

**City of Newberg  
City Council Minutes  
September 5, 2023  
Hybrid meeting format**

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**BUSINESS SESSION** – Meeting began at 6:01 p.m.  
Councilors Present: Mayor Bill Rosacker, Councilors Elise Yarnell Hollamon, Derek Carmon, Molly Olson, Peggy Kilburg, Robyn Wheatley and Mike McBride.

Staff Present: City Manager Will Worthey, City Attorney James Walker, Community Development Director Doug Rux, Planning Manager Clay Downing, Library Director Korie Buerkle, Public Works Director Russ Thomas, Graphic Design Specialist Emily Salsbury, IT Manager Ian Rodriguez, City Recorder Rachel Thomas, Chief of Police Jeff Kosmicki.

**CITY MANAGER’S REPORT**

CM Narrative For September 5.pdf

CM Worthey reported on the month of August 2023.

Council discussed:

- Intersections where new red light cameras were installed.
- The timeline to complete the Fairfield Inn was about one year.

Mayor Rosacker officially called the meeting to order at 6:47 p.m.

**PUBLIC COMMENTS**

Andrew Dugan, Newberg resident, lived on Elliot Road which has been under construction to add a bike lane, and he stated residential parking spaces were removed without notifying residents in advance, causing them to have to find alternative parking. He noted it was not a democratic process, no one had been given a say, it was an attack on the local economy, it increased danger to people parking farther from their homes as well as the likelihood of car break-ins and had caused trees to be removed from the neighborhood. He asked that residents in the area of a proposed construction project be given a vote regarding how construction should proceed, adding he believed a decent street had been ruined by construction.

**REPORTS & PRESENTATIONS**

Planning Commission recommendation for Newberg City Council to establish a 120-day moratorium on new vacation rental applications

RCA for CC 9-5-2023 re PC Reso2023-390.pdf

Attachment 1. PC Staff Report and Resolution 2023-390.pdf

Planning Manager Downing delivered the recommendation of the Planning Commission that the City Council place a 120-day moratorium on new vacation rental applications.

The Council discussed:

- There were 65 vacation rentals as of April 2023
- The Planning Commission has seen two to four new vacation rental applications per month. The rate of new vacation rental applications has steadily risen in the last year.
- The concern that affordable housing was being converted to tourist destinations.
- Other cities had created regulations to limit vacation rentals and warned about the effects of density and total volume of vacation rentals in an area.
- Despite their concerns, the Planning Commission has been unable to deny vacation rental applications if objective requirements were met.
- The moratorium would allow time to assess what other towns have done and decide how to proceed.
- Current City regulations for vacation rentals were relatively objective, and if the standards were met, the vacation rental would be approved under the Code.
- The Planning Commission reported about one-third of Applications for vacation rentals had public testimony in opposition, and the process for approving vacation rentals did not provide a process to address concerns or deny the application based on concerns.
- Negative comments regarding vacation rentals have been cataloged, including livability issues, parking concerns, noise complaints, and other concerns.
- To set a moratorium, the City would be required by law to hold a public hearing, notify the Department of Land Conservation and Development (DLCD), and make findings justifying the action.
- A moratorium would be a temporary measure that could last no more than 120 days.
- City Staff had responded quickly to concerns over vacation rentals in the downtown area.
- Possibly creating an ad hoc committee to research how other cities have dealt with vacation rentals and develop a plan for vacation rental regulations.
- Staff supported more engagement from the Council and the community and were prepared to draft a moratorium for the Council to vote on if directed to do so.
- There had been at least 14 applications approved for vacation rentals in 2023 and several more vacation rental applications would be seen by the Planning Commission in the next couple of months.

Public Testimony:

Beth Keyser began the process for her home to become a vacation rental in October of 2021 when her family was gone much of the time for medical reasons, and it made sense to be able to rent their home when they were gone. The process to become a vacation rental was completed in January of 2022. Ms. Keyser believed government impact on citizens' property rights should be minimal and should be focused on protecting health and safety and not determine a citizen's ability to earn money. Ms. Keyser's neighborhood was deeply rooted in the wine industry which attracted visitors to the area who use vacation rentals. The City required vacation rentals to provide garbage service and parking spaces, pay a transient lodging tax, and not allow tents or RVs to be set up when guests were there. The City Manager was able to revoke a vacation rental license, impose conditions, and dismiss complaints or refer them to Code Enforcement. As a realtor, Ms. Keyser felt demand drove up the cost of housing, not vacation rentals, and she stated the 65 vacation rentals in Newberg were not enough to meet demand. Ms. Keyser stated a better way to promote affordable housing was to allow more buildings and reduce system development charges (SDC).

