

**City of Newberg
City Council Minutes
August 7, 2023
Hybrid meeting format**

WORK SESSION – Meeting called to order at 6:00 p.m.
Councilors Present: Mayor Bill Rosacker, Councilors Elise Yarnell Hollamon, Derek Carmon, Robyn Wheatley, Mike McBride, and Peggy Kilburg.
Councilor Molly Olson joined the meeting at 6:08 p.m.

Staff Present: City Manager Will Worthey, City Attorney James Walker, Planning Manager Clay Downing, Community Development Director Doug Rux, Public Works Director Russ Thomas, and Finance Director Kady Strode

REVIEW OF COUNCIL AGENDA AND MEETING

None

COUNCIL BUSINESS ITEMS

Discussion of Work Sessions

2023 A DISCUSSION ITEM ON WORK SESSIONS sr edits.docx

City Manager Worthey noted Staff offered no recommendation, but there were pros and cons to holding Work Sessions. Current rules stated City Council may hold a Work Session, but did not require that Work Sessions must be held. Reasons for holding Work Sessions included creating clarity around which items were informational only and what items may require a vote, helping to manage the Council's time and energy level, and helping the Council to focus on informational items. Arguments against holding Work Sessions included speakers going over or under their allotted time causing meeting times to be moved, wasting time between the Work Session and Business session, saying the pledge of allegiance only once, contractors or special visitors could still be scheduled early in the meeting. The fiscal impact was negligible either way. The Council may decide this related to the Council Goals in making meetings more efficient.

The Council discussed the pros and cons of holding work sessions as follows:

- When a bigger issue was brought up that Councilors were not familiar with it was helpful to hear about the issue in a work session before addressing it at the next meeting.
- Informational items like the parking study were sometimes included in Business Sessions, making Work Sessions unneeded unless something required more orientation and study.
- Work Sessions provided an opportunity to get more information and could be adjusted in the future if necessary.
- Work Session start times could be adjusted to prevent large time gaps between meetings.
- Items that were not intended to be voted on could still be brought up in Business Sessions and holding one meeting saved time and provided continuity.
- Other discussions could be held during the time gap on important topics including what to do with the Construction Excise Tax (CET) money and other unresolved issues.

Councilor Olson joined the meeting.

Councilor's discussion on Work Sessions continued as follows:

- Work Sessions were helpful to provide time for conversation outside of discussing Business Items but could be integrated into Business Sessions as long as the time was provided to allow conversations to create understanding between Councilors.
- The Work Session could be the first item on the Business Meeting agenda, or possibly the first item on the agenda following Public Comments.

CM Worthey thanked the Councilors for their direction.

Councilor Olson received an email from Tiffany Olea, owner of Coffee Cat, thanking the City Council for the American Rescue Plan Act (ARPA) funds that allowed her to upgrade her freezer and the display case which resulted in doubled sales of cinnamon rolls, pastries, and cakes.

PRESENTATIONS

None.

BUSINESS SESSION –

Meeting called to order at 6:32 p.m.

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

Staff Present: City Manager Will Worthey, City Attorney James Walker, Planning Manager Clay Downing, Community Development Director Doug Rux, Public Works Director Russ Thomas, Finance Director Kady Strode,

CITY MANAGER'S REPORT

CM narrative July events 2023.pptx

CM Worthey reported the monthly statistics for July 2023.

The Finance Department had identified a fraudulent check that had been altered and cashed for just under \$5000 by a resident of Alabama. Financial security measures were being implemented to prevent further issues. It may take up to one year to get the money back.

There was discussion about the directions of the red-light cameras which would soon be installed at Main St and ORS 99 and the intersection at Villa Road. New legislation on red light cameras would be coming soon.

PUBLIC COMMENTS

Dave Brown spoke on behalf of his neighborhood, Oxford St between Salem Valley and Crater. The neighborhood previously had an Airbnb in one of the homes, which had now become a car rental business. Mr. Brown had contacted Neil Winter, the new Code Compliance Officer, but also wanted to make the City Council aware of the issue. Other cities had rules about the amount of parking spaces required for a business, and parking had become a huge issue near the car rental business which caused much frustration to the neighborhood. Trailers and recycle bins were left out in the street. Only one car was able to drive between the parked vehicles at once, and backing up into a parking space to allow someone to go the other

direction was a regular occurrence. The Airbnb had been shut down previously due to two incidents involving the Police. The existing car rental had vehicles parked on the street that had not moved in over 30 days. The frustrations over parking in the neighborhood had come to a boiling point and Mr. Brown noted this was not the only neighborhood having these issues. The owner of the car rental business would not talk or work with neighbors and would just get angry and yell and make threats. Neighbors did not want to confront the man directly. The neighborhood reported four cases of people trying to enter different homes during the night thinking it was the Airbnb. The car rental could be found on Turo.com under Bill P's. Mr. Brown understood the need to make money, but the car rental was negatively impacting the entire neighborhood, including children. The car rental property had a tent that had been up for five years, a three-car garage that was not used for cars, a three-car driveway with a boat that had never moved, and a truck that was parked and only moved very rarely.

