

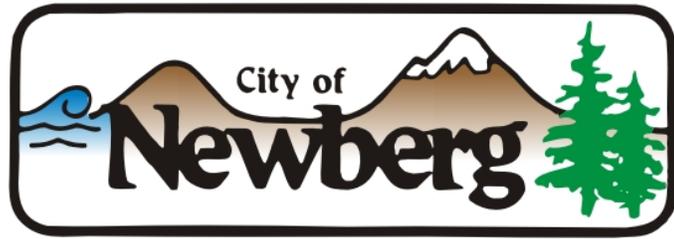
**NEWBERG AFFORDABLE
HOUSING COMMISSION
Tuesday, September 24, 2013
1:30 p.m., Newberg City Hall
Permit Center Conference Room
414 E. First Street, Newberg, OR**

- I. WELCOME AND INTRODUCTIONS**
- II. REVIEW OF NEWBERG AFFORDABLE HOUSING ACTION PLAN**
- III. AFFORDABLE HOUSING TRUST FUND**
- IV. DUTIES OF THE AFFORDABLE HOUSING COMMISSION**
- V. DISCUSSION OF WORK PLAN (NEXT SIX MONTHS)**
- VI. APPOINTMENT OF COMMISSION CHAIR**
- VII. NEXT MEETING – OCTOBER 22, 2013**
- VIII. OTHER BUSINESS**
- IX. ADJOURN**

ATTACHMENTS

- A: Newberg Affordable Housing Action Plan (pg. 2-55)**
- B: Ordinance No. 2012-2749 Establishment of the Newberg Affordable Housing Trust Fund (pg. 56-58)**
- C: Resolution No. 2012-2988 Policies and Procedures for Administration of Newberg's Affordable Housing Trust Fund (pg. 59-70)**
- D: City Council Action Item appointing members of the Newberg Affordable Housing Commission (pg.71)**

May 4, 2009



Affordable Housing Action Plan



City of Newberg

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Newberg, OR 97132

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Introduction

Like many communities in our nation, Newberg has an affordable housing problem. Many of its citizens spend too much of their income on housing. The recent burst of the housing bubble has reduced this pressure and has made the cost of home ownership relatively more affordable. However, given the strong future growth predicted for the Newberg and the Portland region, given Oregon's strong regulatory environment on land for housing, there is little reason to believe that future trends will provide significant relief to our community's housing affordability issue.

There are many reasons for Newberg to be concerned about affordable housing. Perhaps foremost, it is the right thing to do. All hardworking people should be able to live in safe, decent housing and still have enough money for groceries and other basic necessities. Everyone needs a stable home to succeed in life, especially children. In addition, affordable housing for all income levels is important to our local economy. Attracting and retaining a good workforce is one of the most difficult challenges any business faces if it is to remain competitive. Poor housing availability in a community makes this a very difficult task. Those who live here contribute to the local economy by shopping and patronizing local businesses. Also, a lack of affordable housing can have a negative effect on the environment and our quality of life. If a local housing stock cannot accommodate the needs of a community's employees, then those folks will live outside of Newberg and commute to work, thereby affecting our air quality and adding to our existing traffic congestion. Finally, affordable housing can build social capital in the community. Those who live and work in Newberg can invest themselves in many ways, such as volunteering to be firefighters, police reserves, helping at their church or civic club, or simply picking up litter or helping their neighbors. Such volunteering is less likely when you commute two hours every day to a home outside the community.

In recent years, the City of Newberg has been extensively examining the community's land needs to accommodate future growth. This examination has revealed that if current housing construction trends continue into future, affordable housing in Newberg will likely continue to be a significant issue. In recognition of this, the Newberg City Council approved Resolution No. 2008-2781, which established the Housing for Working Families Ad Hoc Committee (NOTE: with the consent of the Mayor, the committee's name was changed to the Affordable Housing Ad Hoc Committee). The Committee's charge was to "...identify and recommend tools appropriate for the Newberg community that are intended to encourage the development of housing for working families." Early in its operation, the Committee decided to make a couple of changes to their charge that they felt were important. First, the Committee felt that identifying and implementing tools that help with the preservation of the community's existing affordable housing stock was a critical step if their action plan was to be successful. Second, the Committee felt that affordable housing should be available for all citizens of our community, and therefore changed their name to the Newberg Affordable Housing Ad Hoc Committee.

The Committee members were appointed by Mayor Bob Andrews. The members are local community citizens that represent a wide range of interests on the affordable housing issues. The Committee consisted of the following members:

Denise Bacon – Newberg City Councilor
 Bob Ficker – Columbia River Bank – Newberg Branch Manager
 Mike Gougler – MJG Development, Inc.
 Charles Harris – Community and Shelter Assistance Corp. (CASA)
 Bob Larson – Newberg City Councilor
 Joel Perez – George Fox University Dean of Transitions and Inclusions
 Rick Rogers – Newberg Area Habitat for Humanity Executive Director
 Dennis Russell – Friendsview Retirement Community (Committee Vice-Chair)
 Philip Smith – Newberg Planning Commissioner (Committee Chair)
 Mike Willcuts – Willcuts Company & Coyote Homes
 Kevin Winbush – Proprietor of Its All Good Barbeque and Catering

City of Newberg staff for the Committee included Barton Brierley, Planning and Building Director and David Beam, Economic Development Coordinator/Planner.

The Committee began meeting in July 2008. Since that time, the Committee reviewed a broad range of actions that could be taken to encourage affordable housing in Newberg. This plan includes actions that the Committee considers to be appropriate for implementation within our community at this time. It is not intended to be an exhaustive list of all the affordable housing actions available. The community always should be looking for new and innovative ways to meet affordable housing needs.

The actions in this Plan are grouped under the following seven affordable housing strategies:

- ***Amend Newberg Comprehensive Plan Goals and Policies***
- ***Retain the existing supply of affordable housing***
- ***Insure an adequate land supply for affordable housing***
- ***Change development code standards***
- ***Amend the development fee schedule***
- ***Develop and support public and private programs***
- ***Strengthen economic development efforts***

This Plan is just Phase One of a longer process to help bring more affordable housing to Newberg. Phase Two of the process will involve the further development of some of the affordable housing tools identified in the plan by various organizations in the community. Other actions in the Plan should be able to be put to work almost immediately. Finally, Phase Three will involve the implementation of these tools to actually create affordable housing.

Appendix B provides a calculation of the potential impact of the actions within this plan could have on our community's affordable housing issue. The Committee strongly recommends that the City Council make the implementation of this Action Plan a high priority.

This Plan was created through a great deal of dedication and hard work by many citizens of our community. Working together for the common good is what we have always done exceptionally

well in Newberg. Working together, with this Plan as our guide, we can reach ultimate goal to provide safe, decent affordable housing for all who live here.

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Newberg Housing Needs

The City of Newberg is expected to experience significant population growth in the foreseeable future. The table below describes the future population projections from Newberg's adopted comprehensive plan

Future Population Forecast – Newberg Urban Area

| Year | Population Forecast |
|-------------|----------------------------|
| 2000 | 18,438 |
| 2005 | 21,132 |
| 2010 | 24,497 |
| 2015 | 28,559 |
| 2020 | 33,683 |
| 2025 | 38,352 |
| 2030 | 42,870 |
| 2035 | 48,316 |
| 2040 | 54,097 |

Sources: Johnson Gardner, Barry Edmonston, 2004

To accommodate this population growth, the following housing types will be needed in the future (from page 58 of the Newberg Comprehensive Plan.)

Future Housing Need by Housing Type (number of dwelling units)

| | Single Family | | Multi-Family | | Manufactured | | Total |
|---------------------|---------------|----------|----------------|--------------|--------------|-------------|--------|
| | Detached | Attached | Medium Density | High Density | Parks | Subdivision | |
| | 50% | 7% | 15% | 23% | 2% | 2% | 100% |
| 2005 to 2025 | 3,377 | 492 | 1,022 | 1,533 | 140 | 140 | 6,704 |
| 2026 to 2040 | 3,234 | 471 | 978 | 1,467 | 135 | 135 | 6,420 |
| Total | 6,611 | 963 | 2,000 | 3,000 | 275 | 275 | 13,124 |

Source: Johnson Gardner, 2004

Buildable Residential Land Needs vs. Supply

The Newberg Comprehensive Plan then projects the amount of land that will be needed to meet these projected land needs. The table below includes the amount of land needed in each category, and compares it to the supply of buildable land available.

**Newberg Urban Area Residential Land Needs and Supply
As of January 1, 2009**

| Plan Designation | Buildable Acres in UGB* 1/1/2009 | Total Buildable Acres Needed 2009-2029** | Surplus or (Deficit) 2009-2029 | Total Buildable Acres Needed 2009-2040 | Surplus or (Deficit) 2009-2040 |
|-------------------------|---|---|---------------------------------------|---|---------------------------------------|
| LDR | 601 | 664 | (63) | 1,252 | (651) |
| MDR | 125 | 155 | (30) | 308 | (183) |
| HDR | 45 | 106 | (60) | 172 | (127) |
| Total | 771 | 925 | (154) | 1,732 | (961) |

| Abbreviation | Definition | Corresponding Zone(s) |
|--------------|----------------------------|-----------------------|
| LDR | Low Density Residential | R-1 |
| MDR | Medium Density Residential | R-2 |
| HDR | High Density Residential | R-3 |

*The Urban Growth Boundary (UGB) includes the city

**Estimated as need from 1/1/2009 to 1/1/2029

Source: Newberg Planning and Building Department

Data subject to change

In order to meet this need, in 2008 Newberg expanded its Urban Reserve Area. This urban reserve expansion is currently undergoing the process of acknowledgement by the State of Oregon. Soon, the City is expected to undergo a process to expand the Urban Growth Boundary, including land to meet the 20-year need.

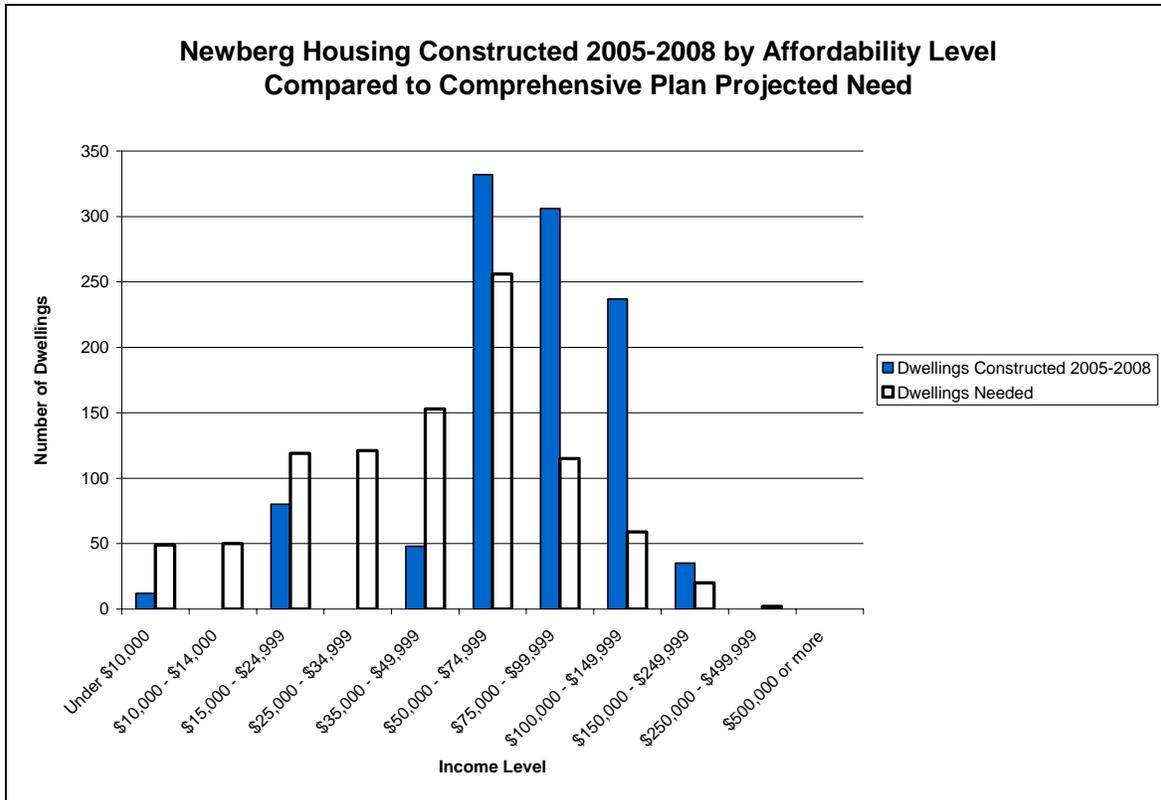
Newberg's Housing Needs analysis projects housing needs by income level 2004-2025. The following table shows the projected needs.

