

**City of Newberg
City Council Minutes
May 1, 2023
Hybrid meeting format**

WORK SESSION – Meeting called to order at 6:02 p.m.

Councilors Present: Mayor Bill Rosacker, Councilors Elise Yarnell Hollamon, Mike McBride, Molly Olson, Robyn Wheatley, and Peggy Kilburg.

Absent: Derek Carmon

Staff Present: City Manager Will Worthey, City Attorney James Walker, City Recorder Sue Ryan, Administrative Specialist Zaira Robles Muniz, Captain Ryan Simmons, Finance Director Kady Strode, Community Development Director Doug Rux, Library Director Korie Buerkle, Public Works Wastewater Treatment Plant Supervisor Craig Pack, Information Technology Manager Ian Rodriguez, and Assistant City Engineer Sarah Wilson.

PRESENTATIONS:

Affordable Housing Commission:

Community Development Director (CDD) Rux said Ordinance 2012-2749 established the Newberg Affordable Housing Trust Fund. Resolution 2012-2988 established Policies and Procedures for administration of the Trust Fund. The purpose of the trust fund is to support the development, preservation, and rehabilitation of housing that is affordable to the citizens of Newberg with incomes that do not exceed 80% of the area median income. The Commission administers the funds. They recommend loan and grant awards to the City Council. Eligible activities include acquisition and construction of new affordable housing, conservation, land banking, predevelopment activities, bridge loans, capacity building, rehabilitation and emergency repairs.

The Council discussed:

- Block grants
- Amount of Trust Fund
- Matching requirements
- Statistics
- Need in the community

Historic Preservation Commission:

CDD Rux said Ordinance 2013-2764 established the Historic Preservation Commission. Newberg is designated a Certified Local Government by SHPO (State Historic Preservation Commission). They review Type III applications for: Landmark designation, Landmark designation removal, alterations that affect the exterior appearance, new construction on historic sites, demolition and moving.

The Council discussed:

- Purpose and reason behind historic preservation.
- Blaine Street signage program.

Waste Management (WM) annual report and presentation:

Dave Huber, WM Senior Manager of Public Sector Services, and Gary Nelson, Newberg District Operations Manager gave an overview of WM’s collection services, system overview, Newberg Transfer Station, and future programs.

The City has an exclusive franchise with Waste Management for the hauling of garbage and the collection of recyclable material within the City limits under Ordinance 2012-2756. The franchise agreement gives the City the right to regulate and fix rates. Resolution 1999-2160 requires garbage rates be reviewed every 2 years.

The Council discussed:

- Financial numbers – projected new customers
- How franchise agreement works
- Land ownership

Taste Newberg quarterly report:

Leigh Jensen, Taste Executive Director, delivered the Chamber’s quarterly report. She discussed Taste’s brand identity, target audience and their marketing goals for 2023-2025 as well as their strategic objective goals.

The goals for their 2023-2025 strategic objectives included:

- 1) To leverage key partners and strategies to amplify reach and effectiveness
- 2) To partner and collaborate to support an engaging visitor experience
- 3) To develop content that markets Newberg as an inclusive, welcoming, and diverse communities.

The Council discussed:

- Amount of Transient Lodging Tax revenue.

BUSINESS SESSION –

Meeting called to order at 7:32 p.m.

Councilors Present: Mayor Bill Rosacker, Councilors Elise Yarnell Hollamon, Mike McBride, Molly Olson, Robyn Wheatley, and Peggy Kilburg.

Absent: Derek Carmon

Staff Present: City Manager Will Worthey, City Attorney James Walker, City Recorder Sue Ryan, Captain Ryan Simmons, Administrative Specialist Zaira Robles Muniz, Finance Director Kady Strode, Community Development Director Doug Rux, Library Director Korie Buerkle, Public Works Wastewater Treatment Plant Supervisor Craig Pack, and Assistant City Engineer Sarah Wilson.