Mayor Rosacker confirmed contacting Code Enforcement Officer Neil Winters was the correct first step to take for anyone experiencing similar issues. City Staff was in the process of revising abandoned car regulations. The Code Enforcement Officer was complaint-driven and could not respond to problems without hearing from the public.

Jesse Nemec, JT Smith Companies, passed out packets for the Councilors to review. City Attorney Walker advised that the Council could accept the packets, the packets would be entered into the public record, and that public comment could be received but that the City may or may not respond to the comment depending on the content. Mr. Nemec stated JT Smith Companies was the developer of the Crestview Crossing project and his purpose was to inform Councilors about the dispute between the JT Smith Companies and the former City Engineer. JT Smith Companies was contracted to construct a number of infrastructure improvements that would better serve the community if the improvements were oversized beyond the project. In particular, the Crestview project completed a key transportation gap by providing an efficient route from the roundabout on N Springbrook Rd to OR-99, relieving much of the burden on N Springbrook Rd. Oversizing improvements was standard procedure during development for efficient and cost-effective system capacity expansion.

- It was well documented that improvements made beyond the project needs would be reimbursed with System Development Charge (SDC) credits. The system was based on the Fifth Amendment of the Constitution, particularly the last sentence reading, "nor shall private property be taken for public use without just compensation." JT Smith companies attempted to clarify what the oversized improvements were with the former City Engineer several times including during the land use entitlement, the project design, the permitting process, and the construction phase without determining what was eligible for SDC credits. Mr. Nemec stated there was resistance to determining the eligibility of projects including the roundabout itself, the added lanes to OR-99, and the traffic signal at OR-99. The packet provided a map showing the different projects for clear identification.
- In March 2020, the traffic engineering firm Kittleson and Associates provided a supplemental technical memorandum to the former City Engineer explaining why specific traffic improvements required by the City were not warranted by the project alone but primarily were due to background capacity improvements and were eligible for SDC credits. No consensus was ever reached with the City Engineer. The letter from Kittleson and Associates was included in the packet.
- The City Engineer stated Newberg Municipal Code required Applications for SDC credits including receipts for actual costs of the improvements, and she could not confirm what was eligible for SDC credits until she could review the receipts. When construction was completed

final invoices from the contractor were provided with a summary form and the Engineer's clarification of what costs were attributed to various oversized improvements, which the City responded to with requests for information or clarification and rejection of eligibility for certain improvements that the City Engineer did not agree with. JT Smith Companies felt there was no further recourse other than to file a federal complaint based on a Fifth Amendment violation.

- CM Worthey had done a great job bringing the former City Engineer back to specify which points were eligible, and which were not. CM Worthey provided the information in writing on April 14th this year. The value of the projects deemed eligible for SDC credits was about 10% of the total claim made by JT Smith Companies. Despite the statement and a demand letter from JT Smith Companies' attorney on July 21st, JT Smith Companies had not received any SDC credits or further communication, which continued to injure the company as the debt carried a 12% interest rate.
- A major component of the claim was the value of the additional right-of-way needed for the widening improvements, but the former City Engineer stated the right-of-way value was ineligible for SDC credits. Mr. Nemecek reviewed other Municipal Codes from around the state to see how they addressed the issue and was preparing a technical memorandum to cite all the specific Code sections. Other municipalities including Portland, Happy Valley, Gresham, McMinnville, Clackamas County, and Washington County stated the value of rights-of-way were to be included in transportation SDC credits. No municipalities were found that excluded eligibility of rights-of-way for SDC credits. JT Smith Companies had been informed that the City Engineer could not issue SDC credits for improvements of ODOT rights-of-way, but the funded projects on the Capital Improvement Projects (CIP) list had been required by the City, not ODOT.
- Progress on determining questionable items had stalled since Kittleson and Associates, who also did contract work for the City of Newberg, declined to do additional work on the issue. Lancaster Mobley was hired to continue work on determining eligibility and had sent a memorandum included in the packet.
- Mr. Nemecek asked City Council to direct the new City Engineer to review the information immediately and halt the delay in issuing SDC credits.

City Attorney Walker advised Councilors and Staff not to respond to the public comment.

CONSENT CALENDAR

Resolution 3907 – A Resolution approving the purchase of a 2023 John Deere 544 Front End Loader from Pape Machinery, in the amount of \$211,472. The City would also receive a trade-in allowance of \$90,000 for our current loader, for a net purchase price of \$121,472

RCA Loader Purchase WWTP 2023 7-25-2023.pdf

544P Hi lift Plus with trade value 3.21.23.pdf

Action: To approve Resolution 3907 A Resolution approving the purchase of a 2023 John Deere 544 Front End Loader from Pape Machinery

Motion: Councilor Olson

Second: Councilor McBride

Vote: 7 Yes 0 No 0 Abstain 0 Absent

NEW BUSINESS

Presentation of the Downtown Newberg Parking Study and Management Plan
RCA GEN23-0005 CC Work Session.pdf