**PROJECTED RESIDENTIAL DEMAND BY PRODUCT TYPE
CITY OF NEWBERG - MEDIUM GROWTH SCENARIO**

| Year | Product Type | | | | Total |
|---------------------------------------|---------------|------------|--------------|--------------|--------------|
| | Single Family | Duplex | Multi-Family | Manufactured | |
| 2004-08 | 496 | 34 | 367 | 48 | 945 |
| 2009-10 | 270 | 24 | 201 | 24 | 520 |
| 2011-15 | 800 | 96 | 603 | 68 | 1,567 |
| 2016-20 | 905 | 145 | 688 | 72 | 1,811 |
| 2021-25 | 906 | 193 | 695 | 68 | 1,862 |
| Total | 3,377 | 492 | 2,554 | 281 | 6,704 |
| Demand by Product Type - Through 2008 | | | | | |
| HH Income | Single Family | Duplex | Multi-Family | Manufactured | Total |
| Under \$10,000 | 14 | 7 | 21 | 7 | 49 |
| \$10,000-\$14,999 | 15 | 7 | 20 | 7 | 50 |
| \$15,000-\$24,999 | 36 | 17 | 57 | 9 | 119 |
| \$25,000-\$34,999 | 57 | 3 | 56 | 5 | 121 |
| \$35,000-\$49,999 | 78 | 0 | 68 | 7 | 153 |
| \$50,000-\$74,999 | 148 | 0 | 96 | 12 | 256 |
| \$75,000-\$99,999 | 79 | 0 | 36 | 0 | 115 |
| \$100,000-\$149,999 | 48 | 0 | 11 | 0 | 59 |
| \$150,000-\$249,999 | 17 | 0 | 3 | 0 | 20 |
| \$250,000-\$499,999 | 2 | 0 | 0 | 0 | 2 |
| \$500,000 or More | 0 | 0 | 0 | 0 | 0 |
| Total | 496 | 34 | 367 | 48 | 943 |

SOURCE: Johnson Gardner June 30, 2004

Recent development has done very little to provide housing for working families. Between 2005 and 2008, 52% of the housing demand was for households earning below \$50,000. However, during the same time period, only 14% of the actual housing built was available to households earning less than \$50,000. While it is reasonable to assume that newer housing will be more expensive, it is clear from these trends that the stock of housing that could be affordable in the future is not growing. Continuing these trends will result in a community with a severe shortage of affordable housing.



Affordable Housing Definitions

The committee felt that affordable housing was a need for all Newberg's citizens. Every individual or family wants and should have access to housing without having to spend an excessive amount of their income. From recent trends, it appears that market forces are able to satisfy the demand for housing for most those making above the median income. Creating housing for those making below the median (half of Newberg's households) is much more difficult, and some level of intervention is needed.

From a national perspective, significant financial support for affordable housing comes from the U.S. Department of Housing and Urban Development (HUD). On a local level, many of those federal funds are administered by the Housing Authority of Yamhill County (HAYC). The committee chose to use definitions from HUD to aid in compatibility with other programs.

"Affordable Housing" is defined as when a family spends no more than 30% of its income for housing. For homeowners, housing costs include mortgage payment (principal and interest), property taxes, and home insurance. For renters, housing costs would include rent and tenant paid utilities.

When evaluating a client's income to qualify them for housing assistance, HAYC uses income limits established by HUD. HUD has established three income limit categories for families:

Low income – a family making 80% to 51% of the Area Median Income;

Very low income - a family making 50% to 31% of the Area Median Income; and,

Extremely low income - a family making 30% or below of the Area Median Income.

HAYC defines a "family" as the number of persons living in household, regardless of their relationships.

In addition, the committee is using the following definition:

Moderate income – a family making 81% to 100% of the Area Median Income.

The following table describes the 2009 HUD income limits for the Portland-Vancouver-Beaverton, OR-WA Metropolitan Statistical Area (NOTE: Newberg is grouped in to this Metropolitan Statistical Area [MSA]). It has been amended to include the "moderate" income limits as recommended by the committee.

| 2009 MSA Median Income | 2009 Income Limit Category | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
|------------------------|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| \$70,000 | Moderate | \$49,000 | \$56,000 | \$63,000 | \$70,000 | \$75,600 | \$81,200 | \$86,800 | \$92,400 |
| | Low | \$39,200 | \$44,800 | \$50,400 | \$56,000 | \$60,500 | \$64,950 | \$69,450 | \$73,900 |
| | Very Low | \$24,500 | \$28,000 | \$31,500 | \$35,000 | \$37,800 | \$40,600 | \$43,400 | \$46,200 |
| | Extremely Low | \$14,700 | \$16,800 | \$18,900 | \$21,000 | \$22,000 | \$24,350 | \$26,050 | \$27,700 |

These income standards are adjusted annually by HUD.

It should be noted that the actual median income for Newberg proper is less than median income for the Portland-Vancouver-Beaverton, OR-WA Metropolitan Statistical Area, of which Yamhill County is a part. As an indicator, the 2005-2007 American Community Survey Three-Year Estimates by the U.S. Census Bureau estimates the median income for all families in Newberg to be \$53,417 (adjusted to 2009 dollars). The median family size is 3.17, whereas HUD definition uses a base family size of 4. Even adjusting for this difference, the census data show that Newberg's median family income is about 17% less than the Portland MSA.

In addition, the U.S. Census Bureau reports the median *household* income as \$47,144 (2009 dollars). Definitions for household and family vary by source. Census data indicate that there are 2,122 non-family households in Newberg, 1,834 of those are one person households. These numbers likely include many students at George Fox University. This accounts for the reduction in household vs. family income.

The Comprehensive Plan's housing needs estimates were based on Newberg census data. The result is that well over 50% of households in Newberg make below the Portland MSA median income.

Current City Comprehensive Plan Goals and Policies Regarding Housing

I. HOUSING

GOAL: To provide for a diversity in the type, density and location of housing within the City to ensure there is an adequate supply of affordable housing units to meet the needs of City residents of various income levels. (Ordinance 2006-2534)

POLICIES:

1. Density Policies

- a. Density rather than housing type shall be the most important development criteria and shall be used to classify different types of residential areas on the plan.
- b. Target densities shall be as follows:

| Classification | Units Per Gross Acre* |
|----------------------|--------------------------|
| Urban Low Density | 4.4 |
| Urban Medium Density | 9 |
| Urban High Density | 16.5 |

*Includes a 25 percent allowance for streets

The City shall encourage development to occur at or near those planned densities by providing positive incentives, such as lot size averaging, while maintaining and improving livability. (Ordinance 2006-2534, January 3, 2006)

- c. In determining net residential densities, developers may be given density credit for land donated and accepted by the City for needed public facilities.

2. Location Policies

- a. Medium and high density areas should be located for immediate access to collector streets or minor arterials and should not cause traffic to move through low density areas. High density areas

should be easily accessible to arterial streets. They should also be located near commercial services and public open spaces.

- b. The City will encourage medium density housing in and adjacent to the commercial core of the Riverfront District and lower intensity residential uses in the western portions of the Riverfront District. (Ordinance 2002-2564, April 15, 2002)

3. Mix Policies

- a. The City will encourage innovative approaches to solving the problem of meeting low income housing needs. Such approaches may include, but are not limited to the following: rent subsidies, federally funded development under HUD programs, state and regional housing programs.
- b. Low and moderate income housing should not be concentrated within particular areas of the City.
- c. Manufactured dwellings shall be recognized as a source of affordable housing.
- d. Modular housing (prefabricated structures) meeting all building codes and placed on permanent foundations shall be treated as single-family units. They will be subject to the same location and density requirements as other single-family dwellings. Manufactured housing on individual lots shall be subject to special development standards to assure design consistency and compatibility. (As amended by Ord. 2380, 6-6-94).
- e. Manufactured homes shall be permitted in the following locations: 1) mobile home parks, 2) mobile home subdivisions, and 3) individual lots within all residential districts when units meet manufactured home standards. Manufactured dwellings shall be allowed in mobile home parks and mobile home subdivisions when units meet the provisions of the Zoning Ordinance. (As amended by Ord. 2380, 6-6-94).
- f. The City shall ensure that enough land is planned for manufactured homes, particularly in conjunction with transportation corridors.
- g. Home occupations shall be permitted provided that such uses are compatible with adjoining residential uses and there are no outward manifestations of the business.

- h. To reduce distances between land uses, a mixture of all compatible uses will be encouraged. As such, convenience commercial areas may be located within residential districts provided they meet special development standards.
- i. The City shall encourage subsidized housing for low income people.
- j. The City shall encourage innovation in housing types and design as a means of offering a greater variety of housing and reducing housing costs.
- k. The City shall encourage an adequate supply of rental housing dispersed throughout the City to meet the needs of renters.
- l. The City shall encourage residential occupancy of upper floors within multi- story commercial buildings.
- m. Within the urban area, land use policies will attempt to provide a broad range of residential uses and encourage innovative development techniques.
- n. The City will encourage housing development in commercial areas within the Riverfront District on upper floors, above ground floor commercial, office, or retail spaces. (Ordinance 2002-2564, April 15, 2002)
- o. The City shall encourage incentive-based affordable* housing for low and very low income households in the R-2 and R-3 zones.* (Ordinance 2006-2634, January 3, 2006)

*Affordable housing is generally considered to cost no more than 30% of gross household income. Low and very low income households are generally defined as those earning 80% and 60%, respectively, of the median gross household income for an area.

Regional Affordable Housing Vision

The Chehalem Valley has a strategic regional plan called “Beyond the Vision: The Chehalem Valley in 2020.” The stated mission of the plan is as follows: “The mission of the Chehalem Valley Strategic Planning process is to complete a collaborative strategic plan, based upon a common vision that will provide collective guidance for programs, projects, plans and policies among the jurisdictions of the Chehalem Valley to benefit their citizens.”

