



**NEWBERG AFFORDABLE HOUSING
FEES/FINANCE SUBCOMMITTEE**

Wednesday, March 10, 2010

7 p.m. to 9 p.m.

Newberg City Hall

Permit Center Conference Room

414 E. First Street, Newberg, OR

I. Open meeting

II. Roll call

III. Subcommittee management

IV. Discussion of work program

V. Discussion of fee schedules

VI. Other business

VII. Next meetings:

**Subcommittee: Wednesday, April 14, 2010 at 7:00 pm in City Hall
(Permit Center Conference Room)**

**Full Committee: April 28, 2010 7 PM in City Hall
(Permit Center Conference Room)**

VIII. Adjourn

Attachments:

Strategy 5

Strategy 6.2

Strategy 6.1

Fee Schedule

(This page left blank, intentionally)

Strategy #5: Amend the Development Fee Schedule

Action 5.1: Identify and establish city development fees that can be reduced/waived for affordable housing projects.

The Affordable Housing Ad Hoc Committee examined existing city development fees and identify specific fees which they felt could be reduced for affordable housing projects. The Committee felt that couple of questions needed to be answered first before a discussion about specific fees could take place.

1. Does the City want to financially participate in a program that encourages affordable housing through development fee reductions/waivers?

The committee recommends that the City answer yes to this question.

2. Who should bear the burden of the costs of such a program?

As to this question, the committee recommends that the **entire city share in the burden.** This could be accomplished by having new development pay a share of the cost (increased permits and fees for some development, to offset in part the reduction and/or waiver of fees for affordable housing), and an increase in some form of monthly fees charged to current residents to offset the balance of the revenue lost if affordable housing has fees waived and/or reduced.

As to what specific fees should be reduced/waived, the Committee recommends that such a task should be undertaken by some other group that consisted of representatives with a greater range of interests/skills than the committee possessed.

Responsible parties: City Council, Citizens Rate Review Committee, maybe a special ad hoc group appointed by the City Council

Action 6.2: Provide property tax abatements

Tax abatements are similar to tax increment financing strategies in that they involve voluntarily relinquishing expected future tax revenues for a specified period of time (say 10 years) to stimulate a public benefit. The principal difference is that tax abatements are much more focused, providing a specific tax benefit for a specific activity undertaken by the taxpayer. Tax abatements also can be applied citywide, rather than simply in a particular district. The City has the authority to only abate its own portion of the property taxes. Abatement of other property taxing entities would be at their discretion.

Tax abatements could be offered to:

- Developers who construct rental units
- Rental owners that rehabilitate their property
- Owners of older, affordable homes that rehabilitate their property.

Local taxing districts would forego future property tax increases for a limited period.

Responsible parties: City of Newberg and Yamhill County

Strategy #6: Develop and support public and private programs

There are many organizations, both public and private, whose mission is to encourage, develop and maintain affordable housing. The City should support these programs in ways best further the missions of those organizations. In addition, there other tools that support affordable housing that the City should develop, sometimes in concert with other partners. The following are action that the City should undertake to strengthen affordable housing in Newberg.

Action 6.1: Create a Newberg Housing Trust Fund

Newberg could create a housing trust fund. The fund could be used for a number of programs to promote affordable housing, such as:

- Housing rehabilitation loans or grants (rentals and owner-occupied)
- Purchase of land for affordable housing
- Grants to non-profit groups to purchase land or construct affordable housing
- Home-buyer education programs
- Direct construction of affordable housing
- Permit fee subsidies
- Rehabilitation consultation
- Downpayment revolving loan fund
- Transitional housing
- Foreclosure prevention
- Pre-development and acquisition financing for affordable housing projects

Several sources could be used to provide money for the fund, including:

- Housing developer “affordable housing in-lieu” fees
- Commercial development affordable housing fees
- Public grants
- Foundation grants
- Charitable gifts
- City or County funds
- Asset sales, such as condemned property
- Banks
- Transient Room Tax funds
- Fee assessment through existing business license program
- Community-wide fee assessment

Exact program fund uses and funding sources should be determined as part of the trust fund formation process. The Affordable Housing Ad Hoc Committee recommends that rehabilitation of rental properties should be a high priority for the funds.