Attachment 1. Downtown Newberg Parking Study and Plan.pdf

Attachment 2. Newberg Parking Study Brochure.pdf

Attachment 3. Newberg Management Plan Map

Planning Manager Downing explained the attachments included in the Councilor packet and gave a PowerPoint presentation on the Downtown Newberg Parking Study and Management Plan covering the following topics:

- Project goals to identify parking issues and discuss potential solutions with public input, and deliver recommendations to help Newberg manage parking into the future.
- Project timeline, study area, and the inventory of all public, private, and on-street parking spaces in the study area with a total of 2,296 parking spaces.
- Contributions from previous studies and planning work done in the study area.
- Public engagement events and strategies to get public feedback to add to the data including an open house, a walking tour, and an online questionnaire. Discussion questions were written to facilitate gathering relevant responses.
- Discussion points of the stakeholder walking meeting including the current lack of enforcement of time limits in parking stalls, challenges of crossing OR-99 between First St and Hancock St creating a barrier, and lack of lighting and safety concerns in certain areas.
- Data for the parking study gathered on Thursday, April 13, 2023 to represent a typical weekday and Saturday, April 15, 2023 to represent a weekend day during a large event at the Chehalem Cultural Center within the study area, as well as a bonus study during the Wednesday evening Farmer's Market.
- Consultant confirmed in the report that ample parking was available during both the parking studies done in 2023 and 2016.
- Maps showing total parking occupancy during peak demand hours on each day of the study.
- Graphs showing total parking occupancy numbers hour-by-hour during the study.
- The location of what was considered the downtown core area.
- When data was collected, certain areas were busy but available parking was only a couple blocks away.
- Visitation data regarding the monthly number of visitors to the downtown area and showing whether the visitors were local, regional, or nonlocal. The month of May had the lowest number of visitors for unknown reasons.
- Parking was not significantly more crowded during the summertime than observed in April.
- A map was shared to clarify areas relevant to the Recommendations.
- A table was shared outlining the estimated timeline, impacts, and costs of implementing recommendations.

The study resulted in the following Recommendations:

1. Define and implement a consistent brand and naming scheme for public parking resources.
 - Current Newberg signage was inconsistent. Some public lots lacked signage indicating they were public resources, making it difficult for individuals to identify as a legal parking opportunity.
 - Naming strategies were discussed. Grant's Pass used animals for their naming scheme.

2. Add striping to targeted on-street parking to help visitors find and identify these stalls, increasing their utility.
 - In some areas the parking opportunities were vague and open-ended. Striping would provide clarity.
3. Install wayfinding and produce visitor-facing content to guide visitors to parking resources and encourage circulation patterns to further help activate these stalls.
4. Install additional Americans with Disabilities Act (ADA) parking stalls within the downtown core.
 - The downtown core currently had only 6 ADA parking stalls. Convenient locations for new ADA parking stalls were discussed.
5. Work with ODOT to improve the pedestrian environment and crossings along First St and Hancock St. Consider parking and walking impacts in redesign of these streets.
 - People were intimidated by crossing First St and Hancock St resulting in the available parking not being fully utilized.
 - Sub-recommendations were given including improving nearby street crossings, optimizing signal timing for pedestrians, adding a bike corral at First St, adding wayfinding signage, and considering parking and walking impacts in the eventual redesign of First St. and Hancock St.
6. Continue creation of a Civic Corridor along Howard St and integrate with plans for Ewing Young Trail to further improve connectivity and connect parking resources at the north and south ends of downtown.
 - Parking demand could be decreased by increasing pedestrian access to parking.
7. Improve street lighting within and around the Second St lot. Reopen the breezeway connecting this lot to First St. Consider reconfiguration of the lot to maximize efficiency.
 - With four existing exits from the parking lot, a restriping project with an alternative configuration could yield more parking spaces, especially if two exits were closed.
 - This lot had one of the highest utilization rates.
8. Provide safe and well-located parking for downtown employees and residents.
 - The City could designate some stalls as “Employee Only” or “Resident Only” which would provide an enforcement opportunity to the City.
 - Employees who left work at late hours and often carried cash were a desirable target.
9. Implement automated enforcement of key on-street stalls. Consider re-establishing metered parking.
 - It was generally known by locals that parking was not well enforced in Newberg.
 - New technology solutions were available to make metering much easier to implement.
10. Monitor parking at different times of year and during different events to ensure management of a range of issues. Engage with partners on a regular basis to proactively address problems.
11. Consider a fee-in-lieu program.
 - The C-3 zone dominated the downtown area and had very minimal parking requirements. A fee-in-lieu program could fund alternative parking solutions.