The Council discussed:

- Forming a committee and waiting to receive more information before instating a moratorium was a good idea.
- Property owners would protect property rights.
- Vacation rental guests can cause disturbances in neighborhoods.
- People staying in vacation rentals stimulate the local economy.
- The problems with vacation rentals were worse in other places like Lincoln City.
- Living in a neighborhood with inconsistent neighbors would be difficult, but tourism was part of the economy of the future.
- Instating a moratorium could be precedent-setting.
- Preserving property rights and limiting government where possible.
- Code enforcement and holding developers accountable.
- Information about vacation rentals would be taken from permits issued by the Planning Department, transient lodging tax payments, and business licenses.
- Standards for vacation rentals were set in 2013. Vacation rentals established before 2013 were grandfathered in and may not meet the standards and may be partial dwellings or apartments.
- Doing a moratorium before getting more information may be premature.
- Preparing the moratorium would take one or two months.
- The City must be able to demonstrate the findings were accurate.
- Police did not differentiate between vacation rental complaints and other complaints.
- Councilor Wheatley and Councilor Kilburg were willing to join the committee.

### **CONSENT CALENDAR**

Resolution 2023-3908 - A Resolution supporting the City of Newberg's ongoing participation as a member of the Yamhill County Affordable Housing Corporation's (YCAHC) regional Housing Rehabilitation Collaborative and Board of Directors, and to appoint the interim Newberg Community Development Director as the successor to former Board Member Doug Rux

Res3908 YCAHC Appointment.pdf

Attachment 1. YCAHC Bylaws.pdf

A motion to realign the Staff work week to the national standard and accept Appendix L as part of the 2019 Staff Manual

2023 A MOTION TO REALIGN THE STAFF WORK WEEK TO THE NATIONAL

STANDARD.docx

Attachment 1 - Staff handbook Appendix L.docx

Action:	To accept the Consent Calendar
Motion:	Councilor Yarnell Hollamon
Second:	Councilor Olson
Vote:	7 Yes 0 No 0 Abstain 0 Absent

### **NEW BUSINESS**

Resolution 2023-3903 – A Resolution extending the Street Seating Pilot Program for three years through August 17, 2026 and modifying the specified program standards

2023-09-05 Resolution to Renew Street Seat Pilot Program.pdf

PM Downing stated this resolution was to extend the Street Seat pilot program for three years and modify the program as previously directed by the City Council. The Street Seat railing was found to be an acceptable height that did not pose a danger to health or safety.

Action: To adopt Resolution 2023-3903 – A Resolution extending the Street Seating Pilot Program for three years through August 17, 2026 and modifying the specified program standards

Motion: Councilor Carmon

Second: Councilor Kilburg

Vote: 7 Yes 0 No 0 Abstain 0 Absent

Public Testimony: Robert Soppe commented on the extremely low fee the City was charging for the Street Seat spaces, and he hoped the Council would pursue rectifying the fee amount. If the business space was inside a building it would likely increase the property's Transportation Utility Fee (TUF), and the City would lose that revenue through the current process. Mr. Soppe encouraged the Council to revise the TUF program to ensure that Street Seats would pay their fair share. There was an existing canopy structure that extended approximately 8 feet in height around the Street Seat, and Mr. Soppe questioned whether this structure met the Code. Mr. Soppe was glad to see the height restrictions had been changed. According to Mr. Soppe's measurements, the canopy structure was still in violation of the Code at the entries.

PM Downing could prepare information to discuss the canopy structure at a future meeting.

Councilor Olson noted the claim that the canopy structure did not meet the Code was confusing as the structure had passed inspection by the Planning Department.

PM Downing clarified that there was nothing extending from the Street Seat across the sidewalk that could obstruct a person of any height from walking under it. The canopy structure had been modified during COVID-19.

PM Downing committed to sending an email to Mr. Soppe and Mayor Rosacker with the requested information about the canopy structure.

The Council discussed the low fee being charged by the City which could be revised in the future.

