

# REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: August 17, 2015

Order \_\_\_ Ordinance XX Resolution \_\_\_ Motion \_\_\_ Information \_\_\_  
No. No. 2015-2785 No.

**SUBJECT: An ordinance amending the Newberg Municipal Code for the Newberg Affordable Housing Trust Fund, Sections 3.35.010 and 3.35.020**

Contact Person (Preparer) for this Motion: Doug Rux  
Dept.: Community Development  
File No.:

HEARING TYPE:  LEGISLATIVE  QUASI-JUDICIAL  NOT APPLICABLE

## RECOMMENDATION:

Adopt Ordinance No. 2015-2785.

## EXECUTIVE SUMMARY:

The Newberg City Council adopted Ordinance No. 2012-2749 on March 5, 2012 establishing the Newberg Affordable Housing Trust Fund as Chapter 3.35 of the Newberg Municipal Code. On June 15, 2015 the Newberg City Council adopted Resolution No. 2015-3202 amending the Policies and Procedures for administration of the City of Newberg Affordable Housing Trust Fund adopted by Resolution No. 2012-2988. As part of the amendments in Resolution No. 2015-3202, Section 1.1 was modified related to the area median income requirement. This modification reduced the median income level from the prior 100% down to 80% of the area median income. To ensure consistency between the enacting ordinance and the resolution adopting the Policies and Procedures for administration of the City of Newberg Affordable Housing Trust Fund, Sections 3.35.010 and 3.35.020 of the Newberg Municipal Code need to be modified to reflect the 80 percent of area median income requirement.

The proposed changes are as follows:

Note: Existing text is shown in regular font.

Added text is shown in double-underline.

Deleted text is shown in ~~strikethrough~~

Section 3.35.010 is amended to read as follows:

A. The purpose of the Newberg affordable housing trust fund (NAHTF) is to support the development, preservation, and rehabilitation of housing that is affordable to the citizens of Newberg with incomes that do not exceed 80 ~~400~~ percent of the area median income. The NAHTF will have a dedicated source of revenue to provide ongoing funding for housing projects or programs that address the housing needs of these Newberg residents. The primary purpose of the NAHTF is to encourage the development, preservation, and rehabilitation of housing for home ownership or rent, at a cost that will enable very low, low and moderate-income families to afford quality housing while paying no more than 30 percent of gross household income on housing.

B. NAHTF funds will support activities that create, preserve or acquire affordable housing within the Newberg city limits. NAHTF funds also may be used for permanent or transitional housing for homeless

families and individuals, and for the modernization, rehabilitation and repair of public housing.

C. The NAHTF is not intended to be the sole source of funding for affordable housing, and any activity or project eligible for support from the NAHTF is expected to develop additional sources of funds.

D. To achieve the purposes of the NAHTF, it is the goal of the city to operate a fund that is strong and effective.

Section 3.35.020 is amended to read as follows:

The following words and phrases whenever used in this chapter shall be construed as defined in this section unless from the context a different meaning is intended.

“Administrative procedures” mean the procedures for administration of the NAHTF established by resolution of the city council, including but not limited to procedures which outline application, evaluation, and all other associated procedures for administration of the NAHTF.

“Affordable housing” means residential housing primarily for households or persons earning less than 80 ~~100~~ percent the area median income where housing costs or rent do not constitute more than 30 percent the household income, and as more fully defined per city resolution.

“Affordable housing priorities” mean priorities established from time to time by the city council by motion, order or resolution, to guide the allocation of funds from the NAHTF.

“Eligible uses and activities” mean those uses for the NAHTF which are set forth in an implementing resolution of the city council, such uses including but not limited to uses and activities which facilitate the production and preservation of affordable housing within Newberg’s city limits.

“Newberg affordable housing trust fund” (NAHTF) means a separate account created by the city finance department established by this chapter and used exclusively for NAHTF purposes as set forth in this chapter and implementing resolutions of the city council.

**FISCAL IMPACT:**

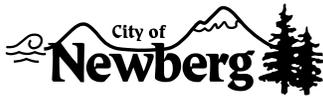
There is no fiscal impact by the proposed change.