Public Comment: Aubrey Nichols, Newberg Downtown Coalition (NDC), Executive Director, spoke as a community partner to the downtown parking study. The NDC was happy to participate as a stakeholder in many of the stages of the parking study and were pleased to see community conversations were well represented in the study and recommendations. Many people including residents, business owners, and landowners were invested in downtown parking. The NDC board felt the focus should be on education, signage, and safety, and volunteer help with education of the public on parking availability. Event days with greater

demand for parking should remain a focus. The NDC worked with lot owners to use the parking lot along Hancock St for events outside of working hours. The NDC would love to see City branded signage with consistent naming and wayfinding for public parking lots. The NDC approved of the signage design included in the packet, and supported following the recommendations provided for restriping, painting crosswalks, improving lighting, moving ADA spaces closer to businesses, and upgrading crosswalk signage, timing, and lighting. Some recommendations would require cooperation with ODOT, and the NDC was committed to partnering with the City to see the process through. The NDC created a survey to gather public feedback regarding the priority of the recommendations which would be distributed soon. Ms. Nichols would be happy to report the results of the survey in September.

Robert Soppe wanted to ensure the Council had a good perspective on parking at events such as the Camellia festival, which was the large event used for the parking study. Mr. Soppe stated the map showing the parking occupancy during the event did not consider the residential area surrounding the event and gave the wrong perspective. It was a failure of the parking management program that people were not parked in designated lots. Several blocks of the surrounding residential area were full of parked cars. Eighty-five percent full was considered reaching functional parking capacity, and much of the surrounding area was at functional capacity. Mr. Soppe wanted to clarify to the Council that the map did not indicate that the neighborhoods were full of cars and residents were hardly able to use the parking in front of their homes.

PM Downing clarified that a fee-in-lieu program would allow business owners to pay a fee in lieu of providing a parking space onsite. The fee would go to developing nearby parking solutions.

Mayor Rosacker called for a 10-minute break.

Briefing on Street Seat Pilot Program

RCA for CC 8-7-23

Attachment 1 - RCA - Resolution 2015.3209 Street Seats with exhibits.pdf

Attachment 2 - Street Seat Application.pdf

PM Downing gave the briefing on the Street Seat Pilot Program (SSPP) to Council members with the purpose of giving their directions to Staff on the continuation of the existing SSPP. PM Downing covered the following topics:

- The background of the Newberg SSPP, which had been renewed three times by the City Council.
- The SSPP set standards and guidelines for Street Seats, which were temporary platforms placed in an on-street parking space through a partnership with the City to extend the sidewalk space to provide additional outdoor seating for a business.
- The SSPP was limited to eating/drinking establishments in the downtown area the C-3 zone, with a maximum of six parking spaces allowed for use in the program with no more than one street seat per city block face.
- Street Seats could not be located on First St, Hancock St, or other ODOT rights-of-way such as both College St and Main St north of First St.
- Permits were required and design document packages were required at the time of submittal. If applicable, the Applicant was responsible for obtaining separate Oregon Liquor Control Commission (OLCC) permits and Yamhill County Health Department permits.

- The City reserved the right to adjust the requirements as situations arose.
- Street Seats must be designed for easy removal in case of emergency, and they must allow stormwater to flow along the curb. Applicants were required to submit a detailed set of drawings to be considered.
- If a business changed ownership, the Street Seat must be removed, or the permit must be transferred to the new owner.
- Street Seats must be located adjacent to the Applicant's business, must comply with ADA accessibility requirements, must either be located one parking spot in from a corner or use a protected sidewalk bulb-out, or other similar feature. No power lines could extend over the sidewalk to the Street Seat. No advertising or smoking was allowed.
- The City monitored Street Seats as well as the adjacent business.
- Street Seats were not permitted in front of fire hydrants, active bus service areas, across driveways, over manhole covers, or other public utility valves or covers. Only one Street Seat was allowed per business. Parking space stenciling done by the City would not be done when Street Seats were in place.
- One Street Seat was active in front of Ruddick/Wood, and there was one Application for a Street Seat in progress.
- The parking study confirmed ample parking downtown was available to meet demand.
- Parking in the downtown area was never observed to be over 51%. Eighty-five percent capacity was functionally full.
- The SSPP was scheduled to expire on August 17, 2023. Staff requested guidance on next steps from the City Council which could include extending the program, making the program permanent, or letting the program expire. Staff suggested that the SSPP be extended for two years.

Public Testimony: Robert Soppe objected to the SSPP since it was proposed because it was giving away the use of public property for the financial profit of a select number of property owners. The City should not provide such ongoing subsidies to such entities when it is tailored so only a few can take advantage of the program. A reasonable market rate should be charged for use of the space. If Council chose to continue the program, Mr. Soppe urged them to formalize the standards with Staff and enforce them. The existing Street Seat did not follow current standards. The guidelines stated the Street Seat would sit on the existing street surface. The existing Street Seat included a canopy which was 8 ft tall and bolted to the sidewalk which would not be allowed in other situations. The street seat extended beyond the street over the sidewalk which was not in the guidelines. The presentation stated the City monitored Street Seats but at one point the canopy on the Street Seat had two metal bars extended over the sidewalk at a height of 6 ft which was a significant hazard. A tree branch of that height would be required to be trimmed to 8 ft above the sidewalk. Standards for design elements stated no wall, planter, or rail could be higher than 3 ft, and at the street, the wall measured 43 inches above the street, which was 39 inches above the interior walking surface. The wall at the sidewalk measured 43 above the walking surface. The walls were in conflict with the set standard. Design elements stated the platform could not be attached to or damage the street but in this case, the Street Seat canopy was bolted to the street which was questionable. Mr. Soppe suggested looking at the Street Seat to see if it could be removed easily in the case of an emergency. Mr. Soppe suggested that Councilors consider why they thought it was appropriate to give away the use of public property to a select few for-profit businesses. If the program were to continue, Mr. Soppe urged Councilors to direct Staff to either update the standards to reflect what was being allowed or enforce the existing

standards. Mr. Soppe was pleased with how the windows in the library would be handled and preserved.