Harvest House Memorandum of Understanding (MOU) Discussion

CWC MOU-Signed- 4.1.22.pdf

CWC NES Stabilization Community Report Out.pdf

Elise Yarnell Hollamon, President of the Board of Directors, Community Wellness Collective (CWC), gave a slideshow presentation on the Newberg Emergency Shelter (NES) formerly known as Harvest House along with Dr. Jerry Ferguson, Psychologist, Director of Behavioral Health Services at NES. The presentation included an overview of NES's history and organizational structure, their partnership with YCAP, their programs, data on services

rendered, staff training, goals, budget reduction options, revenue options, and their commitment to the community. Ms. Yarnell Hollamon invited each Councilor to be part of the solution by joining the conversation around sheltering and she offered to meet one-on-one to answer any remaining questions.

Ms. Yarnell Hollamon encouraged Councilors to support giving the City Manager's flexibility under the current MOU to allow an address change of NES to Northside Community Church, since the current location was not operable, to enable NES to maintain shelter services seven nights a week until ADP opens. The risk in staying open was an upcoming one-month gap in funding which was needed to provide shelter services to an average of 28 Newberg residents per night who would otherwise have nowhere to stay. When a shelter was not available homeless people were allowed to sleep in tents in public spaces, which was concerning to the community. Changing the MOU address would provide access to the remaining \$75,000 of ARPA funding, which would cover the funding gap so the shelter could continue operating.

#### Public Testimony:

Aubrey Nichols, Executive Director, Newberg Downtown Coalition, spoke on behalf of The Stable Table consisting of the Downtown Coalition, the Chehalem Valley Chamber of Commerce, and Taste Newberg. The Stable Table supported CWC's sheltering endeavors and the change in MOU for the NES. Many downtown business owners expressed concern over the apparent increase in the homeless population and were in support of more resources for people experiencing homelessness. Downtown businesses have had increased safety issues and disruptions causing them to alter business practices and increase staffing. The Stable Table sought to understand the Council's plans to address these issues in the future, hoped to see continued partnership between the City and local non-profit organizations, supported the City Manager's authority to modify any MOU to meet the needs of direct service sheltering, and encouraged the Council to take the step of amending the MOU for the NES to ensure continuing shelter operations to meet the needs of the Newberg community.

Elizabeth Martinez, recovering addict, said she had been clean for three years, and wanted to share her experience with how the NES helped her recovery. Ms. Martinez had struggled with drug use for over half of her life since she was 15 years old and ran away from home and engaged in risky behaviors to attain drugs. When Ms. Martinez was 22, she had a daughter, tested positive for drug use, and went through rehab for a year and a half before returning to the streets where she resumed drug use. After having a second child Ms. Martinez's addiction intensified to the point where she was unable to care for her children and she lost them along with everything she had and was left homeless for the first time. Ms. Martinez got a job while living out of her car or a hotel, and she continued using drugs and not caring for herself. In September of 2021, Ms. Martinez had a stroke in a hotel room after using drugs and she almost died while the person she was with, who was also on drugs, did not seek medical help for her. Three hours after the stroke Ms. Martinez spent a week in the hospital and was disoriented about who she was, where she was, or what was happening. Ms. Martinez lost the ability to speak, think, move, or care for herself, and several months later she began intensive physical therapy and speech therapy over the course of a year while she remained homeless but did not use drugs. Ms. Martinez could not stay in her mom's house but stayed in her mom's van outside the house until it became too cold as winter came. Ms. Martinez heard about NES and was scared to go since she had not fully regained her ability to move or speak. Ms. Martinez was warmly welcomed by NES staff without questions or judgement despite her difficulty speaking, and she stayed at the shelter for several months

until she was offered a place in the tiny home program. Having her own home built her self-esteem and confidence, and it was nice not to have to carry all her belongings and know she had a safe place to sleep and shower. Ms. Martinez felt like a normal human again and through support from the shelter staff she realized she was worth it and could achieve her goals. Ms. Martinez currently worked at NES for two years helping other individuals who were going through similar experiences to hers, and she was completely independent living in her own home.

