

**NEWBERG AFFORDABLE HOUSING
ACTION COMMITTEE
Wednesday, February 23, 2011
7 p.m. to 9 p.m.
Newberg City Hall
Permit Center Conference Room
414 E. First Street, Newberg, OR**

I. OPEN MEETING: Chair Stuhr opened the meeting at 7:00 p.m.

II. ROLL CALL:

Present:	Cathy Stuhr, Chair	Mike Gougler
	Doug Bartlett	Charles Harris
	Stuart Brown	Rick Rogers
	Dennis Russell	Ken Austin (arrived 7:02 p.m.)
	Councilor Denise Bacon (left 8:26 p.m.)	

Staff Present: Barton Brierley, Building & Planning Director
David Beam, Economic Development Planner
Dawn Karen Bevill, Recording Secretary

Others Present: Cody Gardner, Code Enforcement Officer

III. CONSENT CALENDAR: APPROVAL OF THE FOLLOWING FULL COMMITTEE MEETING MINUTES AND SUBCOMMITTEE MEETING SUMMARIES:

MOTION #1: Harris/Gougler to approve the minutes from the Newberg Affordable Housing Action Committee Meeting of October 27, 2010; City Housing Program Subcommittee Meeting of December 8, 2010; Legislative Subcommittee Meeting of January 26, 2011; Education/Outreach Subcommittee Meeting of February 9, 2011; and the Joint Fees/Finance and City Housing Subcommittee Meeting of January 12, 2011. (8 Yes/0 No/ 1 Absent [Austin])
Motion carried.

IV. CITY HOUSING PROGRAM SUBCOMMITTEE REPORT:

Housing Trust Fund:

David Beam stated the subcommittee has been working on the ordinance and bylaws in setting up the Housing Trust Fund and reviewed page 33 of the official meeting packet. Dennis Russell referred to page 17, section 7.3.c (7) and asked if there is a deed restriction agreement. David Beam explained the agreement language states the instrument will be determined by the City

Attorney. Barton Brierley stated that if any agreement drafted is broken, then there would likely be penalties, such as the loan will need to be repaid right away or the interest rate will increase. He also recommended establishing a selection committee of three people, who will be chosen to oversee the funding.

MOTION #2: Gougler/Russell to approve the Housing Trust Fund and the establishment of a selection committee and bylaws. (9 Yes/0 No /0 absent) Motion carried.

V. FEES/FINANCE SUBCOMMITTEE REPORT:

Financing Mechanism for Housing Trust Fund:

Barton Brierley stated that both the Fees/Finance and City Housing Program Subcommittees have proposed four main potential revenue sources for the Housing Trust Fund. Those recommended sources include the existing city housing funds within the Economic Development Revolving Loan Fund and revenue from the housing developer “affordable housing in-lieu of” fees. Also, restructure the business license fee to a per employee basis and set it up so as to raise about \$20,000 per year for the Trust Fund. Finally, increase the transient lodging tax from the current 6% rate to 8%, with non-tourism dedicated portion of the revenues being dedicated to the trust fund. This would generate about \$40,000 per year.

Ken Austin is concerned about the room tax, since the public complains about the 6% already. The 8% will probably not be accepted very well. The committee discussed this further coming to the consensus that a room tax is a fee that travelers now find acceptable and common practice.

MOTION #3: Harris/ Rogers moved to recommend the financing mechanism as outlined in the four bullets on page 46 of the official meeting packet. (8 Yes/ 1 No [Austin]/0 Absent) Motion carried 8 – 1.

Approval of Vertical Housing Zone Concept:

Barton Brierley explained the vertical housing program provides a partial property tax exemption for development of mixed-use, multi-story projects in a specified area. The project must be mixed-use, which typically means the ground floor is used for commercial space. The upper floors must be housing. If the building has one floor of housing, the building would be 20% tax exempt. If it has two floors of housing, it would be 40% exempt; if it has three floors of housing, it would be 60% exempt, and if it has four floors, it would be 80% exempt. The tax exemption would last 10 years. There are 14 cities that have adopted these exemption zones and 8 projects completed thus far. Newberg downtown would be the natural candidate for designations as a vertical housing development zone.

Ken Austin asked why not apply this zone any place in the City? Barton Brierley replied it must be a mixed-use area. Rick Rogers asked what is the relationship between this zoning tool and affordable housing? Barton explained it is not strictly tied to affordability but chances are good the units will be affordable.

MOTION #4: Rogers/Russell moved to approve the Vertical Housing Zone Concept as one of the tools and to include all commercial areas in the City of Newberg. (9 Yes/0 No/0 Absent) Motion carried.