Aubrey Nichols, NDC, Executive Director, spoke on behalf of the board and the many restaurants in the downtown core. The SSPP was a tool for economic development, and allowed businesses to expand seating, take advantage of foot traffic, add character to Newberg streets, and attract visitors. The NDC was happy for the success of the Street Seat at Ruddick/Wood and supported Social Goods in efforts to incorporate a Street Seat into their plan. The Newberg parking study indicated ample parking was available, and Street Seats would not have a negative impact on parking downtown. The restrictions did not allow for an excessive number of Street Seats. The NDC would love to see the SSPP adopted permanently but understood the Staff workload and coordination that would be required. The NDC supported the continuation of the SSPP for another two years, and offered future support and coordination if the program became permanent.

Paul Losch, Ruddick/Wood, Owner, came to support the SSPP and answer questions about how having a Street Seat had benefitted his business. The Street Seat patio was built in 2016 and represented 30% of the restaurant's available seating. The canopy was installed during 2020 and was funded by a grant working to keep outdoor seating available due to covid. Though the Street Seat provided 30% of available seating, it represented half of the business done at Ruddick/Wood as indoor space was limited. People outdoors in the Street Seat attracted more people to the business. Mr. Losch encouraged extending the SSPP, making the program permanent.

Maryl Kunkel, Chehalem Valley Chamber of Commerce (CVCC), Director of Operations, noted several more businesses were interested in using the SSPP to expand their free seating options without the cost restraints of building or moving to a larger space. The service industry was an essential part of the local economy, and CVCC believed the service industry needed the accommodation of Street Seats. The service industry operated on thin profit margins and dealt with rising costs of operation, ingredients, and wages and would benefit from additional seating provided by Street Seats. Forty percent of consumers preferred restaurants with outdoor seating options. Demand for outdoor seating increased due to covid. Parking study results showed ample available parking, and the CVCC and partnering organizations supported adopting the extension or permanent instatement of the SSPP.

Councilors and Staff discussed the following points:

- Surprise that the parking study did not recommend additional parking.
- Extending the program without making it permanent preserved the option of reclaiming the parking spaces in the future.
- Community Development Director Rux stated the SSPP was initially a test to see if a trending program would work in Newberg. ODOT restricted Street Seats in some areas. The program was renewed two years ago rather than being made permanent because of Staffing changes at the time. Staffing changes had also occurred recently, and the two-year extension of the SSPP was recommended to keep the burden on Staff low. Two years would allow enough time for the SSPP to be reviewed and tailored to fit the City's needs. When the SSPP was adopted, Street Seats were required to be removable. Staff had reviewed the existing Street Seat and had approved the design initially and again when the canopy was added. CDD Rux had addressed the 6 ft high canopy bars previously with Mr. Soppe. The Street Seat at Ruddick/Wood probably could not be taken apart in 15 minutes but could probably be

disassembled in an hour. No utilities were blocked by the Street Seat at Ruddick/Wood. In a worst-case emergency scenario, such as a heavy rainstorm causing a blockage, the Street Seat could be removed with a chain to allow stormwater to flow.

- Public Works Director Thomas stated the Street Seat was elevated to allow water to flow along the curb under the platform. PWD Thomas confirmed no utilities were covered by the street seat, heavy equipment could be used to remove the Street Seat quickly in an emergency, City Code required an 8 ft clearance over a sidewalk, and he believed the Street Seat currently met the requirements.
- Using public property to serve private interests.
- Restaurant owners were generally aware of the existing City programs and could choose locations facilitating outdoor seating. Several restaurants expanded to include outdoor seating during covid. Street seats were not the only outdoor seating option. Existing restaurants had to get creative to survive economically and deserved support.
- There was no charge to business owners using the parking spaces as Street Seats, just as there was no charge to put tables out on the sidewalk, though business owners were required to maintain a 5 ft ADA clearance on the sidewalk.
- Other shops such as clothing stores could use more outdoor business space but did not have the option under the current program which seemed unfair.
- CDD Rux stated clothing stores could display items on the sidewalk by getting a right-of-way permit and following clearance requirements. Business owners had approached the City for approval of creative solutions.
- Moving merchandise in and out of a store daily may not be an attractive option. Tables and chairs could be bolted down or brought in at night. Seats provided a direct source of revenue for restaurants, which was not the case for a retail store.
- Public property was for the enjoyment of the citizens, and Street Seats provided enjoyment.
- Street Seats for restaurants seemed inequitable to other businesses. If the SSPP was extended, other business applications of Street Seats could be explored.
- The \$150 fee was low considering how much Street Seats increased business revenue. The rate could be reviewed if the program was renewed, especially if parking was metered downtown.
- The SSPP could be renewed for three years rather than two, if not made permanent.