Kate Stokes, Newberg resident of 33 years, has worked in homeless and housing services in Yamhill County for over 30 years with much of the time spent working at YCAP as the Adult and Youth Services Director working with homeless people, families, low-income persons, and marginalized populations. Ms. Stokes developed systems of service provision and implemented many community-based projects. Ms. Stokes recently joined CWC and would be working there on engagement projects. Ms. Stokes understood concerns about sheltering the homeless including mental health, violence, drug abuse, and illegal activity, with all concerns focused on the impact to safety within neighborhoods. Ms. Stokes believed the answer to maintaining safety in the community was collaboration to provide low-barrier shelters for the homeless people who would not be allowed in a traditional shelter system. Low-barrier shelters provided homeless people a chance to eat, fellowship with others, connect to services, and rest safely. The NES stayed open every night since it opened with a “bridging the gap” model to help individuals that did not meet criteria for traditional homeless services and create individual service plans to address concerns. Life-sustaining needs like food, water, and shelter were provided, and then individuals were assisted on a journey toward stability and success. ADP would be opening in January 2024, but was still under development, and although YCAP had a long history of sheltering difficult-to-shelter persons they have never operated a low-barrier congregate shelter. Ms. Stokes believed the ADP may need a transitional period of at least 90 days to refine their processes, build trust with the homeless community, and become an organization that Newberg residents felt confident would provide consistent services. Ms. Stokes stated her concern that any night that NES or ADP were not open for any reason homeless people were legally allowed to pitch a tent anywhere within City limits. NES supporters have worked tirelessly to ensure a shelter remained open. Ms. Stokes loved the City Council mission statement: The City of Newberg serves its citizens, promotes safety, and maintains a healthy community. Ms. Stokes had Christian conservative values which intertwined with her work, but she noted that supporting neighbors was not political, and the community could come together to support the homeless to maintain safety, sustainability, and livability. Ms. Stokes encouraged Councilors to consider the homeless in their decisions, and to support work done by NES to provide resources to homeless persons.

Mayor Rosacker called for a 10-minute recess.

Patrick Tristan, 12-year Newberg resident, lived between Hoover and Memorial Park which he had named the “Homeless Highway.” Mr. Tristan had experienced thefts of his property on several occasions and had seen homeless people camping on the greenways on East 3<sup>rd</sup> Street and squatting in unoccupied homes on that street. Homeless people were continuously rummaging through dumpsters and resident garbage cans, and it was apparent that many of the homeless people were struggling with mental health issues. Mr. Tristan had two kids and their safety was a priority. Since NES has been operating, Mr. Tristan has noticed a decrease in homeless activity, no more tents or trailers or the associated trash, less

rummaging in trash cans, decreased thefts, and he has not heard homeless people walking through the neighborhood at night. Mr. Tristan encouraged continued funding and support of the NES to protect residents and support the homeless community.

Shane and Melissa Corsetti said they started volunteering one year ago to help make meals at NES on a weekly basis. Ms. Corsetti noted they had previously had stereotypes of homeless people, but after serving them realized they were all individuals with a story who needed the resources provided by NES. Ms. Corsetti was happy to see homeless people transitioned into more permanent living situations though she missed seeing them at the shelter. Mr. and Ms. Corsetti were pleased to be part of the shelter and had made friends with the residents and enjoyed getting to know them and see how shelter resources improved their lifestyles. Last week Ms. Corsetti heard of a resident who was proud to be three months sober in recovery, a resident who had just gotten a job at a retirement facility, and another resident who had made new health goals. Ms. Corsetti knew John, whose case story had been shared previously, and she had been happy to see his life improve as a result of receiving shelter services. Mr. Corsetti stated this was an opportunity for the Council to show leadership in the community by continuing to provide support to the NES.

Mitchell Christenson stated he was born at the old Newberg Hospital, and lived with his mom and sister while his dad was either locked in prison or probably using methamphetamine. Mr. Christenson's family moved around Yamhill County until he was 14 when his sister moved away, and he and his mom moved in with a friend in Sherwood. Mr. Christenson volunteered his time at an animal shelter and a retirement home playing his guitar and singing to the residents. Mr. Christenson started seeing his dad at age 13. At age 18, his dad gave him his first two grams of methamphetamine. Three years later Mr. Christenson was homeless in Gresham where he developed post-traumatic stress disorder (PTSD) from events related to a fight he had with another man there. Mr. Christenson returned to Sherwood and got a job while living in a decrepit abandoned house with friends. Mr. Christenson did well with his job, his mom bought him a car, and he was able to get his own condo until his grandfather died and he and his dad returned to using alcohol and methamphetamine. Mr. Christenson stopped working at that time and lost his home. Mr. Christenson returned to Newberg after his friends either moved away or passed away because Newberg felt safer than Portland. Mr. Christenson was sleeping in his car and working for a third-party delivery company delivering Amazon packages to Newberg and Dundee until his car failed and he was let go. In October 2021, Mr. Christenson went to the NES and began receiving help and support from staff members. Mr. Christenson stated the staff members of the NES went above and beyond to make sure needs were met, and noted without the shelter he would still be homeless. Mr. Christenson's dad passed away two years ago and he has still struggled with his addiction to methamphetamine, but he decided to stop using methamphetamine 18 days ago. Mr. Christenson stated the staff of the NES was still a huge blessing in his life, and he didn't know what he would do without the organization.