Responsible parties: The trust fund could be set up under the City, under an existing agency, such as the Housing Authority of Yamhill County or Mid-Willamette Valley COG, or under a new non-profit.

CITY OF NEWBERG FEES
(RESIDENTIAL/COMMERCIAL/INDUSTRIAL)

A fee worksheet is available on pages 7 & 8

BUILDING PERMIT FEE:

The fee complies with the definition of "Valuation" in Section 423 of the State of Oregon Structural Specialty Code and includes architectural, structural, electrical, plumbing, heating and ventilation devices, and equipment. The valuation also includes the contractor's profit which should not be omitted. The square foot construction costs table (page 13) determines the cost of the project by the building use and type of construction. To calculate the valuation, the cost per square foot is multiplied by the projects total square footage. See pages 14 – 24 for permit fees once you have calculated the valuation. Page 13 show the formula used for the fees listed on pages 14 – 24.

CITY FACILITY FEE:

Revenues are used to cover office space costs for the Permit Center. The City Facility fee is .25% of the valuation.

COMMUNITY DEVELOPMENT FEE:

Revenues are used to cover the costs of operating the Permit Center. The Permit Center provides services including customer information, planning and zoning, and engineering review that are necessary prior to building plan review, and are not covered under building plan review fees. The Community Development fee is .75% of the valuation.

NEWBERG SCHOOL DISTRICT CONSTRUCTION EXCISE TAX FEE:

Revenues are used for development of new schools. This fee is collected on behalf of the Newberg School District 29J for new or added square footage and varies based on type of use (residential or commercial). Additional questions should be directed to Newberg School District.

\$1.00 – per square foot for structures or portions of structures intended for residential use

\$.50 – per square foot for structures or portions of structures intended for commercial/industrial use

PLUMBING PERMIT FEE:

Residential / commercial / industrial costs are based on work being done.

MECHANICAL PERMIT FEE:

Residential / commercial / industrial costs are based on units installed. For a full listing of fees see page 9.

MANUFACTURED BUILDING SET-UP FEE:

The cost does not include: a garage, carport, deck (over 30 inches), stairs (over 30 inches), or shed (over 200 square feet) or plumbing for sewer, water and rain drains (over 30 feet). More details are available on pages 30 & 31.

Manufactured Building in a park:

\$526.55 (construction excise tax not included)

\$443.35 (base fee) + \$30.00 (state admin fee) + \$53.20 (12% state surcharge) + (\$1.00 per sq ft/construction excise tax–applicable only for new manufactured parks)

Manufactured Building elsewhere:

\$648.61 (construction excise tax not included)

\$552.33 (base fee) + \$30.00 (state admin fee) + \$66.28 (12% state surcharge) + \$1.00 per sq ft residential / \$.50 sq. ft. commercial / construction excise tax

MANUFACTURED PARK DEVELOPMENT FEE:

See fee chart on page 32.

ELECTRICAL PERMIT FEE:

Applications available at the City Hall building and a sample application at www.newbergoregon.gov

DESIGN REVIEW FEES:

See page 28 for a full listing of planning fees.

LAND USE ACTION FEE:

Contact the City Planning Division regarding possible fees. See page 28 for a full listing of planning fees.

WASTEWATER DEVELOPMENT FEE:

Revenues are used to maintain the City's wastewater system. This fee is collected for any new connections to the City's wastewater system and is determined by the number of fixtures (i.e., sink, bathtub, etc.) in the unit. \$5,236.00 for first 18 fixture units plus \$291.00 per each fixture unit over 18.

WASTEWATER CONNECTION FEE:

Revenues are used to pay for the actual cost of time and materials for City Public Works crews to make the connection. This fee is collected for each new tap (or connection) into the City's wastewater system by new or existing commercial or new residential projects. New taps are necessary when a lot has been partitioned, a commercial building needs an additional connection, a lot has been annexed into the City, etc. An estimated fee is calculated by the City Engineering Division when the permit is issued. Once the work is completed, the owner/builder will be refunded the difference or billed the overage. In several cases a wastewater tap fee will not be charged, such as: new subdivisions when all taps have been installed by the developer; the developer/builder has opted to hire a private contractor to do the work; or the City is not equipped to perform the work. Actual cost for City to connect: includes material, labor, inspection, and overhead.

