

**City of Newberg
City Council Minutes
January 2, 2024
Hybrid meeting format**

BUSINESS SESSION –

Meeting called to order at 6:00 pm.

Councilors Present: Mayor Bill Rosacker, Councilors Mike McBride, Robyn Wheatley, Peggy Kilburg, Molly Olson, and Derek Carmon. Councilor Elise Yarnell Hollamon arrived at 6:10 pm.

Staff Present: City Manager Will Worthey, Finance Director Kady Strode, Interim Community Development Director Clay Downing, Assistant Planner Leanne Wagener, Miller-Nash Attorney Christi Taylor, Police Chief Jeff Kosmicki, Public Works Director Russ Thomas, Library Director Korie Buerkle, Graphic Design Specialist Emily Salisbury, Melissa Morris Records Management Clerical Assistant.

CITY MANAGER’S REPORT

A Review of Progress for Council Goals for 2023

CM summary of the Council Goal actions for 2023.pdf

CM Worthey reported on the progress made toward the City Council Goals for 2023, which included customer service improvements, encouraging family wage jobs, infrastructure maintenance, community safety enhancements, transparency for residents, a prudent fiscal policy, and increasing land available for housing. CM Worthey estimated that about thirty percent of the work presented by the Council Goals had been achieved during 2023.

Councilor McBride thanked CM Worthey and Staff for their support and dedicated work toward achieving Council Goals.

CM Worthey added that many other cities had aspirational statements about customer service, but no tangible metrics. The Customer Service Standard would contain concrete expectations such as returning phone calls or greeting customers in a certain amount of time, which was based on the standard set by the General Service Administration (GSA). Tests could be carried out with secret shoppers to measure performance.

PUBLIC COMMENTS

None.

CONTINUED BUSINESS

None.

NEW BUSINESS

2023-2024 Notice of Funding Availability (NOFA) Documents for the Newberg Construction Excise Tax Fund

RCA 2023-24 CET NOFA.pdf

Attachment 1a. CET NOFA Application Form.pdf

Attachment 1b. CET NOFA FY 23-24 website info packet.pdf

Attachment 1c. CET NOFA FY 23-24 Graphic Council.pdf

CET NOFA 23-24 Supplemental Packet.pdf

CET NOFA Supplemental Packet Attachment 1. Revised 2023-2024 CET NOFA.pdf

Interim Community Development Director Downing stated that there had been a Notice of Funding Availability (NOFA) for the Newberg Affordable Housing Trust Fund (NAHTF) in December 2023, and he clarified that this was a separate NOFA regarding the availability of CET funds as had been previously discussed in the joint meeting with the Affordable Housing Committee (AHC). The AHC had met to discuss the criteria and evaluation process for the CET NOFA. A supplemental memo had been sent out with additional input from Miller-Nash to help the City be clear and intentional about the authority of the City Council to make decisions and describing how the processes would be run.

Councilors and Staff discussed:

- The availability of funds. If the funding did not get used up in the initial round, another NOFA could be announced. However, there was no obligation to ensure funds were left for subsequent application deadlines.
- The pros and cons of a proposal to partner with the Strategic Economic Development Corporation (SEDCOR) and the Missing Middle-Housing Fund (MMHF) to dedicate \$1 million toward constructing twenty cottages with an area of 1,000 sq ft or smaller, with SEDCOR and the Newberg Workforce Housing Consortium (NWHC) locating the land and funding the construction or the City purchasing a high-density project, SEDCOR administering a three-year down payment savings program to help families purchase market rate homes, and using CET funds to pay for property maintenance and financial education for residents.
 - ICDD Downing clarified that the CET funding was restricted by Code to be used only for affordable housing, which meant housing for families with income below eighty percent of the median family income. Workforce housing was generally defined as housing for families with incomes between eighty and 120 percent of the median family income. SEDCOR was involved because the project was workforce oriented. Affordable housing was a different somewhat more complicated challenge, though some elements of the NWHC model could apply to an affordable housing legacy project.
- Debate about whether the Council should discuss changes to the NOFA process, including options for and the benefits of offering multiple rounds of funding. Staff would need time to restructure the NOFA process to accommodate multiple funding rounds. Additionally, it did not seem likely a consensus could be reached among the Councilors.
- The requirement that specific percentages of CET funds had to be allocated between administrative costs, the Oregon Housing and Community Services Department, developer incentives, and affordable housing programs.
- The benefits and disadvantages of using the funding on existing projects rather than a new legacy project like the SECDOR project idea.
- Possibly investing the \$1 million to be managed by the MMHF along with the other \$2 million they were currently managing.
- Possibly working with SEDCOR separately from the project that they had been working on with the MMHF and the big employers in town.
- It was within the Council's rights to decide how to spend the money, but following the established process kept the Council's actions more predictable and transparent.

Beginning the NOFA process to get the applications brought forward would help the Council to get on the same page with each other regarding current projects and would likely meet the May deadline, which was also used for many other state and federal funding applications, and would allow enough time to write a letter of intent. ICDD Downing confirmed that Councilors could state their intention to reserve \$1 million for another NOFA release in the future to fund a legacy project while moving forward with a NOFA release of the remaining funds allocated to developer incentives and affordable housing programs, and the release date or dates could be adjusted as desired. Staff would do the math to determine the exact amount which would leave \$1 million available.

Action: To approve the 2023-24 NOFA for CET and proceed with notification and publication of NOFA

Councilor Kilburg stated she supported the motion without revising the criteria.

Motion: Councilor Olson
Second: Councilor Yarnell Hollamon
Vote: 7 Yes 0 No 0 Abstain 0 Absent

ICDD Downing stated he would talk with the Finance Department before awarding any funds to determine what funds would be available for commercial and residential developments.

CM Worthey stated preliminary work had been done on the NOFA, and that the Planning and Finance Departments would need to meet to determine definitive numbers. An estimate would be provided by email.

ICDD Downing noted that it would be best to hear back from the accountant before sharing preliminary estimates at a public hearing. The action taken tonight would not be affected, but the City may be able to retain more funds. It was uncertain whether the check to the State had been sent yet.

CM Worthey affirmed that the actual numbers would be available soon. Staff would take all concepts under advisement within the normal bounds of legal process.


COUNCIL BUSINESS

None.


ADJOURNMENT

Meeting adjourned at 7:17 pm.

ATTEST



Bill Rosacker, Mayor



City Recorder, Rachel Thomas