PRESENTATIONS:

City Manager (CM) Worthey presented an update on the ARPA (American Rescue Plan Act) projects. He provided a summary of how the city selected projects and distributed the funds. The City has 5 ARPA projects completed and 7 incomplete. There are 6 completed community projects, 11 ongoing and 2 failed or cancelled. He went into detail on the projects that have not been completed by stating the amount of funds disbursed and their current progress. Overall, several of the projects have been moving forward and are working to be completed.

The City received \$5.3 million in funds from ARPA in two installments. The City was able to distribute the funds to pass-through recipients. The City awarded money to both in house and community projects through a competitive grant process.

Proclamation – National Day of Prayer

The Mayor read the proclamation and proclaimed May 4th, 2023 as Day of Pray.

CITY MANAGER'S REPORT

CM Worthey reported on the monthly events for April 2023.

PUBLIC COMMENTS

Jared Jones, North Valley Friends Church, said he has lived in the City for 23 years, sees what is happening with the housing market, and wants to be part of finding solutions for the struggles people are having to afford housing. He was speaking about Peace Trail Village, and the efforts his church North Valley Friends Church was making for mid term housing. He said the project is not a camp, a car camping location, or overnight shelter. PTV is a home for screened vetted guests to spend 12 to 18 months building savings to return to the mainstream housing market. (Exhibit A).

COUNCIL APPOINTMENTS

Action: To consent to the Mayor's appointment of: Student Katie Wharff to the Library Board for a term of May 1, 2023 to December 31, 2023.

Motion: Councilor Yarnell Hollamon

Second: Councilor Olson

Vote: 6 Yes 0 No 1 Absent [Carmon]

PUBLIC HEARINGS: Ordinance 2023-2917, Construction Excise Tax amendment

Mayor Rosacker opened the public hearing. He called for abstentions or declarations of conflicts of interest. There was none.

City Attorney Walker gave the background on the requested ordinance.

City Council requested the City Attorney's office prepare an ordinance to amend Chapter 3.60 of Newberg's Municipal Code to accelerate the sunset of the construction excise tax. The proposed ordinance amends the original ordinance (2020-2860) which would

- 1) Cause the Construction Excise Tax to sunset on July 1, 2023 instead of December 16, 2026.
- 2) Provide temporary grounds for refund of Construction Excise Taxes to any taxpayer who was assessed and paid the tax on or after April 1, 2023.

The City received CET each fiscal year.

These receipts included:

In FY 2021 - \$243,983,

In FY 2022 - \$548,733

In FY 2023 - \$678,899.

The total amount of CET that would need to be refunded is \$62,914.

There is no staff recommendation on this item.

Public Testimony: None

Mayor Rosacker closed the public hearing.

The Council discussed:

- Moving the sunset date up 30 days
- Tools for affordable housing in the community
- Distribution of the tax between the city, state, and builders
- Creating new strategies and ideas to support affordable housing

Action: To waive the second reading of Ordinance 2023-2917

Motion: Councilor Kilburg

Second: Councilor McBride

Vote: 4 Yes 2 No [Yarnell Hollamon, Olson] 1 Absent [Carmon]

Action: To approve Ordinance 2023-2917, An Ordinance amending NMC Chapter 3.60 to change the sunset date for the Construction Excise Tax (CET) to July 1, 2023 and to establish grounds for refunds for taxpayers who incurred and paid CET on or after April 1, 2023. To be read by title only.

Motion: Councilor McBride

Second: Councilor Kilburg

Vote: 4 Yes 2 No [Yarnell Hollamon, Olson] 1 Absent [Carmon]

CONTINUED BUSINESS

Ordinance 2023-2912, Multifamily Land Division:

CDD Rux spoke about the updates the council wanted on the middle housing land division. The land division does apply to cottage clusters and townhouses according to the Department of Land Conservation and Development.

This item was a carryover from the March 6 Council Meeting. The public hearing and the first reading was held at that meeting. This ordinance deals with Middle Housing Land division requirements under the passage of Senate Bill 458 in 2021.