**CITY OF NEWBERG FEES
(RESIDENTIAL/COMMERCIAL/INDUSTRIAL)**

A fee worksheet is available on pages 7 & 8

WATER DEVELOPMENT FEE:

Revenues are used to maintain the City's water system. This fee is collected for each new connection to the City's water system and is determined by the size of the water meter.

System Development Charge (SDC) per meter size:

Meter Size	Multiplier				SDF
¾" - 5/8" meter	\$5394.00	x	1.0	=	5,394
1" meter	\$5394.00	x	1.7	=	9,170
1.5" meter	\$5394.00	x	3.3	=	17,800
2" meter	\$5394.00	x	5.3	=	28,588
3" meter	\$5394.00	x	10.0	=	53,940

Meter Size	Multiplier				SDF
4" meter	\$5394.00	x	16.7	=	90,080
6" meter	\$5394.00	x	33.3	=	179,620
8" meter	\$5394.00	x	53.3	=	287,500
10" meter	\$5394.00	x	83.3	=	449,320

Standard single family meter size is ¾"

WATER CONNECTION FEE:

Revenues pay for the actual cost of time and materials for City Public Works crews to make the connection. This fee is collected in the same manner as the wastewater tap fee and for each new tap (or connection) into the City's water system. In cases where the tap is already set, there will be a standard meter charge for installing the water meter, based on actual labor costs. If a new connection is necessary, the meter charge will be added to the connection charge. Actual cost for City to connect: includes material, labor, inspection, and overhead.

STORMWATER SYSTEMS DEVELOPMENT FEE:

Revenues are used to maintain the City's stormwater system. This fee is collected for each new development that connects to or otherwise uses the City stormwater system and is determined by the square feet of impervious area. Impervious surface is the hard surface area which either prevents or retards entry of water into the soil mantle and/or causes water to run off the surface in greater quantities or at an increased rate of flow from that present under natural conditions. Impervious surfaces include, but are not limited to, rooftops, concrete or asphalt paving, walkways, patios, driveways, parking lots or storage areas and trafficked gravel or other surfaces which impede the natural infiltration or runoff of surface water. An Equivalent Dwelling Unit (EDU) is equal to 2,877 square feet of impervious area.

Single family (1 EDU) = \$287.00

Other than Single Family (Impervious area / 2877 = # EDU's) x 287.00

TRANSPORTATION FEE:

Revenues are used for development of new roads and capacity improvements on existing roads. This fee is collected for each new construction and varies based on the type of use (i.e. office building, restaurant, single family, duplex, grocery store, etc.). The fee is calculated using a formula set forth in the City's Transportation Plan, adopted in 1993. Reconstruction work may be eligible for SDC credits if the original home or building was in existence on the year that the plan was adopted (1993).

EXAMPLES:

1. A building permit issued for a single family home on a lot in a new subdivision or partition will pay the full SDC.
2. A building permit issued for a single family home on a lot that has been vacant since 1990 (prior to 1993) will pay the full SDC.
3. A building permit issued for a single family home on a lot with a recently (after 1993) demolished single family home will receive a SDC credit for 1 single family home and will pay no SDC

\$2,689.17 - Single family (LDR per unit)	\$1,402.19 - Manufactured Home (in a park)
\$2,248.00 - Multi family (MDR per unit)	\$2,689.17 - Manufactured Home (elsewhere)
\$1,888.32 - Multi family (HDR per unit)	\$1,646.66 - Condominium

CHEHALEM PARK & RECREATION DEVELOPMENT FEE:

Revenues are used for development of new parks. This fee is collected on behalf of the Chehalem Park and Recreation District for each new dwelling unit and varies based on type of use (i.e. single family, duplex, manufacture home, etc.). Additional questions should be directed to Chehalem Park and Recreation District.

\$2017.00 - Single family

\$1475.00 - Multi family (per unit) / Manufactured Home (in a park and elsewhere)

SIGNALIZATION FEE:

Revenues are placed into a special fund and used to offset the cost of the traffic signal to be installed at the intersection of College Street and Foothills Drive. This fee is collected from developers with lots in the NW Newberg Specific Plan area = \$205.00 - Single family.