The Plan, which was adopted by all jurisdictions by February 2004, is the result of a joint effort of five local jurisdictions in the Chehalem Valley: the cities of Newberg and Dundee, Newberg Public School District, Chehalem Park and Recreation District, and Yamhill County. It is an update to the regional planning work in the mid 1990s that resulted in the documents Chehalem Future Focus I and II. The Plan is the result of a process that involved extensive community input, three community forums (two in English and one in Spanish) and two random sample surveys of the residents of the Chehalem Valley,

Within the plan is the following vision of housing within this region: “Diverse housing opportunities of high quality are available, including executive housing with a golf facility that attracts residents of higher income, historic homes, affordable housing for low and moderate income residents, rentals, condominiums, and housing for the elderly, disabled and disadvantaged.”

The authors of “Beyond the Vision” are currently working toward the update of this document.

Local Affordable Housing Providers

Programs that assist with the development and maintenance of affordable housing have been operating within Newberg for many years. Their contribution to the providing the basic requirement for shelter has and is expected to continue enhancing the quality of life for those in need within our community.

Newberg Area Habitat for Humanity

Newberg Area Habitat for Humanity is an affiliate of Habitat for Humanity International, an organization with a worldwide goal to end poverty housing. The goal for the Newberg program is, at least initially, more modest: to build decent, safe, affordable homes with those in need in the community (defined as Newberg, Dundee, Dayton, Sherwood and St. Paul). Habitat is a volunteer-driven, self-help housing program that does “more than houses” and its impact reaches beyond families. It offers a means for community goodwill to come together in the spirit of volunteerism. This is demonstrated in the fact that to complete a home, about 400 individual volunteers will spend over 7,000 hours 'pounding nails' side by side with the families who will ultimately occupy the house and have a place to call “home”.

1) Materials - Newberg Area Habitat for Humanity relies on community goodwill for donations of time, money and materials. Historically a vast majority of the labor is donated and roughly 25% of the materials for each home. In-kind donations can range from a plumber donating his or her time to local churches providing meals for volunteers on the building site. This goodwill in all its forms allows us to keep the homes affordable. It should note that while a portion of materials are donated, not all are. For this reason we have to rely on our neighbors to financially support our efforts.

2) Selection Criteria - families are selected for homeownership based on their need, ability to pay, tie to the local community and willingness to 'partner'. Partner in Habitat parlance means the ability to perform 500 hours of sweat equity on the building site and the understanding that these homes will be built not only with their labor but through the goodwill of the community.

Habitat is a 'hand up' and not a 'hand out'. The ability to pay speaks to the fact that homeowners are issued a no-interest mortgage for a sales price significantly below appraisal. The monthly payment (of principal, taxes and insurance) is kept affordable. The family earns equity over the life of the mortgage but Newberg Area Habitat holds a right of first refusal for the first ten years to maintain affordability.

To date, Newberg Area Habitat for Humanity has built 11 homes in Newberg. Two more homes are being developed on a parcel located on North Main Street.

Friendsview Resident Assistance Program

Friendsview was established by the Friends in 1956. The following is description is from the Friendsview Retirement Community website (www.friendsview.org/about-friendsview.html):

Since 1961, Friendsview has been serving the needs of seniors looking for a comfortable, secure, friendly and faithbased community. As a not-for-profit community, Friendsview is operated with the needs and best interests of the residents in mind. Our continuing care concept provides for your needs today and tomorrow, right here on campus. What's more, we are a "Type A" facility, which means that if your needs change during the time you live here and you need a higher level of care, your rates will stay relatively stable, even though you may require additional services. This continuum of care offers you and your family peace of mind.

Our professional staff is here to meet the needs and desires of our residents. The staff works with residents to make our community a better place for those who live and are employed in our faith-based community.

Friendsview has 17 units set aside for low-income citizens on the Fulton St. campus, which are funded through their Resident Assistance Fund for those who have outlived their financial resources, or have spent their life in Christian service and did not have funds put into a pension plan and/or social security. Most of these individuals were provided housing and also did not create assets via home equity. Friendsview's goal is to have 10% of our residents receiving assistance. They currently have 32 (7.5%) of its 430 residents receiving assistance from their resident assistant fund, which equals \$240,000 per year in assistance. They have some residents with incomes as low as \$85 per month receiving over \$1800 per month in assistance and others that are only receiving \$200- \$300 per month. At this time, the average assistance per month is about \$625, but that also assures them long-term care for the rest of their life as a part of the Friendsview program.

Friendsview is currently working on the development of a 1.7 acre parcel that will house 50 low income seniors. The land for the project was donated by the Werth family. Friendsview has also submitted a grant application under the federal government's HUD 202 program to help fund the project. Finally, Friendsview has selected Pacific Retirement Services out of Medford to develop and manage this project.

Families United For Independent Living (FUFIL)

Families United for Independent Living (FUFIL) is a qualified 501(c)(3) dedicated to serving the needs of developmentally disabled persons within the Yamhill County area. The Board of Directors of FUFIL is comprised entirely of parents of developmentally disabled persons or professionals in the community who work/volunteer to serve this population.

In 2008, FUFIL, completed the construction of a 15 unit independent living rental housing complex for very low income, developmentally disabled adults. The property is located at 1901 N. Springbrook Road. Total project cost was about \$1.9 million. The project was completed through the cooperative efforts of many organizations, including the Tualatin Valley Housing Partners, the U.S. Department of Housing and Urban Development (HUD), Oregon Housing and Community Services, Integrated Services Network (ISN), Resource Connections of Oregon, and the City of Newberg.

FUFIL also secured a HUD 811 grant, which helps ensure that this facility will operate at intended well into the future. The grant provides includes a 40-year operating subsidy for the complex to help with keeping rents at a low rate.

FUFIL was the driving force behind the construction of an 8 unit affordable housing project for the developmentally disabled in McMinnville, which was completed in 2005. The project involved the extensive cooperation between state legislators, State of Oregon agencies, and the Housing Authority of Yamhill County. This project won a regional award for innovative affordable housing.

Housing Authority of Yamhill County

The Housing Authority of Yamhill County (HAYC) was established January 10, 1951, by resolution of the Yamhill County Board of Commissioners. The Housing Authority operates as an independent local government agency under federal and state law. The Housing Authority is governed by a five-member Board of Commissioners who are appointed by the Yamhill County Commissioners. The Board is responsible for establishing policies and generally overseeing our operations.

The mission of the Housing Authority is to provide the opportunity for decent, safe, sanitary and affordable housing to lower-income families residing in our community and opportunities to become self-sufficient.

In order to fulfill this mission, the Housing Authority has established the following objectives:

- To provide housing assistance in a manner that respects the dignity and inherent worth of every person.
- To invest in self-sufficiency programs for eligible families, including home ownership.
- To serve as a one-stop resource for affordable housing information.
- To further the revitalization of the community through maintenance and rehabilitation of existing housing.
- To maximize the utilization of available funds to assist eligible families.
- To adapt quickly and effectively to changing laws and regulations in order to remain a high performing agency.

In an effort to fulfill these objectives, the Housing Authority administers a number of housing programs utilizing federal, state and/or local funds.

Section 8 Housing Choice Voucher Program. This program allows eligible families to find their own rental unit in the existing housing market. The family pays a portion of the rent and utilities (equal to 30 percent of their adjusted monthly income), and the Housing Authority pays the landlord the balance of the rent. The Authority has a contract with HUD which provides funds for the Voucher program.

Family Self-Sufficiency (FSS) Program. The Family Self-Sufficiency Program is a voluntary program for residents of the Housing Authority's Voucher Program. It is designed to help families become financially independent of welfare systems and to become economically self-sufficient. FSS can help families identify and locate services they may need to reach self-sufficiency. The Housing Authority of Yamhill County opens an interest bearing escrow (savings) account for FSS Participants who are successful in finding and maintaining employment.

Low-Rent Public Housing. This program is funded by HUD. The Housing Authority is currently in the process of disposing of its entire stock of Low-Rent Public Housing units. The money from the sale of the Public Housing units is being used to expand the availability of affordable housing in Yamhill County.

Housing Rehabilitation Loan Program. This program is funded through Oregon Community Development Block Grants (CDBG) to assist low-to moderate-income owner-occupied families in Yamhill County make repairs to their homes. Loans are zero percent (0%) deferred, or two percent (2%) installment, until property is sold, refinanced, use changes or income increases. As funds are made available, they are re-loaned to other eligible homeowners in our community. This program has been awarded thirteen grants and has been successfully administered since its establishment in 1980

The following are Housing Authority facilities within Newberg:

- ❖ **Fresa Park** is a farmworker housing development that consists of 22 units built in 1992. Two of those units are located in Newberg. The Fresa Park Development was financed through a loan/grant package from the USDA – Rural Development.
- ❖ **Haworth Terrace** apartments in Newberg was acquired in 1999. This 38-unit family housing apartment complex has 18 one-bedroom and 20 two-bedroom units. Using funds received from the State of Oregon, we were able to rehabilitate and maintain the affordable rent structure of Haworth Terrace.
- ❖ **Woodside Park** was acquired in 1996 when HAYC expanded its affordable housing inventory with the purchase of Silverado Inn in Newberg. Renamed Woodside Park, this family housing complex provides 84 two-bedroom units in Yamhill County's second largest city. Like Tice Park, this complex was financed through revenue bonds.

- ❖ In May 2005, the Housing Authority purchased **Vittoria Square Apartments**, a 43-unit elderly and disabled complex in Newberg, as a preservation property in cooperation with the U.S. Department of Agriculture (Rural Development) and the Oregon Department of Housing and Community Services. The property receives a long-term subsidy from Rural Development. Vittoria Square has 38 units of 1-bedroom apartments and five 2-bedroom apartments. Vittoria Square has a community building with a large community space, an office and a laundry facility available to all residents.

Community and Shelter Assistance Corporation (CASA of Oregon)

CASA is a statewide non-profit organization that has been based in Newberg since 1989. Since its establishment, CASA has completed over 1,000 housing units throughout Oregon

CASA's mission is "...to develop housing, programs and facilities that improve the quality of life and self-sufficiency of farmworkers and other low-income populations." CASA is a private non-profit community development corporation and has charitable tax exempt status under Section 501 (c) 3 of the IRS Code.

CASA has five primary lines of business:

- **Housing Development.** As a housing development organization, CASA is focused on farm worker and low-income housing development. Working with local nonprofits and housing authorities, CASA has developed over 30 housing projects around the state, providing housing for more than 1,000 families. In Yamhill County, CASA has worked with the Housing Authority of Yamhill County and the Yamhill Community Development Corp. (Yamhill CDC) to develop apartments in Newberg, Dayton, Lafayette and McMinnville.
- **Mobile Home Park Preservation.** CASA's I'm HOME program works with mobile home park residents to preserve their parks by helping the residents purchase their park and convert it to resident ownership. One such park is Horizon Cooperative in McMinnville.
- **Community Facilities.** CASA works with other nonprofits and cities to develop community facilities, such as the Head Start facility in Newberg and the Virginia Garcia Medical Clinic in McMinnville.
- **Predevelopment Loan Fund.** CASA is a U.S. Treasury-designated Community Development Financial Institution. Our \$2.5 million loan fund provides low-interest loans to other organizations to finance predevelopment housing costs.