**STRATEGIC ASSESSMENT (RELATE TO COUNCIL GOALS):**

The amendments to Ordinance No. 2012-2749, the Newberg Affordable Housing Trust Fund, will assist in: fostering and encouraging economic development in the community through rehabilitation of housing for the community’s workforce; and to manage and operate the City Government in an efficient and effective manner by responding with a flexible loan program meeting the needs of the community’s underprivileged and disadvantaged residents.

Attachment:

Ordinance No. 2015-2785



## **ORDINANCE NO. 2015-2785**

---

---

**AN ORDINANCE AMENDING THE NEWBERG MUNICIPAL CODE FOR  
THE NEWBERG AFFORDABLE HOUSING TRUST FUND, SECTIONS  
3.35.010 AND 3.35.020**

---

---

### **RECITALS:**

1. The Newberg City Council adopted Ordinance No. 2012-2749 on March 5, 2012 establishing the Newberg Affordable Housing Trust Fund as Chapter 3.35 of the Newberg Municipal Code.
2. On June 15, 2015 the Newberg City Council adopted Resolution No. 2015-3202 amending the Policies and Procedures for administration of the City of Newberg Affordable Housing Trust Fund adopted by Resolution No. 2012-2988.
3. As part of the amendments in Resolution No. 2015-3202, Section 1.1 was modified related to the area median income requirement. This modification reduced the median income level from the prior 100% down to 80% of the area median income.
4. To ensure consistency between the enacting ordinance and the resolution adopting the Policies and Procedures for administration of the City of Newberg Affordable Housing Trust Fund sections 3.35.010 and 3.35.020 need to be modified to reflect the 80 percent of area median income requirement.

### **THE CITY OF NEWBERG ORDAINS AS FOLLOWS:**

1. Section 3.35.010 is amended to read as follows:
  - A. The purpose of the Newberg affordable housing trust fund (NAHTF) is to support the development, preservation, and rehabilitation of housing that is affordable to the citizens of Newberg with incomes that do not exceed 80 percent of the area median income. The NAHTF will have a dedicated source of revenue to provide ongoing funding for housing projects or programs that address the housing needs of these Newberg residents. The primary purpose of the NAHTF is to encourage the development, preservation, and rehabilitation of housing for home ownership or rent, at a cost that will enable very low, low and moderate-income families to afford quality housing while paying no more than 30 percent of gross household income on housing.
  - B. NAHTF funds will support activities that create, preserve or acquire affordable housing within the Newberg city limits. NAHTF funds also may be used for permanent or transitional housing for homeless families and individuals, and for the modernization, rehabilitation and repair of public housing.

- C. The NAHTF is not intended to be the sole source of funding for affordable housing, and any activity or project eligible for support from the NAHTF is expected to develop additional sources of funds.
- D. To achieve the purposes of the NAHTF, it is the goal of the city to operate a fund that is strong and effective.

2. Section 3.35.020 is amended to read as follows:

The following words and phrases whenever used in this chapter shall be construed as defined in this section unless from the context a different meaning is intended.

“Administrative procedures” mean the procedures for administration of the NAHTF established by resolution of the city council, including but not limited to procedures which outline application, evaluation, and all other associated procedures for administration of the NAHTF.

“Affordable housing” means residential housing primarily for households or persons earning less than 80 percent the area median income where housing costs or rent do not constitute more than 30 percent the household income, and as more fully defined per city resolution.

“Affordable housing priorities” mean priorities established from time to time by the city council by motion, order or resolution, to guide the allocation of funds from the NAHTF.

“Eligible uses and activities” mean those uses for the NAHTF which are set forth in an implementing resolution of the city council, such uses including but not limited to uses and activities which facilitate the production and preservation of affordable housing within Newberg’s city limits.

“Newberg affordable housing trust fund” (NAHTF) means a separate account created by the city finance department established by this chapter and used exclusively for NAHTF purposes as set forth in this chapter and implementing resolutions of the city council.

➤ **EFFECTIVE DATE** of this ordinance is 30 days after the adoption date, which is: September 16, 2015.

**ADOPTED** by the City Council of the City of Newberg, Oregon, this 17th day of August, 2015, by the following votes: **AYE:**      **NAY:**      **ABSENT:**      **ABSTAIN:**

\_\_\_\_\_  
Sue Ryan, City Recorder

**ATTEST** by the Mayor this 20th day of August, 2015.

\_\_\_\_\_  
Bob Andrews, Mayor