PM Downing recommended model language for a motion renewing the SSPP.

[2:00:15]

Action: To keep the Street Seat Pilot Program active until Staff can bring forward a Resolution to extend the program date by three years.

Motion: Councilor Yarnell Hollamon

Second: Councilor Olson

Councilors continued discussion with the following points:

- Consistency with the Code was important, and either the Code or the rail height at the existing Street Seat needed to change to come into agreement.
- Possibly making the SSPP permanent.
- Making the SSPP permanent would lose the option of using those parking spaces if needed in the future.

- Possibly making the SSPP permanent until downtown parking use reached 85% capacity, which was unlikely to occur in the foreseeable future.
- The SSPP could be renewed on a more permanent basis with included calculations that could trigger a review if downtown was nearing parking capacity.
- Possibly renewing the SSPP for three years.

Vote: 6 Yes 1 No (Wheatley) 0 Abstain 0 Absent

Resolution 3901 – A Resolution awarding FY 21-22 Affordable Housing Trust Funds for a Time Sensitive Grant to North Valley Friends Church – Peace Trail Village of \$16,755

RCA Reso 3901.pdf

Attachment 1 - Peace Trail Village.pdf

Attachment 2 - Meridian Duplex.pdf

Attachment 3 - AHC Score Sheet PTV.pdf

Attachment 4 - AHC Score Sheet Meridian Duplex. pdf

CDD Rux shared the background of the Resolution which began in May 2021 and had been delayed several times. The Affordable Housing Commission (AHC) reviewed Applications for grant funds from Peace Trail Village (PTV) requesting \$10,000 to \$50,000 for their project, and from Scott and Melissa Bontrager requesting \$10,000 to redo the driveway of their private rental duplex. The AHC scoring matrix was included in the packet. The AHC made a recommendation to the Council to award PTV a grant and provide a loan to the Bontragers. The Bontragers were unsure whether a loan was acceptable. This item was continued from the June 20, 2023 City Council meeting. On June 22, 2023, Ms. Bontrager stated they were not interested in a loan. CDD Rux spoke with Mr. Bontrager last week who said they were not interested in a loan, but they would like a grant. The Staff Report had been written to reflect the direction of the AHC, and no information regarding the recent grant request from the Bontragers was included in the packet, although it was open for discussion. Councilors could possibly award the grant for \$16,755 to either PTV, or the Bontragers, or they could split the amount between the Applicants. If the Bontragers were awarded the grant, they would need to provide documentation that the rental of their duplex to people making 80% of their area median income for three years. Mr. Bontrager had reviewed the area median income and stated the numbers would work. Both Applicants were present to answer questions. The decision of the Council would direct a correction of the Resolution which could either be signed by the Mayor after revision or brought again before the Council.

Mr. Bontrager stated costs were out of control lately and housing costs were no exception. The Bontragers saw an advertisement for the AHC grant while looking for ways to better their residence and filled out an Application, unaware that no for-profit entities had ever applied for the grant before. The driveway at the duplex was eroding and one of the tenants was elderly and repair could prevent injury. Quotes for repair of the driveway were around \$10,000. Undertaking the cost of repairing the driveway would result in the Bontragers needing to increase the rent to be more in line with market values. The families in both sides of the duplex currently were within the required income levels. Much of a previous meeting was focused on the benefits to the community from the other Applicant, PTV. Mr. Bontrager felt his Application had been met with opposition. Repairing the driveway through a loan just added interest to the cost of the driveway. Mr. Bontrager supported keeping Newberg housing costs affordable.

Mr. Bontrager responded to Councilor's questions as follows:

- One side of the duplex had 2 bedrooms and 2 bathrooms, the other side had 3 bedrooms and 2 bathrooms. Rent was around \$1,500.
- The property was purchased in 2021 and the rental rates had not changed since then.
- The loose material was removed from a crack along the middle of the driveway while looking at other options to repair the driveway. A recent quote for repair was still for over \$10,000.
- Receiving the grant would offset the need to raise rental rates for the duplex.
- If the Applicants did not receive the grant money, they could leave the rental rates stable and not fix the driveway, but they would like to fix the driveway to prevent injuries to tenants. Raising rental rates to market value to fund repairing the driveway would push the cost of rent too high for one of the tenants who would then need to find somewhere else to live.

Leslie Murray, North Valley Friends Church (NVFC), Senior Pastor, had applied for the grant in October 2022, and had also applied for all grants applicable to affordable housing. Ms. Murray had no ill will toward the Bontragers and appreciated their desire to keep rent low. NVFC had received a couple of grants and had applied for a large federal grant which may possibly be awarded in the future. The PTV project had been planned to incorporate tiny homes gifted from the high school, and along with the utility and construction work, the total project cost would have been around \$600,000. PTV would not be allowed to use tiny homes because there were no provisions in the Code for tiny homes. Ms. Murray encouraged Councilors create Code provisions for tiny homes. NVFC chose to use cottage clusters since tiny homes could not be used, and the total project cost rose to around \$1.5 million. Housing and affordability issues in Newberg were complex and would require cooperation to find and provide creative solutions.