Individual Development Accounts. CASA is the administrator for the Valley Individual Development Account (VIDA) program. Participants wanting to buy or fix up a home, pursue higher education, get job training, or buy adaptive equipment or technology can put money into a savings account over a period of time, and that money is matched in a 3:1

ratio. The participant must go through financial education training and other training relevant to their savings goal (for example, first-time home buyer training) in order to access their matching funds. In Yamhill County CASA administers this program on behalf of the Housing Authority and Yamhill CDC.

Strategy #1: Amend Newberg Comprehensive Plan Goals and Policies

Action 1.1: Amend the Newberg Comprehensive Plan with goals and policies that encourage the development and retention of affordable housing within the City of Newberg.

Achieving any goal starts with a written commitment to achieve that goal. Newberg's Comprehensive Plan contains a series of goals and policies that encourage and promote provision of affordable housing. The Affordable Housing Ad Hoc Committee feels that, to strengthen the City's commitment to affordable housing, the Newberg Comprehensive Plan should be amended with the following goals and policies.

Editorial Key:

Normal = existing text

~~Strikethrough~~ = proposed text deletion

Underline = proposed text additions

Italicized = comment

I. Housing

GOAL: To provide for a diversity in the type, density and location of housing within the City to ensure there is an adequate supply of affordable housing units to meet the needs of City residents of various income levels.
(Ordinance 2006-2534)

1. Density Policies

a. *(no change)*

b. Target densities shall be as follows

| <u>Classification</u> | <u>Units Per Gross Acre*</u> |
|-----------------------|------------------------------|
| Urban Low Density | 4.4 |
| Urban Medium Density | 9 |
| Urban High Density | 16.5 |

*Includes a 25 percent allowance for streets, walkways and other right-of-ways, utilities, small open spaces, preservation of resources, and similar features.

c. In determining net residential densities, developers may be given density credit for land donated and accepted by the City for needed public facilities.

d. The City encourages the creation of affordable housing through density bonuses. Developers may be given density bonuses for projects meeting

minimum City standards for housing affordability and design, as defined under subsection 3, Housing Mix and Affordability.

2. Location Policies (*no change*)

3. Housing Mix and Affordability Policies

AFFORDABLE HOUSING means a dwelling unit that provides housing for a family or individual(s) with a household income less than the median household income for the Newberg area, such that a household pays no more than 30 percent of its annual income on housing (rent/mortgage, utilities, property taxes). Affordable housing may include a care home for low-income individuals. Affordability can be assured through deed-restriction or other recorded documents that specify qualifying income of buyers or renters, and limiting sales price, rent levels and appreciation. Affordable housing may also include small, market-rate dwelling units (e.g., studios, apartments and accessory dwelling units).

a. – h. (*no change*)

i. The City shall ~~should~~ encourage the provision of affordable subsidized housing for low- and very low-income households, which are defined as those earning between 50 percent and 80 percent, and those earning 50 percent or less, of the median household income in Newberg. ~~low income people~~

j. – n. (*no change*)

~~o. The City shall encourage incentive based affordable* housing for low and very low income households in the R-2 and R-3 zones.* (Ordinance 2006-2634, January 3, 2006). The City has adopted a comprehensive approach to meeting local housing needs that balances density, design, and flexibility in code standards and procedures. The City uses development incentives such as density bonuses, flexible development standards, and streamlined review procedures to stimulate the production and preservation of affordable housing. Where an applicant requests approval through the flexible development standards option, the City requires the development to provide affordable housing, (replaces old policy "o")~~

p. The City should create a local housing trust fund for the purpose of encouraging the production and retention of affordable housing in Newberg.

~~* Affordable housing is generally considered to cost no more than 30% of gross household income. Low and very low income households are generally defined as those earning 80% and 60%, respectively, of the median gross household income of an area.~~

- q. The City should provide financial incentives for affordable housing, such as system development charge deferrals or waivers, permit application fee reductions or waivers, and land cost write-downs or donations for qualified affordable housing developments. These incentives could be paid by a housing trust fund.
- r. The City supports the retention of affordable housing through public education, planning, zoning and community development programs.
- s. The City supports state legislative efforts that strengthen tenant rights, for example, by ensuring relocation costs and replacement housing are addressed when manufactured home parks close and when low-income housing is converted to other uses.
- t. The City should support state legislative efforts to expand the range of regulatory tools (e.g., inclusionary housing) and non-regulatory tools available to cities in meeting local housing needs.
- u. The City should build understanding and support for affordable housing through educational forums with residents and employers, pre-application consultations with developers, and through local housing studies.
- v. The City should work with local affordable housing providers in developing an overall strategy for meeting Newberg's housing needs.
- w. City resources should be directed toward assisting public and private entities in producing and preserving affordable housing throughout the community.
- x. Where large residentially designated parcels are to be annexed, the City should apply a mixture of zoning, to include some R-3 zoned lands, consistent with the policy of distributing affordable housing throughout the community. Such zoning should be applied to portions of the property that are most suitable for high density development.
- y. The City should promote and support employer programs that assist employees to secure affordable housing.
- z. To the extent possible, the City should zone residential housing near employment centers.
- aa. The City should promote and support public and/or private transit systems that connect housing to employment centers.

Responsible parties: The Newberg Planning Commission and City Council

Strategy #2: Retain the existing supply of affordable housing

The best supply of affordable housing is the housing that is already in place. Unfortunately, this housing is susceptible to being removed from the community for a number of reasons. This housing can be demolished or removed to make way for newer development, it can decay due to lack of maintenance, or it can become unaffordable due to other factors, such as increases in utility costs. A number of strategies are needed to insure the existing stock of affordable housing is retained.

Action 2.1. Maintain and expand the housing rehabilitation program.

The City of Newberg recently became a member of the Yamhill County Affordable Housing Corporation to provide low-income homeowners with access to financial assistance in the rehabilitation on their homes. A wide range of rehabilitation activities are eligible through the program. Proposed repairs can be for correction and improvement of health, safety and structural issues as well as general maintenance repairs of the home.

Funding for this program is currently limited. State grants are available to expand the program where a need can be shown. In addition, Newberg should commit more of its own resources to support the program.

One limitation to the program is that it is only available to homeowners. Additional funds should be sought to expand the program to improve rental housing.

Responsible Parties: Phase 2 Affordable Housing Committee, Newberg City Council, Yamhill County Affordable Housing Corporation

Action 2.2. Create an ordinance discouraging the conversion of existing manufactured dwelling parks.

Manufactured housing is particularly susceptible to being removed due to its inherent mobile nature. Land may become more valuable for commercial or other uses, prompting the owner to remove the housing. The City should at a minimum not adopt zone changes that would facilitate the removal of manufactured dwelling parks. In general, a more comprehensive ordinance should be developed to discourage conversion of parks. More specifically, the City should, as necessary: (1) provide resources to maintain existing manufactured dwelling parks; and, (2) help secure resources financial and educational resources for the conversion of existing parks where spaces are rented into resident-owned parks.

Responsible Parties: Phase 2 Affordable Housing Committee, Newberg Planning Commission, Newberg City Council

Action 2.3. Educate residents on housing maintenance.

The best house maintenance is often done by the resident of the house. Unfortunately, so is the worst, usually due to a lack of know-how. Schools can contribute by teaching students basic carpentry and building skills. The Newberg Building inspectors could continue their programs of educating while inspecting. Hardware stores regularly hold

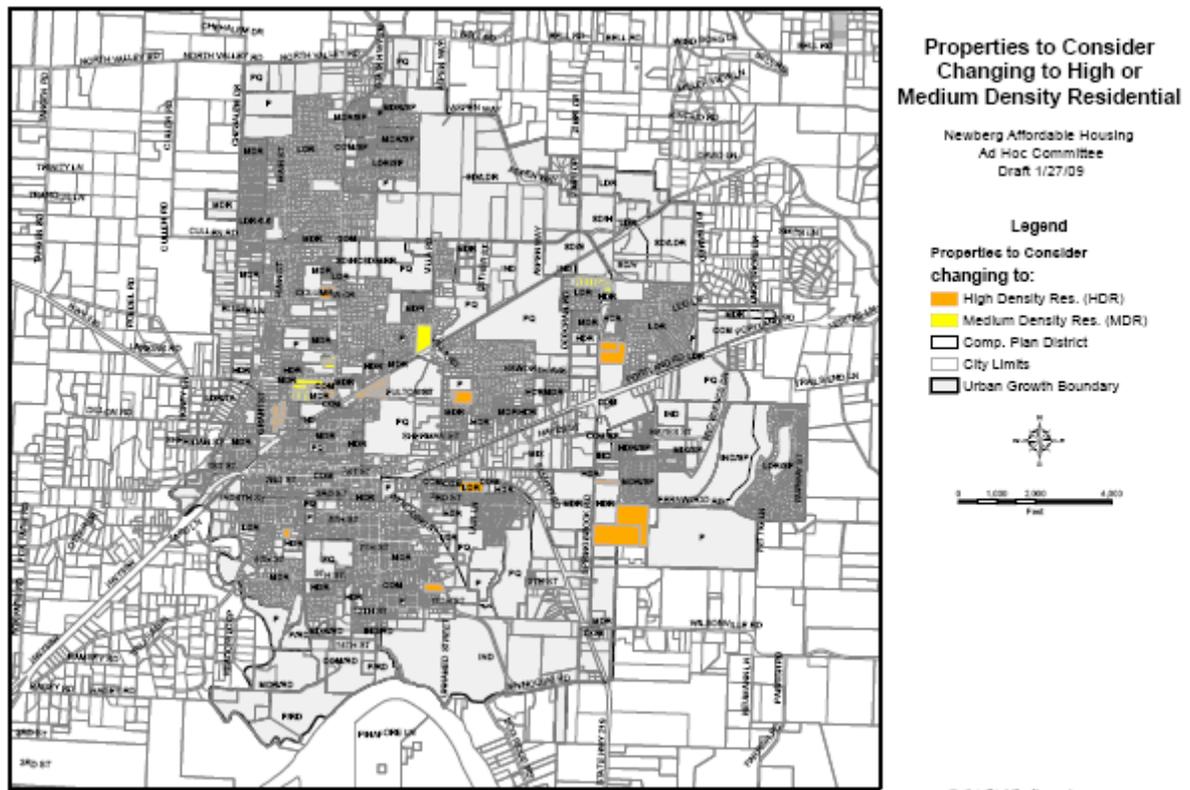
classes in repair skills. Local building contractors could be asked to participate in a local “repair fair.”

Responsible Parties: Newberg Building Division, hardware stores, Portland Community College, Newberg High School, local building contractors, and the Housing Authority of Yamhill County.

Strategy #3: Insure an adequate land supply for affordable housing

Action 3.1: Examine the Newberg Comprehensive Plan Map and Zoning Map for potential properties to be designated/zoned/re-zoned as MDR/R-2 Medium Density Residential or HDR/R-3 High Density Residential that can accommodate the development of more affordable housing.

The City of Newberg currently does not have adequate supplies of medium and high density zoned lands to meet demand. Allowed housing development on these types of lands are likely to be more affordable than housing developments on lower density lands. To mitigate this issue, the City should examine the lands within its city limits, UGB and URA and identify potential land that could be designated, zoned, rezoned, and/or redeveloped to a higher density. The Committee has identified a number of properties that could be considered for a change to medium or high density residential. (please see Exhibit A below.) For each of these properties, the Planning Commission and City Council should seek the input of property owners and neighbors, carefully consider the property, topography, and existing uses, and then decide whether a change is appropriate. Other properties may be discovered to be appropriate for rezoning through this process.