Action: To approve Ordinance 2023-2912, An Ordinance amending the Newberg Municipal Code, Title 15 Development Code, 15.05.030,

15.100.030, 15.100.050, 15.100.140, 15.235.020, 15.235.030, 15.235.040, 15.235.050, 15.240.060, 15.326.040, 15.346.080, 15.405.050, 15.410.080, 15.415.070, 15.505.020, 15.505.030. To be read by title only.

Motion: Councilor Kilburg
Second: Councilor Olson
Vote: 6 Yes 0 No 1 Absent [Carmon]

Ordinance 2023-2914, Water Master Plan update:

CDD Rux spoke about the modifications to the proposal that council asked to make during the first hearing. City Engineer Kaaren Hofmann and Consultant Brian Ginter from Consort Engineers reviewed and make the updates to the proposal.

This is a carryover item from the April 3 Council meeting. The public hearing and first reading was held at that meeting.

Action: To approve Ordinance 2023-2914, An Ordinance amending the 2017 Water Master Plan and incorporating the Addendum Water Supply Planning 2023 into the Newberg Comprehensive Plan. To be read by title only.

Motion: Councilor McBride
Second: Councilor Olson
Vote: 6 Yes 0 No 1 Absent [Carmon]

NEW BUSINESS

Housing Production Strategy: This item was last heard at the March 20 Council meeting. The Planning Commission reviewed the final draft on April 13.

Beth Goodman, Eco Northwest explained the project, and the strategies.

The 2023 Newberg Housing Production Strategy contains a list of Strategies (A-L) to implement over an 8-year period. This report is targeted at supporting development of housing, addressing housing affordability challenges, and encouraging the preservation of existing affordable housing. This work stems from House Bill 2003 in 2019 to address the production of housing in Oregon. The work was done with the aid of a \$70,000 grant from the state.

Newberg was originally scheduled to prepare a Housing Production Strategy in 2024 but that timeline was accelerated by a previous City Council as one of their goals. City staff used the Affordable Housing Commission to provide feedback on the project starting in April 2022.

Strategies include:

- A. Support development of market-rate affordable housing as lead by the Newberg Workforce Housing Consortium.

- B. Develop a Land Bank strategy and partnerships to support Affordable Housing development.
- C. Support Preservation of Manufactured Home Parks.
- D. Provide density bonuses to support development of affordable housing.
- E. Reduce systems development charges (SDCs) for Affordable Housing.
- F. Evaluate ways to lower SDCs without imperiling City infrastructure.
- G. Support Application of Fair Housing Laws.
- H. Produce informational resources for low-income households or people experiencing homelessness.
- I. Consider restrictions and conduct inspections on Short Term Rentals (STRs).
- J. Allow division of lots for Middle Housing Types
- K. Rezone land for housing and/or expand the Urban Growth Boundary.
- L. Use Urban Renewal to support infrastructure development.

Public Comment: Jim Talt states that the Housing Production Strategy (HPS) has incorrect information from obsolete data and flawed analysis providing examples from the executive summary. Mr. Talt notified the council that he has made own edits to the HPS based on his suggestions.

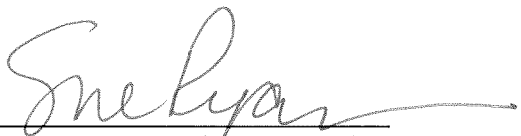
Action: To approve Resolution 2023-3889, A Resolution accepting the Newberg Housing Production Strategy

Motion: Councilor Olson
 Second: Councilor Yarnell Hollamon
 Vote: 5 Yes 1 No [Kilburg] 1 Absent [Carmon]

COUNCIL BUSINESS:


Councilor Wheatley asked the City Managers Worthey’s opinion on the Construction Excise Tax.

Meeting adjourned at 9:31 p.m.



 Sue Ryan, City Recorder

ATTEST:



 Bill Rosacker, Mayor