Mayor Rosacker noted that the NES was the only shelter open seven nights a week and emphasized their value in the community despite ending their collaboration with YCAP. The Yamhill County Commission had voted to fund the CWC operations in the church until the YCAP shelter opens. Mayor Rosacker saw no reason for the City of Newberg not to be in full support of the work done by the NES. There was no action required of the City Council at this time as this decision would be made by the City Manager before possibly returning to

the Council. Mayor Rosacker affirmed the City was working with Yamhill County, and they would ensure the shelter was funded through the end of the year.

CM Worthey stated that the current MOU described a physical property which was no longer a part of the picture, and he had not been able to disperse the remaining \$75,000 based on the MOU which he felt demonstrated good ethics. If it was the will of the Council for him to negotiate or create a new MOU, he would work with the Legal Department to do so. The last MOU had been voted in by the Council, and the decision was not as simple as looking at dollar amounts.

The Council discussed:

- The funding categories in the original MOU.
- The County approved \$403,000 to fund the NES until YCAP was able to keep a shelter open seven nights a week, but mid-October being the earliest disbursement date would leave a funding gap, which is why the \$75,000 of remaining ARPA funding is being requested.
- Regardless of the pause in relationship between YCAP and NES, the intention has been to always have a shelter open in Newberg. The construction and permitting delays at the YCAP facility made NES the only shelter facility available until January 2023. NES required stop-gap funding to remain open daily.
- If funds were not used, Ms. Yarnell Hollamon was happy not to submit for reimbursement.
- The process of negotiating a contract with the County took about two weeks, so earliest the NES funding request could go before the Yamhill Board of Commissioners was on September 14<sup>th</sup> or 21<sup>st</sup> at the earliest, and then the check would need to be received from accounts payable, leaving an approximate five-week funding gap.
- Substance abusers were allowed to stay at the shelter. Each individual staying at the shelter did goal planning with staff which addressed substance abuse. Violent or disruptive behaviors broke the nightly-signed behavioral contract and resulted in removal from the shelter.
- Any threat of violence at the shelter results in law enforcement being called, which has reduced the occurrence of threats being made.
- NES was very structured and organized and did not leave much room for chaos.
- Part of the goal of NES was to meet individuals where they were. NES was oriented toward recovery, sobriety, and engaging in addiction treatment services. Peer support staff actively facilitated ongoing recovery conversations throughout their work at the shelter. As soon as an individual was ready, they were connected to addiction care resources almost immediately.
- Seeing substance abuse and other criminal activity by homeless persons through the lens of law enforcement.
- Intoxicated people were often unable to adhere to proper behavior.
- All perspectives were valuable to finding solutions.
- Staff were trained to administer Narcan but have not needed to do so.
- Drugs or weapons found in the shelter were confiscated.
- The proposed MOU would have similar language to the contract with Yamhill County regarding not using funds unnecessarily.
- The Council had not made changes for other ARPA grant recipients who moved or changed their operations and doing so would be inconsistent.



- Rumors that homeless people were coming to Newberg from Portland for the low-barrier shelter.
- Many issues of homelessness were tied to drug use and relaxed drug regulations.

2023 A Motion to Initiate SDC Program Reform

2023 A MOTION TO INITIATE SDC PROGRAM REFORM.pdf

2023 SDC Presentation attachment 2 revised.pdf

SDC program redesign attachment 1 revWW.pdf

CM Worthey had pledged in 2022 that the City would review SDC rates and gain control of SDCs by owning the models rather than relying on contractors for updates. This goal had been delayed by the passing of Councilor Denise Bacon. Five intense review meetings had been held by the Council's SDC Taskforce assisted by the City Engineer to design packages destined to become new SDC models. The SDC taskforce involved three members of the Council and leaders from the business community.