Mayor Rosacker noted the AHC had recommended requiring NVFC to raise three-quarters of the funds for the PTV project before the grant was awarded. Ms. Murray had not received any significant amounts of funding other than the \$400,000 from the City of Newberg ARPA funds but was awaiting the possible award of \$725,000 from the federal grant that Representative Salinas brought to the federal floor. If the federal grant was awarded, the funding requirement would be met.

NVFC-PTV was partnered with Providence healthcare to provide transitional housing to patients undergoing treatment for intense medical issues. Providence provided social work support and help finding housing for patients. Providing patients with housing as an alternative to staying in the hospital saved them money and kept rooms available for patients needing urgent care. NVFC found a niche working with Providence Better Outcomes thru Bridges (BOB) program which asked deeper questions about housing and food security to address the whole person while attending to medical issues. In one case a woman requiring double hip surgery was living out of her car which did not provide an appropriate place for her to heal from the surgery.

The total estimate of funding available if the federal grant came through was around \$1.2 million. NVFC was in the process of forming a 501(c)(3) organization. Home Builder's Foundation and Habitat for Humanity were partnered with NVFC to provide contractors and gifts. The \$1.5 million estimate assumed hiring contractors for each part of the job, which may not be necessary.

CDD Rux stated in the history of the AHC program nobody applied for loans and all Applications were for grants. The program was advertised on the website and the graphic was sent to the Housing Authority, Housing Corporation, Yamhill Community Action Partnership

(YCAP), and Casa of Oregon. The money was available to provide loans or a limited number of grants. Fifteen percent of the trust fund balance had to be kept for contingency and the rest of the balance had a percentage distribution which put a cap on the amount available for grants. The Commission had discussed keeping enough money to keep the program running and finding ways to recapitalize. The last grant recipient was Habitat for Humanity for their Brush with Kindness program. The remaining balance to award for grants for the fiscal year was \$16,755. New grant opportunities would be available in January. To follow the recommendation of the AHC, the NVFC would be required to raise three-quarters of the project funding before the grant was awarded. Either the City could hold onto the money allocation for NVFC until the required amount of funding was obtained, or NVFC could reapply for the grant in January by which time receipt of the federal grant by NVFC would have been determined. The Fiscal Year 2023-2024 had an available grant balance of \$35,613 which did not include the \$16,755. A budget reconciliation was being done for past years and CDD Rux, Finance Director Strode, and PM Downing would need to review the spreadsheets and figure the numbers to know exactly what was available based on decisions made this evening.

Councilors discussed the following points:

- Possibly awarding the \$10,000 for driveway repair to the Bontragers as they provided housing to low-income residents, and they could use the funds immediately where Peace Trail Village could reapply in January when they had raised the required funds.
- This grant opportunity was not meant for private homeowners or landlords.
- Keeping rent at a steady rate was good but did not increase the amount of available affordable housing and handed \$10,000 over to a for-profit entity to add to the homeowner's equity without ensuring continuing affordable housing was being provided. Giving the grant to the Bontragers could open the door for people to ask for money and pocket it.
- City Attorney Walker stated Staff was looking for Council direction on how to award the grant money, and in the event the award went to the Bontragers, the City Attorney's office was seeking direction on how to restrict or enforce that the property was providing affordable housing.
- The Bontragers' duplex property may meet the standards for affordable housing, and a time period of conditions could be set ensuring affordability standards could be met.
- Mayor Rosacker hoped Mr. Bontrager would state something like if he received the funds, he would not raise rent for five years. Keeping rent low was good, but not worth handing over \$10,000 of equity.
- The AHC had approved the Bontragers project as eligible for a loan.
- The Applicant would keep the equity of the repairs done through a loan. There was no guarantee the Bontragers would keep rent low or would not go bankrupt. It was easier to work with non-profit entities. The loan rate was low.
- The Applicant did not apply for a loan, they had applied for and been scored as an Applicant for a grant. The Bontragers did not score as high as the Peace Trail Village project.
- Ruddick/Wood was only charged \$150 every three years for their Street Seat parking space and got to keep all the business provided by the extra seating.

Action: To approve Resolution 3901 – A Resolution to award \$10k in funds to Applicant, S. Bontrager.

Motion: Councilor Wheatley

Second: Councilor Kilburg

The Council continued deliberation as follows:

- The Bontragers could have been charging a lot more and were keeping rent low on purpose which was serving the community, and they did their homework and applied for the grant.
- The exact amount of rent being charged by the Bontragers was unverified.
- Hesitance to support one landlord when many other landlords were unaware the program existed for private property owners.

Mayor Rosacker called the question.

Vote: 2 Yes (Wheatley, Kilburg)
5 No (McBride, Yarnell Hollamon, Rosacker, Olson, Carmon)
0 Abstain 0 Absent

The Council began discussion on the PTV Application as follows:

- Since PTV had to raise funds before the grant was awarded it made more sense to reapply when they had the funds secured.
- If PTV reapplied that would make the next discussion about that Application the fourth time Applicants had to appear before the Council.
- Supporting a carryover of the funds on behalf of the Applicant.