DRIVEWAY APPROACH/SIDEWALK FEE:

<u>NEW</u>	
Drive approach -	\$.16 sq/ft
Sidewalk -	\$.13 sq/ft
ADA Ramp -	\$21.80 each

REPLACE/REPAIR

Up to 50 lineal feet - \$0.00

Over 50 lineal feet - See fees under section listed "new"

OTHER - Base permit fee is \$21.80 per permit

CITY OF NEWBERG – SAMPLE PERMIT FEES FOR A SINGLE FAMILY HOUSE

Scenario:

Based on a 2,000 sq. ft. 2 story house with 3 bathrooms (24 fixture units) and a 500 sq. ft. garage on a corner lot with 150 ft. of street frontage including an ADA ramp.

VALUATION SAMPLE		
Type of Structure:	R-3 Residential 1&2 Family = \$101.95 per sq. ft.	A wood frame garage = \$39.61 per sq. ft.
Valuation Formula:	\$101.95 x 2,000 sq. ft. = \$203,900.00	\$39.61 x 500 sq. ft. = \$19,805.00
Total Valuation:	\$203,900.00 + \$19,805.00 = \$223,705.00	

Fees may vary depending on the size and valuation of the project. Please see additional explanation of fees within this packet.

BUILDING PERMIT: (with a valuation of \$223,705.00)		
Permit Fee	\$966.15	based on the valuation
State Surcharge	\$115.94	12% of the building permit fee
Plan Review Fee	\$628.00	65% of the building permit fee
City Facility Fee	\$559.26	.25% of the valuation
Community Development Fee	\$1,677.79	.75% of the valuation
Newberg School District Construction Excise Tax	\$2,000.00	\$1.00 per square foot
Total Permit Fee	\$5,947.14	
PLUMBING PERMIT:		
Permit Fee	\$277.94	for three bathrooms
State Surcharge	\$33.35	12% of the plumbing permit fee
Plan Review Fee	\$83.38	30% of the plumbing permit fee
Total Permit Fee	\$394.67	
MECHANICAL PERMIT:		
Permit Fee	\$132.46	forced air \$16.08/clothes dryer \$12.81/4 ventilation fans \$9.54ea/range hood \$12.81/water heater \$12.81/gas fireplace \$28.07/gas pressure test insp. \$11.72 fee
State Surcharge	\$15.90	12% of the mechanical permit fee
Plan Review Fee	\$33.12	25% of the mechanical permit fee
Total Permit Fee	\$181.48	
DEVELOPMENT PERMIT:		
Water Development Fee	\$5,394.00	based on a single family unit
Wastewater Development Fee	\$6,982.00	based on 24 fixture units
Storm Development Fee	\$287.00	based o a single family unit
Water Connection Fee	\$405.00	for a 3/4" meter
Wastewater Connection Fee	\$0.00	stub typically installed when subdivision is created
Transportation Fee	\$2,689.17	based on a single family unit
Parks Development Fee	\$2,017.00	based on a single family unit
Signalization Fee	\$205.00	NW Specific Plan area only
Total Permit Fee	\$17,979.17	
DRIVEWAY/SIDEWALK PERMIT:		
Driveway Approach Fee	\$24.64	22' x 7' = 154 sq. ft. x .16
Sidewalk Fee	\$97.50	150' x 5' = 750 sq. ft. x .13
ADA Ramp Fee	\$21.80	one corner ADA ramp
Base Permit Fee	\$21.80	fee is added to each driveway/sidewalk permit
Total Permit Fee	\$165.74	
ELECTRICAL PERMIT: (A Yamhill County electrical permit may be issued through our office for work done within the Newberg city limits.)		
Permit Fee	\$144.00	2000 sq. ft. house \$106.00 1 st 1000sq ft/\$19.00 each 500 sq. ft.
State Surcharge	\$17.28	12% of the electrical permit fee
Total Permit Fee	\$161.28	
TOTAL PERMIT PACKAGE FEE	\$24,829.48	