CM Worthey presented the results of the research and the suggested course of action based on recommendations of the SDC Committee as follows:

- SDCs were one-time fees charged to new developments, certain types of redevelopments, or changes in use, and were governed by the statutes ORS 223.297 and 223.314.
- SDCs were charged for water, wastewater, stormwater, transportation, and parks. The City had control over the first four. The parks SDC was under the control of Chehalem Parks and Recreation District (CPRD).
- SDCs paid for existing and planned infrastructure to serve the development and were one method of financing infrastructure to respond to growth.
- Newberg adopted the first SDC ordinance in 1991. A heavy revision occurred in 2002.
- SDCs seldom paid for the whole cost of a capital project and mostly covered costs of system expansion.
- SDCs were calculated through capital improvement plans, public facilities plans, and master plans. Each system was calculated differently. The Council could adopt a new model but could not change State regulations that set the basic calculation methods.
- Discussion simplifying the math-intensive method for calculation of SDCs. A one-on-one meeting with the City Engineer could be arranged to explain further.
- The math set by the State rules assessed the extra load on the system, plus the extra projects in the system needed to get to a build out this. For each type of SDC there was a different set of algebra for the calculations, and it was hard to understand.
- The taskforce designed better SDC models but could not change the method set by the State.
- Staff could provide members of the public with spreadsheets to study. A QR code shared in the slideshow provided access to the League of Oregon Cities training video on SDCs.
- The point was to create updated living SDC models to share with members of the business community and other residents.
- The SDC models were developed by the City Engineer and were vetted for math errors by the rate review contractor Deb Galardi.
- Build out looked at projects within a 30-year horizon.
- During analysis, capital projects that were complete were removed from the data, the population was adjusted to match the latest Portland State University (PSU) estimate, and projects unlikely to be built by Newberg in the planning horizon were removed.

- The current model was more accurate than the outdated model.
- Slides were shared comparing old SDC rates to new proposed SDC rates. Most SDC rates went down by 20-30%. Water SDC charges increased due to the new water plant. Net SDCs went down considerably.
- The new proposed SDC charges were highly competitive, although it was difficult to compare the rate packages of different towns such as McMinnville where there was a separate agency for those fees.
- The SDC Committee discussed possible incentives that could be added to the SDC program:
  - Clarity and flexibility on SDC credits could be created by tightening up the rules around SDC credits so they would need to be identified and agreed on before planning permission was granted as well as making SDC credits easy to transfer to other phases of a project or even between differing development LLCs if initially identified as sub-components of one project during the planning approval process. The development would be laid out and when agreed the credits could move from one phase to another within that development.
  - Housing affordability incentives would be based on the square footage of a home which could apply to single family homes and middle housing like cottage clusters, but not to multifamily projects. Homes up to 1,000 square feet would see a 25% discount on SDCs, homes that were 1,001-2,199 square feet would have no modifier, and homes that were above 2,220 square feet would have 125% SDC charges to offset the smaller units. This would not stack with other Newberg SDC incentives.
  - Repeal all Transportation SDCs for change of use as they were a very minor revenue source for the City.
  - State licensed childcare and preschool facilities would not be charged SDCs of any sort to increase access to childcare services. Many businesses struggled to attract or retain workers due to lack of childcare options in the city.
  - SDC credits could be provided to large firms which provided family wage jobs. This program would operate on a case-by-case basis with direct approaches to the City Council. The firm must create at least 20 jobs providing 1.5 times the Oregon minimum wage with a duration of three or more years. The Applicant must be vetted by Strategic Economic Development Corporation (SEDCOR) and supported by a Staff Report from the Community Development Department. This sent the message that Newberg was open for business. This would not stack with other incentives, and typical discounts would be in the 20%-30% range.
- The SDC Taskforce recommended keeping the new SDC rates stable for a two-year period to match the 18- to 24-month cycles of many capital projects. Numbers would be checked every two years for project completions and system depreciation. Past capital projects would be loaded into the new finance system to facilitate assessing depreciation.
- If the Council approved the proposed SDC reforms, it was intended to move quickly to a legislative package with legal review and language formulation by Miller Nash.
- CM Worthey was seeking approval by motion to build the SDC reform package and have it in place before another automatic rate hike occurred in April of 2024.