Action: A motion to approve Resolution 3901 holding \$16,755 for NVFC-PTV until such time that they have met funding for 75% of their project and the funds to be held in contingency and not accessed by any other project through the end of 2025.

Motion: Councilor Yarnell Hollamon
Second: Councilor Olson

Councilors and Staff continued discussion as follows:

- Hoping to award grant money that will get used rather than letting the funds sit.
- Not wanting to hold the money, but possibly keeping the grant money to award to new Applicants in January.
- CDD Rux confirmed new grant opportunities would be open for application in January, but the exact amount available was uncertain until it could be reviewed by Staff.
- Possibly holding the PTV Application as pending to avoid the process of the Application coming before Council again at a future meeting. The Application had already been scored and approved by the AHC. A motion could be made to allow them to apply for and receive the held funds when they met the requirements without going through the process again.
- Holding the money for NVFC-PTV could look like preferential treatment.
- Looking at the merit of each Application rather than awarding on a first-come, first-served basis, and possibly reviewing the Application again in January when requirements were met.
- The amount of grant funding available would fund less than 1% of the NVFC-PTV project.
- There was not a worthier shovel-ready project asking for the grant award at this time.
- The next meeting of the AHC would be on October 24, 2023. The intent of the meeting would be to bring forward the next round of Notice of Funding Availability (NOFA) for review, after which it would come before Council for review before January 2024.

- The AHC made a recommendation that three quarters of the funding be attained before the grant was awarded.
- Support for holding the funds for NVFC-PTV on contingency until the three-quarters funding requirement was met. The City had already provided much of the funding for the PTV project.
- Councilor Yarnell Hollamon proposed approving NVFC-PTV in the amount of \$16,755 to be awarded if the project has reached 75% funding either by January 1, 2025, or before new Applications were scored, and if the funding requirement was not reached in that time the money would go back to the available grant balance to be awarded to a new project.
- CDD Rux clarified that December 2023 would be the cutoff time for NVFC-PTV to meet the funding requirement as the new AHC NOFA recommendation documents would come before the Council for review at the first meeting in December 2023 to allow advertising to begin January 2, 2024.
- Seventy-five percent of the NVFC-PTV project cost was just over \$1.1 million. The amount of \$1.1 million was agreed on to be the required funding amount to be met.
- December 1, 2023 was proposed as a cutoff date for NVFC-PTV to attain the required funding. New money would be available to be applied for in January, and if NVFC-PTV had to reapply they could request a higher dollar amount.
- CDD Rux clarified that grant award money was not necessarily provided every year, but it was advertised when funds were available. CDD Rux explained the program had a percentage split between funds available for grant awards, funds available for loans, and contingency funds. Staff would need to review the numbers for an exact breakdown of funding amounts. If the grant money was not awarded Staff would need a budget adjustment.
- Amending the proposed cutoff date to award the funds to NVFC-PTV from January 1, 2025 to December 1, 2023.

Action: To approve Resolution 3901 Amended to include a contingency for funds to be released to NVFC-PTV if \$1.1 million of funding was obtained by 1/1/2025, amended to 12/1/2023, otherwise funds would be returned to Affordable Housing Trust Fund and NVFC-PTV would need to reapply.

Motion: Mayor Rosacker

Second: Councilor Olson

The Council discussed that as a 501(c)(3), NVFC finances were open book and it would be easy to verify whether they had attained the required funding, and discussed feeling uncomfortable with granting the money six months in advance when it was unknown whether NVFC-PTV would attain the required funding,

Vote: 5 Yes (McBride, Yarnell Hollamon, Rosacker, Olson, Carmon)
2 No (Wheatley, Kilburg) 0 Abstain 0 Absent

CDD Rux clarified that Staff would need to revise the Resolution to reflect the motion and decision with the intent to have the document ready for the Mayor to sign on Thursday.

Councilor Olson: The Public Art Council call for volunteers

ARPA funds were available to create cement pads for sculptures and artists were applying to create the sculptures to be installed along pathways through the city. A committee would be reviewing the submissions and make the selections of what art to install. It was requested to

have a City Councilor sit on the selection committee because some of the paths were on City land. Councilor Wheatley volunteered to serve on the selection committee.

Mayor Rosacker: A discussion around Council support for Chehalem Parks and Recreation District (CPRD) and Dundee around our willingness to work together to facilitate the development of the campground and future projects

In the past it had appeared that Newberg, Dundee, and CPRD have not been willing to work together on campground development. Mayor Rosacker asked for Council support to ask Staff to draft a letter to Dundee and CPRD expressing Newberg's willingness to collaborate on campground development projects. Council members supported the letter.

COUNCIL BUSINESS


ADJOURNMENT

Meeting adjourned at 9:46 p.m.

ATTEST:



Bill Rosacker, Mayor



Emily Salsbury, Acting City Recorder