VI. LEGISLATION SUBCOMMITTEE REPORT:

Annexation Ordinance:

Barton Brierley stated the Legislation Subcommittee has recommended a proposed annexation ordinance. The proposal would allow small annexations to be grouped and processed together. The proposal would set one time every two years where property owners could request to be included in the “batch.” Only groups of properties less than three developable acres would be eligible except as approved by the City Council, and only properties where no comprehensive plan amendment also is requested. Staff would collect the applications up to a certain date, and then send the full batch to the City Council for one hearing. If the City Council approves, the batch then would be sent to the May primary ballot under one measure. The proposal also establishes a separate process for city-initiated annexations, such as island annexations or triple-majority annexations, that do not fit the typical property own initiated application process. Barton stated in the last decade of annexations of three acres and under, one-third to one-half has ended up being affordable for those below medium income. Mike Gougler stated that without this tool, the City is restricted in its ability to do the addition of affordable housing. The City needs the ability to try to bring in blocks of property for affordable housing without going through a vote.

MOTION #5: Russell/Gougler moved to recommend that the City Council adopt the annexation ordinance. (9 Yes/0 No/0 Absent) Motion carried.

Housing Occupancy and Maintenance Standards:

Barton Brierley stated the subcommittee discussed possible ways to allow increased occupancy of dwellings. Current occupancy limits for a single family home are five unrelated persons, or an unlimited number of related persons. Allowing additional occupancy would be one of the most affordable ways of providing housing for many individuals. The committee discussed modifying the limits on housing occupancy to encourage affordable housing. The committee stated that the issues related to the safety and external impacts of overcrowding of housing must be considered. External impacts might be related to parking, garbage accumulation, maintenance, or similar impacts.

Cody Gardner, Code Enforcement Officer is working on a property maintenance ordinance that deals with many of these issues. He is currently in the process of setting up a rental property maintenance inspection program for apartments but could be used in this setting also. Mike Gougler proposed eliminating the idea of how many residents could live in a house as an ordinance but simply establishing ways of enforcing the laws already in place.

MOTION #6: Brown/Gougler moved to recommend that the current ordinances regulating occupancy numbers for dwellings are outdated and either need to be removed or replaced with standards more relevant to today, with staff to propose language. (8 Yes/0 No/1 Absent [Bacon]) Motion carried.

Manufactured Housing Park Retention – Urban Renewal Tool:

Barton Brierley stated the subcommittee recommended that urban renewal be given further consideration in this case. Within an urban renewal district, tax increment could be used to help fund park improvements to keep the park viable into the future. The subcommittee proposed to create a “white paper” on urban renewal as a means of promoting retention of manufactured dwelling parks, and present that to the Planning Commission and City Council.

MOTION #7: Gougler/Russell to approve the Manufactured Housing Park Retention proposal. (8 Yes/0 No/1 Absent [Bacon]) Motion carried.

VII. EDUCATION/OUTREACH SUBCOMMITTEE REPORT:

Tool Loan Library:

David Beam explained strategy #2 in the action plan as located on page 87 of the meeting packet. Ken Austin is concerned if someone were to be injured while using the tools versus insurance coverage.

MOTION #8: Harris/Rogers moved to pursue the Tool Loan Library concept. (8 Yes/0 No/1 Absent [Bacon]) Motion carried.

Housing Resource Center:

MOTION #9: Gougler/Brown moved to recommend pursuing creation of a housing resource center. (8 Yes/0 No/1 Absent [Bacon]) Motion carried.

Renter Certificate Program:

MOTION #10 – Gougler/Stuart moved to recommend creation of the renter certificate program. (8 Yes/0 No/1 Absent [Bacon]) Motion carried.

VIII. COMMITTEE PRESENTATION TO COUNCIL:

Barton Brierley asked committee members to be present at the City Council Work Session on April 4, 2011 at 6 p.m. He will work with Chair Cathy Stuhr on a presentation to the City Council and would like committee members to make the presentation.

IX. NEXT STEPS:

Proposals for future meetings:

Barton Brierley passed out and reviewed the Future Affordable Housing Tasks summary.

X. OTHER BUSINESS: None.

XI. ADJOURN:

The meeting adjourned at 9:10 p.m.

Approved by the Affordable Housing Action Committee on this 4th day of April, 2011.

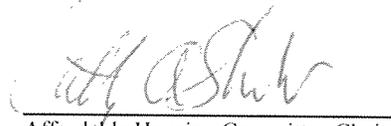
AYES: 9

NO: 0

ABSTAIN: 0

ABSENT: 0


Affordable Housing Recording Secretary


Affordable Housing Committee Chair