Responsible parties: Newberg Planning Commission, Newberg City Council, Newberg Citizens

Action 3.2: Expand UGB to include a 20-year supply of land and insure that adequate land is zoned R-2 and R-3 in expansion areas to meet projected needs.

The Newberg Urban Growth Boundary currently lacks an adequate supply of medium and high density residential land. Newberg is currently expanding its Urban Reserve Area in anticipation of an Urban Growth Boundary amendment. This amendment will provide an excellent opportunity to plan and zone an adequate amount of land to meet needs for medium and high density residential housing.

Responsible parties: Newberg Urban Area Management Commission, Newberg Planning Commission, Newberg City Council, Newberg Citizens

Strategy #4: Change development code standards

Some of the City’s current development code standards may inhibit the best utilization of a property, resulting in lower density development. Higher density developments tend to be more economical to develop per housing unit (e.g. less infrastructure costs) which can result in relatively more affordable housing. In addition, development standards, while important, can raise the cost of developing land and thus decrease affordability. The following proposed changes to the development code would provide mechanisms that would lead to a more efficient use of land.

Action 4.1: Create an optional “Flexible Development Track” that would allow developers flexibility in some development standards, provided they commit to providing some affordable housing.

The Development Code should allow an optional development track to promote affordable housing. If a developer voluntarily chooses to use this track, he/she would be given flexibility in development standards intended to make it easier and less expensive to create housing. If the developer chooses this track, he/she would have to provide at least a certain amount of affordable housing. The recommended flexible development standards and affordable housing provisions are outlined below.

Action 4.1A: Create Flexible Development Standards: Developers that use this track should have flexibility in development standards including:

- i. Lot Standards:
 - (1) Reduce minimum street frontage for individual lots, such as from 25 feet to 20 feet.
 - (2) Allow the lot depth to width ratio to be exceeded.
 - (3) Allow other lot dimensional standards, such as lot width.
 - (4) Allow “rounding up” the number of lots or dwelling units allowed with a corresponding reduction in minimum lot sizes. For example, if a lot would allow a maximum of 9.8 dwelling units, the developer could round up and construct 10 units on the property.
 - (5) Allow a density bonus for multi-dwelling projects
 - (6) Allow reduction of minimum lot sizes.
 - (a) R-1: Reduce from 7,500 square feet to 5,000 square feet
 - (b) R-2: Reduce from 5,000 square feet to 2,500 square feet
 - (c) R-3: Reduce from 5,000 square feet to 1,500 square feet
 - (d) R-P Reduce from 3,750 square feet to 2,500 square feet
 (For more details, please see Appendix A)
- ii. Site Design Standards:
 - (1) Allow side yard setbacks to be reduced to 3 feet.
 - (2) Allow an increase in maximum lot coverage and parking coverage.
 - (3) Allow front yard setbacks to be reduced to 10 feet.
- iii. Building Design Standards:

Allow an alternative building height limit standard with consideration of solar access and building height/setback ratio. The effect would be to allow higher buildings if they are a specified distance from neighboring properties.

iv. Street and Sidewalk Standards

- (1) Allow sidewalk on one-side only of local streets.
- (2) Allow narrower street widths where emergency access and adequate parking can be maintained.
- (3) Allow curb-side sidewalks and elimination of planter strips.
- (4) Allow corresponding reductions in right-of-way widths.

Action 4.1B: Require developments using the flexible development standards to provide at least a minimum amount of affordable housing.

In exchange for the flexibility in development standards given above, developments using the flexible development track shall provide some affordable housing, as detailed below. It is recommend that the required amount of affordable housing be 50% of the extra units above what would normally be expected in the development. “What would normally be expected” would be calculated as 80% of the target density. The formula is as follows:

$50\% \times [\#dwelling \text{ units in development} - (\text{target density in zone } \{du/ac\} \times \text{lot size in acres} \times 80\%)] = \text{required Equivalent Affordable Dwelling Units (EADUs)}$.

NOTE:

The following describe affordable dwelling units:

- (1) *Long-term Affordable Dwellings*
 - (a) *Moderate income units.* Residential units on the subject property reserved for qualifying buyers or renters with incomes at or below one hundred percent (100%) of Newberg area median income equal 0.75 EADUs.
 - (b) *Low income units.* Residential units reserved for qualifying buyers or renters with incomes at or below eighty percent (80%) of Newberg area median income equal 1.0 EADUs.
 - (c) *Very low income units.* Residential units reserved for qualifying buyers or renters with incomes at or below fifty percent (50%) of Newberg area median income equal 1.25 EADUs.
 - (d) In order to use this option, the applicant must execute a development agreement to produce the requisite, long-term affordable units, that runs with the land; or transfer title to a sufficient amount of buildable land for development of equivalent number of affordable housing units, as prescribed in subsections a, b, and/or c, to a non-profit (IRC 501(3)(c)) affordable housing developer or comparable development corporation for the purpose of complying with subsections a, b, and/or c, above. The

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land shall be located within the project and all needed public facilities shall be extended to the area or areas proposed for transfer. If to be transferred, ownership of the land shall be transferred to the affordable housing developer or development corporation in accordance with said development agreement. The agreement must guarantee compliance with affordable criteria for a period of not less than 25 years.

- (e) The Director shall determine the Newberg area median income.
- (f) Rent rates for long-term affordable dwelling units shall be established so that a household at the moderate, low, or very low income levels, as appropriate, does not pay more than thirty percent (30%) of its gross household income on rent.
- (g) Housing sales prices for deed-restricted for-sale, affordable dwelling units shall be established so that a household at the moderate, low, or very low income levels, as appropriate does not pay more than thirty percent (30%) of their gross household income on a mortgage, homeowners insurance, and property taxes at the time of purchase.
- (h) The housing sales prices and rent levels prescribed in subsections (f) and (g), above, shall be at the time of purchase or execution of rental contract, as applicable. Sales prices and rent levels of long-term affordable dwelling units shall be allowed to appreciate or increase according to an inflation index as determined by the Director.

(NOTE: In consultation with the City Attorney, the City will determine the most appropriate legal tool to ensure that these affordable housing units remain affordable in the long-term.)

- (2) *Market rate affordable units:* Market rate affordable units are dwellings on the subject property that, by virtue of their size, are more likely to be affordable on the open market. Such market rate units must meet one or more of the following criteria:
 - (a) studio or one-bedroom dwellings with less than 600 square feet gross floor area.
 - (b) two-bedroom dwellings with less than 800 square feet gross floor area.
 - (c) dwellings containing three or more bedrooms and containing less than 1,000 square feet floor area.
 - (d) accessory dwelling units.

Market rate affordable units equal 0.5 EADUs.

- (3) *Construction of off-site units:* Deed restricted affordable units or market rate affordable units may be constructed at an alternate location in the City and equal 75 % of the EADUs of on-site units. The off-site unit may not be used as affordable dwelling points for any other project. If this option is selected, the applicant shall file an agreement with the City stating the

election to use the off-site unit as credit for the applicant's project. A property for construction of the off-site units must be secured and platted in a reasonable time frame, as determined at the Planning and Building Director's discretion. The off-site units must be constructed within 2 years of the completion of the principal on-site development. The off-site units shall meet the residential design standards.

- (4) *Purchase of affordable dwelling in-lieu credits.* In-lieu of constructing affordable dwelling units, the applicant may purchase affordable dwelling in-lieu credits by paying a fee to the City of Newberg Housing Trust Fund. The fee shall be assessed at the time of final plat for a subdivision, or at time building permit issuance for other projects. The price of each credit shall be established by resolution of the City Council. The price of a credit shall be calculated based on the following:

The estimated average cost for a market-rate dwelling unit suitable for a median sized family in Newberg, minus the estimated average purchase price affordable to a median sized low-income family

Action 4.2: Modify other standards in the Development Code to promote affordable housing.

Action 4.2A: Modify lot standards for all developments

Certain changes to development standards should be made to promote all developments, whether using the flexible/affordable/design track or not. Recommended changes include:

- a. Reduce minimum lot sizes. The following are recommended.
 - v. R-1: Reduce from 7,500 square feet to 5,000 square feet
 - vi. R-2: Reduce from 5,000 square feet to 3,000 square feet
 - vii. R-3: Reduce from 5,000 square feet to 3,000 square feet
 - viii R-P Reduce from 3,750 square feet to 3,000 square feet
 (For more details, please see Appendix A).
- b. Allow lot size averaging for any subdivision – Some lots could be a under the minimum lot size required in the zone as long as the average size of all lots is at least the minimum lot size.
- c. Increase maximum lot coverage in R-2 and R-P zones from 40% to 50%.
- d. Reduce minimum lot width in R-2 and R-3 zones from 50 feet to 30 feet at the front building line.
- e. Exempt development of lots under 15,000 square feet from the 2.5 to 1 lot depth/width ratio requirement.

- f. In the R-1 District, the average size of lots in a subdivision intended for single family development shall not exceed 10,000 square feet.
- g. In the R-2 and R-P Districts, the average size of lots in a subdivision intended for single family development shall not exceed 5,000 square feet. Lots or development sites in excess of 15,000 square feet used for duplex or multiple family dwellings shall be developed at a minimum of one dwelling per 5,000 square feet lot area.
- h. In the R-3 District, lots or development sites in excess of 15,000 square feet used for duplex or multiple family dwellings shall be developed at a minimum of one dwelling per 2,500 square feet lot area.
- i. In calculating lot area for this maximum lot area/minimum density requirements, lot area does not include land within stream corridors, land reserved for public parks or open spaces, commons buildings, land for preservation of natural, scenic, or historic resources, land on slopes exceeding 15 percent or for avoidance of identified natural hazards, land in shared access easements, public walkways, or entirely used for utilities, land held in reserve in accordance with a future development plan, or land for uses not appurtenant to the residence.

Action 4.2B: Modify planned unit development rules to promote affordable housing

Allow a density bonus incentive to planned unit developments that provide affordable housing. The following are recommended amendments to the Development Code.

RECOMMENDED CHANGES TO THE DEVELOPMENT CODE DESIGN STANDARDS REGARDING PLANNED UNIT DEVELOPMENTS AND DENSITY POINTS

Normal = existing text

~~Strikethrough~~ = proposed text deletion

Underline = proposed text additions

PD PLANNED UNIT DEVELOPMENT REGULATIONS

§ 151.226 GENERAL PROVISIONS.

(F) Density. Except as provided in § 151.123 relating to sub-districts, dwelling unit density provisions for residential planned unit developments shall be as follows:

(1) Maximum density.

