gross floor area**.
2. Two-bedroom **dwelling**s with less than 800 square feet **gross floor area**.
3. **Dwellings** containing three or more bedrooms and containing less than 1,000 square feet floor area.
4. **Accessory dwelling** units.

Market-rate affordable units equal 0.5 EADU.

C. Construction of Off-Site Units. At the planning and **building** director's discretion, long-term affordable **dwelling**s or market-rate affordable units may be constructed at an alternate location in the **city** and equal 75 percent of the EADUs of on-site units. The off-site unit may not be used as affordable **dwelling** points for any other project. If this option is selected, the **applicant** shall file an agreement with the **city** stating the election to **use** the off-site unit as credit for the **applicant**'s project. A property for construction of the off-site units must be secured and platted in a reasonable time frame, as determined at the planning and **building** director's discretion. The off-site units must be constructed within two years of the completion of the principal on-site development.

D. Purchase of Affordable **Dwelling** In-Lieu Credits. In lieu of constructing affordable **dwelling** units, the **applicant** may purchase affordable **dwelling** in-lieu credits by paying a fee to the **City** of Newberg housing trust fund. The fee shall be assessed at the time of final **plat** for a **subdivision**, or at time of **building** permit issuance for other projects. The price of each credit shall be established by resolution of the **city council**. The price of a credit shall be calculated based on the following:

The estimated average purchase price for a market-rate **dwelling unit** suitable for a median sized

family in Newberg, minus the estimated average purchase price affordable to a median sized low income **family** in Newberg. [Ord. [2730](#) § 1 (Exh. A (7)), 10-18-10. Code 2001 § 151.232.]

The Newberg Municipal Code is current through Ordinance 2797, and legislation passed through March 7, 2016.

Disclaimer: The City Recorder's Office has the official version of the Newberg Municipal Code. Users should contact the City Recorder's Office for ordinances passed subsequent to the ordinance cited above.

City Website: <http://www.newbergoregon.gov/>
(<http://www.newbergoregon.gov/>)
City Telephone: (503) 537-1283
Code Publishing Company
(<http://www.codepublishing.com/>)

FUND 14 - ECONOMIC DEVELOPMENT FUND
Revenues

CITY OF NEWBERG
2016-17 PROPOSED BUDGET

ACCOUNT #	DESCRIPTION	ACTUAL 2013-14	ACTUAL 2014-15	ADOPTED 2015-16	PROJECTED 2015-16	PROPOSED 2016-17	PROJ vs PROP	2015-16 FTE	2016-17 FTE
14-0000-300000	Beg F/B-Net Working Capital	643,185	601,964	629,395	646,472	472,899	-26.85%	-	-
14-0000-321004	Business License Fee	42,843	43,088	42,000	42,000	43,000	2.38%	-	-
14-0000-334007	CDBG Grants	262,664	125,176	-	-	400,000	100.00%	-	-
14-0000-360000	Miscellaneous Revenues	-	-	-	1	10	900.00%	-	-
14-0000-361000	Interest Earned	2,844	2,851	3,000	2,746	2,700	-1.66%	-	-
14-0000-361001	Interest Earned-Receivables	3,007	4,263	3,131	2,810	2,500	-11.02%	-	-
14-0000-370000	Proceeds From Notes Receivable	10,428	18,727	18,317	11,015	11,000	-0.13%	-	-
14-0000-370001	Loan Fees	980	-	-	-	1,800	100.00%	-	-
14-0000-393000	Bond Proceeds	-	16,231	-	-	-	0.00%	-	-
	TOTAL REVENUES	965,951	812,300	695,843	705,043	933,909	32.46%	-	-

FUND 14 - ECONOMIC DEVELOPMENT FUND
Affordable Housing

CITY OF NEWBERG
2016-17 PROPOSED BUDGET

ACCOUNT #	DESCRIPTION	ACTUAL 2013-14	ACTUAL 2014-15	ADOPTED 2015-16	PROJECTED 2015-16	PROPOSED 2016-17	PROJ vs PROP	2015-16 FTE	2016-17 FTE
14-4130-510000	Office Supplies	-	-	200	100	100	0.00%	-	-
14-4130-515000	Printing & Advertising	50	-	50	258	260	0.63%	-	-
	Total Materials and Services	50	-	250	358	360	0.45%	-	-
14-4130-602000	Housing Authority Loans	-	-	60,138	25,000	32,920	31.68%	-	-
14-4130-603000	Trust Fund Housing Grants	3,315	-	3,200	3,200	1,700	-46.88%	-	-
14-4130-604000	YC Housing Authority Grant	262,664	125,176	-	-	400,000	100.00%	-	-
	Total Capital Outlay	265,979	125,176	63,338	28,200	434,620	1441.21%	-	-
4130	TOTAL AFFORDABLE HOUSING	266,029	125,176	63,588	28,558	434,980	1423.13%	-	-
9150	DEBT SERVICE - PRINCIPAL								
14-9150-693000	Payment of 2015 Refunding Bond	-	16,126	-	-	-	0.00%	-	-
9150	TOTAL DEBT SERVICE	-	16,126	-	-	-	0.00%	-	-
9170	TRANSFERS								
14-9170-909000	Transfer Out-Debt Service	1,868	1,870	1,868	1,831	1,842	0.60%	-	-
14-9170-918000	Transfer Out-Street Capital Projects		-	145,000	133,546	-	-100.00%	-	-
9170	TOTAL TRANSFERS	1,868	1,870	146,868	135,377	1,842	-98.64%	-	-
9180	RESERVES								
14-9180-800000	Contingency	-	-	248,978	-	323,664	100.00%	-	-
9180	TOTAL RESERVES	-	-	248,978	-	323,664	100.00%	-	-
FUND 14	TOTAL ECON DEVELOPMENT FUND	363,985	165,828	695,843	232,144	933,909	302.30%	0.10	0.10
	ENDING FUND BALANCE	601,966	646,472	-	472,899	-			