Public Testimony:

Shannon Selah, Executive Director, Habitat for Humanity Newberg, had a background in affordable housing, had been on the Newberg Affordable Housing Commission and the Newberg Housing Taskforce, and owned Chehalem Property Management for seven years, and had worked in the housing industry for over 19 years. Habitat for Humanity affiliates

throughout the world were advocates for affordable housing in their areas and were always partnered with volunteer families and low-income families and the City to navigate the building process. Ms. Selah had heard many developers say SDCs were prohibiting them from pursuing affordable housing projects. The proposed changes appeared to promote building smaller homes, which should lower home prices in the market. Habitat for Humanity was able to build 2 homes per year on average for local families, and welcomed affordable housing done by anyone. Ms. Selah believed SDC changes could push developers to build smaller and bring prices down so homes would be more affordable for the community. Habitat for Humanity helped families with 25%-60% of the area's median income, though even families making 80%-100% of the area median income were struggling to purchase a home. Affordable housing meant the mortgage payment was 30% or less than gross household income per month. Ms. Selah believed approving this measure would help bring down housing prices and promote affordable housing.

Robert Soppe said he rewrote his comments after the City Manager's presentation clarified several issues he had. Mr. Soppe asked if the new SDC model was based on the goal of SDCs fully funding the cost of the capacity impact created by new growth, and whether the proposed Transportation SDC model would continue the collection of SDCs based only on SDC eligibility in projects even if the developer or other entity is expected to pay for that part of a project. Mr. Soppe strongly supported the model of reviewing SDCs every two years. Mr. Soppe asked whether projects would be considered SDC eligible if the developer paid for the system developments directly, and whether the over-collecting would be corrected in the new model.

The City Manager stated the details had not been written yet and he welcomed Mr. Soppe to send him an email with model language around his concerns so it could be included in the drafting of the proposed SDC revisions with the Legal Department. Mayor Rosacker welcomed Mr. Soppe to send him the email as well.

Merrill Kunkel spoke on behalf of The Stable Table consisting of the Chehalem Valley Chamber of Commerce, Taste Newberg, and the Downtown Coalition. Ms. Kunkel worked for several years at the Chehalem Valley Chamber of Commerce and had heard consistently that SDCs were the biggest roadblock for business owners looking to expand or businesses looking to relocate to Newberg. The Stable Table supported the diligent work done by the SDC Committee and expressed thanks to all involved for their time and efforts. The Stable Table supported the recommendations of the SDC Committee and encouraged the Council to approve the initiation of SDC reform. Addressing SDCs in Newberg was a smart, strategic move to foster economic development, attract businesses, and create a business-friendly environment that benefitted the City and the community, increased tax revenues for local services, boosted job opportunities, encouraged entrepreneurship, fostered a business ecosystem that benefitted everyone, was a forward-thinking approach that could lead to a more prosperous and vibrant Newberg, and filled empty downtown buildings.

CM Worthey stated if a developer built more than they needed to and completed something on the Capital Improvement Projects (CIP) list that the City would have had to build anyway, the developer might get credits back from the City. Having credits clearly established at the beginning of the process would avoid difficulties later and would be more business-like to have credits for extra projects approved upfront.

Mayor Rosacker shared an example of when a developer was required to build a traffic circle in the Crestview Crossing Subdivision to fit the City's future plans for the road and the developer received credits for the cost of building the traffic circle.

Councilor McBride stated the Council needed to look at the transportation SDCs as they added thousands of dollars to the cost of expansions by local businesses. Transportation SDCs for Change of Occupancy would be waived under the new revision. Existing business expansion should have a reduced fee.

Staff recommended that the Council approve the initiation of SDC reforms based on the recommendations of the SDC taskforce.

Action: A motion to approve the initiation of SDC reforms based upon the recommendations from the SDC taskforce.

Motion: Councilor Kilburg


Second: Councilor Olson

Vote: 7 Yes 0 No 0 Abstain 0 Absent

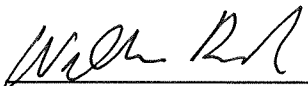
Mayor Rosacker commended the efforts of all those involved with the SDC Taskforce.

#### **COUNCIL BUSINESS**

Meeting adjourned at 9:28 p.m.

  
Rachel Thomas, City Recorder

#### **ATTEST:**

  
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Bill Rosacker, Mayor