(a) Except as provided in adopted refinement plans, the maximum allowable density for any project shall be as follows:

| <u>District</u> | Maximum Density per Gross Acre | <u>Density Points</u> |
|-----------------|---|-----------------------|
|-----------------|---|-----------------------|

| | |
|-----|---|
| R-1 | 175 density points as calculated below <u>per gross acre, as calculated in section (b) below</u> |
| R-2 | 310 density points as calculated below <u>per gross acre, as calculated in section (b) below</u> |
| R-3 | 640 density points as calculated below <u>per gross acre, as calculated in section (b) below</u> |
| RP | 310 density points as calculated below <u>per gross acre, as calculated in section (b) below</u> |
| C-1 | As per required findings |
| C-2 | As per required findings |
| C-3 | As per required findings |

(b) Density point calculations in the following table are correlated to dwellings based on the number of bedrooms, which for these purposes is defined as an enclosed room which is commonly used or capable of conversion to use as sleeping quarters. Accordingly, family rooms, dens, libraries, studies, studios, and other similar rooms shall be considered bedrooms if they meet the above definitions, are separated by walls or doors from other areas of the dwelling and are accessible to a bathroom without passing through another bedroom. Density points may be reduced at the applicant's discretion by 25% for deed-restricted affordable dwelling units as follows:

Density Point Table

| Dwelling Type | Density Points: | <u>Density Points:</u> |
|-----------------------|-------------------|---|
| | Standard Dwelling | <u>Income-Restricted Affordable Dwelling Unit</u> |
| Studio and efficiency | 12 | <u>9</u> |
| One bedroom | 14 | <u>11</u> |
| Two bedroom | 21 | <u>16</u> |
| Three bedroom | 28 | <u>21</u> |
| Four or more bedrooms | 35 | <u>26</u> |

The density points in the right hand column are applicable to income-restricted affordable dwelling units, provided the dwelling units meet the affordability criteria under § 151.XXX regarding affordable housing requirements for developments using the Flexible Development Standards.

Action 4.2C: Promote use of accessory dwelling units (ADUs)

- a. Allow accessory dwelling units as an outright permitted use in all R-1 or R-P zoned lands.
- b. Allow ADUs with single family attached housing as well as detached housing.
- f. Eliminate the restriction on two-story accessory buildings so that accessory dwelling units may be constructed above detached garages or other structures. To protect neighbors, require windows on second stories close to property lines to be opaque.
- g. Eliminate requirement that either primary or ADU be owner-occupied. NOTE: Elimination of this requirement will not supersede any existing or future homeowner association regulations regarding this subject.
- h. Increase the maximum size of a ADU from 800 square feet to 1,000 square feet.

Action 4.2D: Allow more dwellings in neighborhood commercial areas

Allow an unlimited number of dwelling units on lands zoned C-1, provided the units do not occupy the first floor store front area and private parking is provided, with at least one space per unit.

Action 4.2E: Create an expedited annexation process for affordable housing projects.

One barrier to affordable housing projects is the time, expense, process, and uncertainty of the City's annexation process. The City could streamline this process, such as by allowing annexation of specified affordable housing projects without being subjected to a public vote under certain conditions. In these cases, the provision of affordable housing would need to be guaranteed through a development agreement or other method. Modifications to the public vote requirement would require an amendment to the Newberg Charter.

Action 4.2F: Create new R-4 zone for manufactured home subdivisions. A new R-4 zone should be created that would allow manufactured home subdivisions and parks as the sole permitted use. Properties being zoned R-4 should be eligible for the expedited annexation process described above.

Action 4.2G: Reduce parking requirements for affordable housing projects where excessive

- a. Base parking standards on the number of bedrooms in a unit instead of a simple per-unit standard.
- i. Give credit for available on-street parking, provided the parking spaces are not planned to be removed as part of a future road or bicycle lane improvement project per the current city plan.
- j. For special needs housing, reduce parking requirements to one space per 3 beds, or allow parking numbers to be reduced, without variance, where actual parking needs can be demonstrated through a parking analysis.
- k. Allow tandem parking designs

1. Reduce parking requirements where the development is within 1,500 feet of a transit stop or where the development provides its own transit.

Action 4.2H: Allow replacement on non-conforming dwellings. Allow any legal non-conforming duplex or multi-family dwelling unit to be reconstructed if destroyed by fire or other

Action 4.2I: Permit duplexes as an allowed use in R-1 zone. Duplexes are currently require a conditional use permit in the R-1 zone, and then must be sited on a 15,000 square foot lot. Duplexes should be allowed as a permitted use in R-1 on any lot over 10,000 square feet.

Action 4.2J: Create design standards that promote the development of attractive, livable, and functional neighborhoods, taking care not to increase costs of housing or reduce the number of dwellings.

Good design need not necessarily create additional costs. However, care should be taken not to require items that do increase development costs or reduce the amount of housing that can be created. Design standards should provide a wide menu design options to choose from, rather than prescribing that certain elements be used. Some elements which may be feasible in larger developments, such as creating common areas or walking paths, may not be feasible in smaller developments. Thus, the committee recommends a two-tier approach to design standards: one for smaller and one for larger developments.

A menu of choices could include items such as

- In larger developments, incorporating pathways or common areas.
- Narrowing driveways to provide greater front yard greenspace and additional on-street parking.
- De-emphasizing the garage on the front façade to promote human scale and feel in the neighborhood.
- Orienting the building and entrances toward the street and minimizing the front setback to promote human scale neighborhoods, neighbor interaction and eyes on the street.
- Using entry features and accents, such as porches or recessed entries, to make buildings inviting.
- Using historical architectural styles to blend with Newberg.
- Varying dwelling designs to create interest and avoid monotony.
- Creating small, useable yards for outdoor living space.
- Adding interest to building architecture by incorporating features such as pitched roofs, contrasting siding materials, and interesting window designs.
- Limiting heights of buildings near neighboring property boundaries.

The following is a starting point for amendments to the Development Code.

DRAFT DEVELOPMENT CODE DESIGN STANDARDS

§ 151.XXX RESIDENTIAL DESIGN STANDARDS

The purpose of this section is to ensure that residential developments provide good design, provide a healthy and attractive environment for those who live there, and are compatible with surrounding development. As part of the review process, an applicant for a residential subdivision, multi-unit residential project, or planned unit development project must demonstrate that some of the following site and building design elements, each of which has a point value, have been incorporated into the design of the project. For more information and illustrations of the following design elements, refer to *Newberg Residential Development Design Guidelines (July 1997)*.

(A) Multi-unit projects shall use the design standards in § 151.195. Projects with six or fewer units shall achieve at least 16 points using the elements in that section. Projects with seven or more units shall achieve at least 22 points using the elements in that section.

(B) Single family subdivisions shall use the design standards in § 151.XXX below.

(C) Developers of attached single family projects, projects with multiple single family dwelling on one lot, or projects with combinations of single family detached, single family detached, and multi-unit developments may elect to use either the standards in § 151.195 or § 151.XXX.

§ 151.XXX SINGLE FAMILY RESIDENTIAL DESIGN STANDARDS

Projects subject to these design standards shall achieve at least the minimum number of design points describe below.

Projects of 20 dwelling units or more must achieve at total number of design points equal to 10 design points multiplied by the number of dwelling units (10 points x # of dwelling units).

Projects of 19 dwelling units or fewer must achieve at total number of design points equal to 7 design points multiplied by the number of dwelling units (7 points x # of dwelling units).

Where the applicant is using design elements that will be achieved when future building permits are issued, the applicant shall submit a design sheet for the subdivision that explains which design elements must be incorporated into the dwellings when they are constructed.

The applicant shall develop appropriate Covenants, Codes and Restrictions which include design requirements that meet the standards of this section of the Code to be recorded at the time of final plat.

(A) Subdivision design elements

- (1) The project achieves at over 80 percent of the target density for the zone. (5 design points for each dwelling above 80% of target density using the following formula: $\text{Proposed \# of dwellings} - \text{Target \# of dwellings} \times 80\% \times 5 \text{ points} = \# \text{ points, rounded to nearest whole number}$)
- (2) Use public walkways or multi-use paths not adjacent to streets in side yards or common areas connecting to a park or collector or arterial street (1 design point per 100 linear feet of walkway or path)
- (3) Provide additional on-street parking (1 design point per on-street parking space provided beyond 1 per unit)
- (4) Use antique street lighting styles as approved by City (1 design point per lighting fixture used) (NOTE: City will research cost effective designs available).
- (5) Use site furnishings to enhance open space. Communal amenities such as benches, gazebos, playground equipment, fountains, and/or common patios enhance the outdoor environment and comprise not less than one-half percent of the estimated construction cost of all building(s). Estimated costs are subject to city review and approval. (1 design point per \$1,000 in furnishings)
- (6) Provide usable common recreational area, including but not limited to play fields, walking trails, exercise circuit, playgrounds, common patios, gardens, and/or similar functional and age-appropriate common facilities, a central green or pocket park(s) in a subdivision. (1 design point per 500 square feet of area)
- (7) Provide a natural feature and tree preservation/replacement plan. Plan shall specify replacement tree caliper and maintenance of natural features. (design points - to be determined).

(B) Site design elements

- (1) Bring dwelling close to street by keeping dwelling at most 25 feet from the front property line. (1 design point per dwelling)
- (2) Use a single narrow (10 to 14 feet width) driveway per unit, or single shared driveway (20 feet to 24 feet width) for two units (1 design points per dwelling)
- (3) Provide increased setbacks between buildings. Increase side yard setbacks (perpendicular to street) so that there is minimum 15-foot separation between buildings on at least one side. (1 design points per separation)
- (4) Provide a useable interior yard or courtyard of at least 1000 square feet. (1 design point per dwelling)
- (5) Use a uniform front yard fence design for the development. (1 design point per lot with fence design)

(C) Building design elements

- (1) Use entry features and accents such as distinctive building or paving materials and detailing (e.g., unenclosed and covered porch (minimum depth of 6 feet and minimum width of 8 feet), roof overhang or, recessed entry with distinctive arch or gable, pergola, arbor, pathway pavers, or similar feature) to mark

major entries to multi-unit buildings or individual units. *(1 design point per dwelling)*

- (2) De-emphasize the garage on the front façade
 - (a) If on front façade, limit garage to single car entrance (16 feet entrance width or less) *(2 design points per dwelling)*
 - (b) If on front façade, limit garage to two car entrance (28 feet entrance width or less) *(1 design points per dwelling)*
 - (c) Garage even with or setback up to 10 feet from front façade of dwelling. *(1 design point per dwelling)*
 - (d) Garage setback 10-19 feet from front façade of dwelling *(2 design point per dwelling)*
 - (e) Garage setback 20 or more feet from front façade. *(3 design point per dwelling)*
 - (f) Garage entrance not facing street. If side of garage faces the street, then windows, doors, shutters, or similar architectural features are placed that comprise at least 20 percent of the side wall, or landscaping that will upon maturity obscure at least 30 percent of the side wall *(2 design point per dwelling)*
- (3) Orient buildings toward the street. This means orienting individual entries and porches to the street, with front entry not more than 25 feet from the street. In cluster cottage developments with internal circulation and grounds, this means that at least 50% of the units have main entries facing a street or common private drive, rather than be oriented toward a parking lot or the interior. *(1 design point per dwelling)*
- (4) Incorporate architectural elements of one of the city's historical styles (Queen Anne, Dutch Colonial Revival, or Bungalow style) into the design to reinforce the city's cultural identity. Typical design elements which should be considered include, but are not limited to, "crippled hip" roofs, Palladian-style window, roof eave brackets, dormer windows, and decorative trim boards. *(1 design point per dwelling)*
- (5) Use roof pitches 5:12 to 6:12 *(1 design point per dwelling)*
- (6) Use at least two (2) different types of contrasting siding materials on the front street-facing elevation. Siding materials may including, but are not limited to wood, wood composite (wood-appearance siding), board and batten (not more than 24 inches between batts), brick masonry, stone masonry, shake (cedar or concrete-fiber shake applied on upper portions of exterior walls and gable ends), stucco, and similar materials at the discretion of the Director. Each material or pattern used to meet this standard shall comprise at least 20 percent of the subject elevation *(1 design point per dwelling)*.
- (7) Use architectural features to create interest in the façade such exterior wood or wood-appearance shutters or false shutters, pergolas or trellis work, curved

windows or windows with divided or simulated divided lights. (*1 design point per dwelling*).

(8) On boundaries with lots outside the development that have existing dwellings, limit the height of new dwellings to not more than 5 feet higher than the existing dwelling, unless new dwelling or portion of the new dwelling would be separated from the existing dwelling by 15 feet or more (*2 design points per dwelling on the boundary*).

(9) To promote privacy, on upper floors facing and within 10 feet of an interior property line outside the development, any windows must be either placed above the sight line from interior, or must be of a frosted or opaque type (*1 design point per dwelling*).

(10) Use multiple, non-repetitive dwelling designs. Where substantially similar dwelling designs are repeated within a subdivision, they are separated by at least two dwellings of different designs on the same side of any street frontage. Dwellings designs that vary at least three dominant façade features (such as façade materials, roof orientation, reversed orientation, porch or garage features) are not considered substantially similar (*1 design point per dwelling*).

Action 4.2K Create building height limits option based with consideration of solar access and building height/setback ratio

Action 4.2L Modify driveway standard to allow more than two lots per driveway.

Action 4.2M For residential developments in a R-P zone, reduce interior setback from 8 feet to 5 feet.

Action 4.2N Allow 28 foot local street widths and narrower right-of-ways. Explore narrower street widths and rights-of-way where emergency access and adequate parking can be maintained.

Narrower street widths may result in less land, money, and resources being used for streets, and potentially allow construction of more affordable housing. In determining appropriate street widths, the City should follow the process outlined in *Neighborhood Street Design Guidelines: An Oregon Guide for Reducing Street Widths*. City officials, including the Public Works Director, Fire Chief, Police Chief, Planning and Building Director, Building Official, should be consulted in recommending the standards. In addition, the City should convene a community stakeholders group, including a representative of the Affordable Housing Ad Hoc Committee, large vehicle users such as Newberg Garbage Service, engineers, and other groups suggested in the guide, to review and make recommendations. Recommendations for changes should undergo broad public review.

Responsible parties: Newberg Planning Commission, Newberg City Council, Newberg Citizens

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

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.

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

Action 6.3: Expand Home Ownership and Counseling Program

This program would help individuals/families make an informed decision about whether and when they are ready to purchase a home. It could help individuals/families learn how to:

- improve their credit scores so they can qualify for more attractively priced mortgage products
- understand how to spot and avoid predatory lending practices
- qualify for various down payment assistance programs

Responsible parties: Housing Authority of Yamhill County already holds an annual housing education as well as operates a housing resource center year-round. In cooperation with the Authority, local organizations interested in affordable housing, such as the City, CASA, Habitat for Humanity, lending institutions, etc. could work together (create a new, informal cooperative organization?) to inform Newberg citizens of these educational resources. These could also ensure that an educational housing fair is held in Newberg annually, or more frequently, if necessary. In addition, the Newberg School District could incorporate a financing for housing program (rentals and home ownership) within their curriculum.

Action 6.4: Work more closely with Housing Authority of Yamhill County and other affordable housing non-profits

These organizations are the central conduits for securing and administering many of the state, federal, and private funds for affordable housing within this region. The City should work more closely with these organizations to ensure that Newberg is maximizing its opportunities to access available affordable housing funds and their professional expertise.

Responsible parties: City of Newberg, HAYC, YCAP, and CASA.

Action 6.5: Support work of local community development corporations

Newberg has access to two non-profit community development corporations: Yamhill Community Development Corporation (YCDC) and Valley Development Initiatives, Inc. (VDI). Both organizations have programs targeted to encourage affordable housing. The City should explore these programs in-depth and identify mechanisms that will support and strengthen their affordable housing programs. These CDCs may possibly administer a new community land trust program and/or work with nearby existing programs.

Responsible parties: City of Newberg, YCDC, VDI, and CASA

Action 6.6: Leverage employer’s commitment to affordable homes and transportation for workers

The high cost of housing can make it more difficult local employers to attract and retain qualified workers. A forum should be held with local employers to explore mechanisms in which their respective organizations can encourage the retention and development of affordable housing and transportation for their employees. For example, businesses could matching funds to employees for home down payments, both as work incentive and as a way to retain quality employees.

Responsible parties: City of Newberg, local businesses, affordable housing organizations

Action 6.7: Establish Mortgage Credit Certificate Program

The Mortgage Credit Certificate Program (MCC) gives homebuyers a “dollar for dollar” tax credit against federal income taxes (up to 15% or 20%) of annual mortgage interest. By effectively reducing monthly mortgage payments, MCCs give homebuyers greater ability to qualify for and support a mortgage loan. Program participants are subject to limits on maximum household income and maximum home purchase price.

The City of Newberg should work with Housing Authority of Yamhill County (HAYC) to establish such a program.

Responsible parties: City of Newberg and HAYC

Action 6.8: Support and expand transitional housing and group housing

As its name implies, transitional housing provides a short term solution for those needing temporary shelter (e.g. abused spouses, homeless, released convicts, etc.). Group housing is more permanent housing for those who by need or choice live in groups, such as disabled persons. Such facilities can be publicly operated, privately operated, or can be partnerships. For example, Henderson House in McMinnville was created through the

efforts of volunteers and donations. It receives some public assistance, such as a Community Development Block Grant for purchase and renovation of the home itself. But it also relies heavily on community and foundation gifts. Churches, non-profits, and volunteers could expand services such as these in Newberg. Another example might be that the City of Newberg Police Department could act as a service delivery agent by providing coupons (funded by private resources) to those they encounter needed housing services.

As a first step, a forum could be held by various non-profit organizations to seek mechanisms to strengthen and improve existing systems in place, and to explore possibilities for new services.

Responsible parties: City of Newberg, YCAP, Churches, various affordable housing organizations.

Strategy #7: Strengthen economic development efforts

A strong local economy with good businesses can provide employees with incomes to secure decent, affordable housing. Also, employers benefit for having a good supply of affordable housing in the community (e.g. easier to attract a qualified workforce.) The following actions should be taken to ensure this outcome.

Action 7.1: Promote the expansion of existing businesses and recruitment of new businesses. Enhance current efforts as much as practicable with available resources. Emphasis should be on existing local business clusters (e.g., manufacturing, health care, higher education, and wine/tourism.) and on businesses with good employee incomes.

Responsible parties: Chehalem Valley Chamber of Commerce, City of Newberg Economic Development Staff

Action 7.2: Increase the industrial and commercial land supply. The City is currently in the process of expanding its urban growth boundary and urban reserve. An area south of Newberg has been identified for future industrial development (Exhibit A.) City should actively pursue a commercial/industrial land portfolio that includes a wide range of properties in both size and quantity.

Responsible parties: Newberg Planning Commission, Newberg City Council

Action 7.3: Develop industrial and commercial lands to a “shovel-ready” status. In today’s environment, businesses make expansion/relocation decisions very quickly. Land not ready for immediate development has a much lower likelihood of being selected by a business. As a proactive response to this new paradigm, the City is currently developing a master plan for the proposed industrial lands located in southern Newberg.

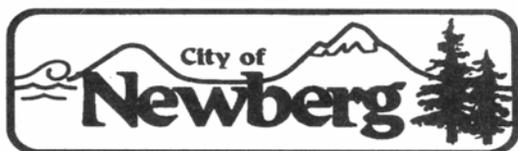
Responsible parties: City of Newberg, property owners

Action 7.4: Promote development of workforce skills. Improve coordination between employer worker needs and education/employment training organizations, including the future Portland Community College satellite campus in Newberg. A higher skilled workforce should lead to higher paying jobs that can afford good housing. A better trained workforce will also improve the chances to attract/expand/maintain good employers.

Responsible parties: Chehalem Valley Chamber of Commerce, Newberg School District, Portland Community College, local industries

Action 7.5: Action: Explore possible establishment of business incentive designations, such as ports, e-zones, enterprise zones, etc.

Responsible parties: Chehalem Valley Chamber of Commerce, City of Newberg Economic Development Staff, and Newberg City Council



MEMORANDUM

Date: March 5, 2009

To: Affordable Housing Ad Hoc Committee

From: Barton Brierley, AICP
 Planning and Building Director

RE: Minimum Lot Sizes

At an earlier meeting, the committee suggested a reduction in the required minimum lot sizes to promote affordable housing. The committee recommended a two-tier approach: projects using the “standard” development track could reduce lot sizes by some amount, and the projects using the “flexible/affordable” development track could further reduce lot sizes beyond that. You asked that staff return a recommendation on what those new minimum lot sizes should be. Below is a proposal for these new minimum lot sizes:

| Zone | Target Density (du/acre) | Current Minimum Lot Size | Current minimum “per unit” size* | Proposed new “standard” minimum lot size | Proposed new “flexible/affordable” minimum lot size |
|------|--------------------------|--------------------------|----------------------------------|--|---|
| R-1 | 4.4 | 7,500 sf | 7,500 sf | 6,000 sf | 5,000 sf |
| R-2 | 9.0 | 5,000 sf | 3,750 sf | 3,000 sf | 2,500 sf |
| R-3 | 16.5 | 5,000 sf | 1,500 sf | 3,000 sf | 1,500 sf |
| R-P | n/a | 5,000 sf | 3,750 sf | 3,000 sf | 2,500 sf |

* “Per unit” standards refer to the minimum amount of area that a lot must have per unit, and is in addition to the minimum lot size. The “per unit” standards are calculated considering 25% allowance for right-of-way. For example, a 6,000 sf lot in the R-3 zone may have four dwelling units (6,000 sf / 1,500 sf per unit = 4 units). However, a lot in the R-3 zone currently may not be divided into lots less than 5,000 sf.

Rationale:

R-1: In 2005, the City adopted replaced the “maximum” density standards in each zone with “target” density standards. Thus, instead of having 7,500 square foot lots as the *smallest* lot allowed in R-1, the city desires that 7,500 square feet be the *average* size of all lots. Since lots may be larger but must be no smaller than the minimum lot size, there will always be some density “lost”. Based on history, R-1 development has developed at about 80% of the maximum density (minimum lot size). Thus, it is recommended that the minimum lot size be reduced in R-1 by 20%: from 7,500 square feet to 6,000 square feet.

Even at the minimum size lot of 6,000 square feet, a developer could place an 1,800 square foot one story home and garage (or 3,600 square foot two-story), and be left with 4,200 square feet outside for yard, parking, decks. As an example, many of the developments between Chehalem Drive and Crater Lane have lot sizes around 6,000 square feet. A further reduction down to 5,000 square foot lots could be available if developers commit to providing the minimum required amount of affordable housing.

R-2: R-2 currently has a 5,000 square foot minimum lot size, but a 3,750 square foot per unit minimum. Most recent R-2 development has been single family development. Subdividing into 5,000 square foot lots immediately results in a 25% loss in density. Since we want to encourage affordable housing in R-2, it would be appropriate to reduce the minimum lot size to at least the “per square foot” minimum of 3,750 square feet per unit. Apply the same 20% underbuild factor results in a 3,000 square feet per unit standard. As an example, homes in Springbrook Oaks west of Gladys Park are on about 3,000 square foot lots. A further reduction down to 2,500 square foot lots could be available if developers commit to providing the minimum required amount of affordable housing.

R-3: R-3 currently has a 5,000 square foot minimum lot size, but a 1,500 square foot per unit minimum. R-3 prohibits single family dwellings on individual lots, except on existing lots or in PUDs. Reducing the minimum lot size down to 3,000 square feet would allow duplex construction on this size of lots. In this case, a further 20% reduction is not needed, because there is already a built in reduction between the target density (16.5 du/acre – 2,000 sf/unit) and the maximum density (21.8 du/acre – 1,500 sf/unit). A further reduction down to 1,500 square foot lots for single family dwellings could be available if developers commit to providing the minimum required amount of affordable housing. As an example, many lots with Orchard’s Lair are 2,000 square feet.

APPENDIX B

ESTIMATES OF EFFECTIVES OF AFFORDABLE HOUSING STRATEGIES

The table on the following pages estimates the effectiveness of the affordable housing strategies proposed. The estimates represent a reasonable guess using available data on how effective each program would be. Each program could be much more or less effective depending on a number of factors. Individual numbers shown should not be taken with any substantial degree of accuracy. As programs are further refined, the estimates too should be refined.

However, the table does lead to an important conclusion: If the community were to take all the actions described in the plan, it generally would meet most of its projected affordable housing needs. This is certainly an exciting prospect.

Some base assumptions in this table include:

(1) Without the incentives, land would continue to be developed at the “recent trends” density as described in the Newberg Comprehensive Plan and the Ad Hoc Committee on Newberg’s Future’s report to City Council. Those recent trends densities are:

- R-1: 3.6 dwellings per acre
- R-2: 5.8 dwellings per acre
- R-3: 15.4 dwellings per acre

(2) Recent development of low income and very low income housing includes replacement of manufactured homes in parks and special needs or subsidized housing, including senior assisted living, the FUFIL housing project for developmentally disabled adults, and George Fox University dormitories. Development of this number of units was projected to continue at current rates into the future, though this may not be an accurate portrayal.

(3) Some estimates were viewed as creating only “fractional” units. For example, the property tax abatement program may only cover 1/10 of the “gap” needed in most cases to make a moderate priced unit affordable to a low income family. If 10 units were given this abatement, then they would create the equivalent of 1 dwelling unit. In many cases, several programs may need to be combined to assist a single family.

**Estimate of Effectiveness of Newberg Affordable Housing Strategies
April 30, 2009**

| Action | Discussion of Estimated Effect | Estimated Very Low Income Units | Estimated Low Income Units | Estimated Moderate Income Units |
|--|---|--|-----------------------------------|--|
| | Need – 2009-2030 | 1935 | 1460 | 887 |
| 0.0 Base Case: No Action | This assumes: (1) Buildable land within the UGB is developed in accordance with recent trends for density and income level, until no more buildable land is available. (2) One 50-unit manufactured dwelling park is lost due to rezoning and redevelopment (3) Existing housing is lost due to demolition at recent rates (about 13 per year) | 318 | -27 | 167 |
| 1.1 Amend Goals and policies | No direct effects, but all the other actions and their effectiveness derive from the goals | 0 | 0 | 0 |
| 2.1 Housing Rehab Program | Current housing rehab program has serviced six homeowners. An expanded and successful program could help an estimated three very low, three low and three moderate homeowners a year. | 63 | 63 | 63 |
| 2.2 Manufactured dwelling park conversion | Estimate assumes one 50-unit manufactured dwelling park would be retained over the 20 year period. | 25 | 25 | 0 |

| Action | Discussion of Estimated Effect | Estimated Very Low Income Units | Estimated Low Income Units | Estimated Moderate Income Units |
|--|--|---------------------------------|----------------------------|---------------------------------|
| | Need – 2009-2030 | 1935 | 1460 | 887 |
| 2.3 Housing Maintenance education | Assumes an annual program with 5 property owners per year able to effectively maintain and retain their homes | 11 | 22 | 22 |
| 3.1 Rezoning properties in UGB | The committee's preliminary map of properties to consider for changes includes 31.5 acres: 17.4 acres to HDR and 14.1 to MDR. Since much of the land recommended to be changed to HDR is currently MDR, the net change is an addition of 17.4 acres of HDR and a net loss of 1.6 acres of MDR. Assumes rezoned land is developed at current trends for density and income levels. | 268 | -4 | -5 |
| 3.2 UGB Expansion | Assumes: (1) Adequate land is included in UGB to meet projected land needs for through 20 year period. (2) Rezoned land is developed at current trends for density and income levels. | 656 | 35 | 42 |
| 4.1 Flexible Development Track | Assumes: (1) 20% of residential units are built under the flexible development track (2) 5% of units in these are affordable (1% very low, 2% low, and 2% moderate) | 15 | 30 | 30 |

| Action | Discussion of Estimated Effect | Estimated Very Low Income Units | Estimated Low Income Units | Estimated Moderate Income Units |
|---|--|---------------------------------|----------------------------|---------------------------------|
| | Need – 2009-2030 | 1935 | 1460 | 887 |
| 4.2 Development Standard Modifications | Assumes all current buildable land, rezoned land (Action 3.1), and land added to the UGB (Action 3.2) is developed at 100% of target density instead of current trends. | 116 | 248 | 248 |
| 5.1 Fee Schedule Changes | Assumes: (1) A \$40,000 per unit “gap” between market rate per unit and what a family can afford (2) A 25% reduction in total fees for a low or very low income housing unit, 10% reduction in total fees for a moderate income housing unit. | 171 | 129 | 44 |
| 6.1 Housing Trust Fund | Assumes trust fund is able to provide “gap” financial support for 1 very low income and 1 low income unit per year | 21 | 21 | 0 |
| 6.2 Property Tax Abatements | Assumes: 50% of total property taxes are abated for 5 years, that this abatement is made for 5 homes every year, and after that homeowners’ incomes can cover the difference. This would save each homeowner about \$75 per month. Assumes that families are low income, and need a total of \$400 per month subsidy to afford a home, so the property tax abatement would be only part of a total strategy toward home ownership. | 4 | 15 | 0 |

| Action | Discussion of Estimated Effect | Estimated Very Low Income Units | Estimated Low Income Units | Estimated Moderate Income Units |
|--|--|---------------------------------|----------------------------|---------------------------------|
| | Need – 2009-2030 | 1935 | 1460 | 887 |
| 6.3 Home Ownership and Counseling | No direct creation assumed, but assists in the success of other actions | 0 | 0 | 0 |
| 6.4 Work with HAYC and Non-profits 6.5 Support local community development corporations | Assumes an average of 10 units are developed per year with ½ very low income and ½ low income units | 105 | 105 | 0 |
| 6.6 Leverage employer's commitment | Assumes 10 low income and 10 moderate income families per year could be served. | 0 | 205 | 205 |
| 6.7 Establish mortgage certificate program | Assumes a moderate income family is able to afford what would normally be a higher income home through the program, thus effectively adding to the stock of moderate income housing. Assumes 5 low and 15 moderate families per year are able to use this program. Many low and most very low income families don't have enough tax liability to effectively use this program. | 0 | 105 | 315 |
| 6.8 Support transitional and group housing | Assumes one project constructed every 3 years that provides 12 very low income housing units. | 80 | 0 | 0 |

| Action | Discussion of Estimated Effect | Estimated Very Low Income Units | Estimated Low Income Units | Estimated Moderate Income Units |
|---------------------------------------|---|---------------------------------|----------------------------|---------------------------------|
| Need – 2009-2030 | | 1935 | 1460 | 887 |
| 7 Economic development efforts | Estimates are not direct housing creation, but are reduction in need for very low and low income housing. Assumes creation of 20 family wage jobs per year. | 210 | 210 | 0 |
| Total | | 2,063 | 1,182 | 1,131 |
| 20-year targets | | 1,935 | 1,460 | 887 |



ORDINANCE No. 2012-2749

AN ORDINANCE AMENDING THE MUNICIPAL CODE, ADDING A NEW SECTION ESTABLISHING A NEWBERG AFFORDABLE HOUSING TRUST FUND

RECITALS:

1. Chapter II. Section 5 of the Newberg City Charter provides:

Powers. The city has all powers that the constitutions, statutes, and common law of the United States and Oregon expressly or impliedly grant or allow the city, as fully as though this charter specifically enumerated each of those powers.
2. The above referenced grant of power has been interpreted as affording all legislative powers home rule constitutional provisions reserved to Oregon Cities. City of Beaverton v International Association of Firefighters, Local 1660, Beaverton Shop 20 OR. App. 293,531 P2d 730, 734 (1975).
3. The city council of the city of Newberg has determined that in order to protect the health, safety and welfare of existing and future residents of Newberg who are adversely impacted by the lack of housing available to all income types, specifically very low, low, and moderate income households, it is necessary to establish a fund to support the development, preservation, and rehabilitation, of needed housing types within the City.
4. The Newberg city council recognizes that for a healthy community the provision of a range of affordable housing opportunities and funding mechanisms for affordable development is a priority for the city of Newberg.
5. The Newberg city council is concerned that neither the private market, nor the public sector has yet provided the levels of housing affordability necessary to maintain a balanced community, local government must take an active lead to ensure an adequate supply of housing for residents and working people of all income levels.

THE CITY OF NEWBERG ORDAINS AS FOLLOWS:

SECTION 1. A new section under Title 3 Administration is hereby added to the Newberg Municipal Code to read as follows:

Chapter 3.35.010 NEWBERG AFFORDABLE HOUSING TRUST FUND

3.35.020 PURPOSE

- 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 100% 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 homeownership or rent, at the cost that will enable very low, low and moderate-income families to afford quality housing while paying no more than 30% 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.

3.35.030 DEFINITIONS

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.

- A. “Newberg Affordable Housing Trust Fund” (NAHTF) means a separate account created by the city finance department established by this ordinance and used exclusively for NAHTF purposes as set forth in this ordinance and implementing resolutions of the Council.
- B. “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.
- C. “Affordable housing” means residential housing primarily for households or persons earning less than 100% the area median income where housing costs or rent do not constitute more than 30% the household income, and as more fully defined per City resolution.
- D. “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.
- E. “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.

3.35.040 ESTABLISHMENT OF NEWBERG AFFORDABLE HOUSING TRUST FUND/USE OF FUNDS

- A. There is hereby established and created a Newberg Affordable Housing Trust Fund (NAHTF). The Fund is a separate account established by the city of Newberg finance department for purposes consistent with this ordinance. The fund will provide a discrete account for earmarked affordable housing funds and dedicated affordable housing funds.

- B. The NAHTF allows for dedicated funds to be used in support of affordable housing priorities through receipt of donations and dedicated revenue streams, including but not limited to donations, grants, sale of surplus city property, or any other revenue sources approved by the Newberg city council.
- C. Distribution of funds shall be in accordance with the policies and procedures adopted by resolution of the Newberg city council

3.35.050 ESTABLISHMENT OF POLICIES AND PROCEDURES

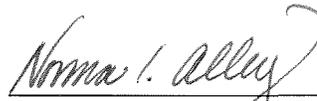
The administrative procedures associated with the NAHTF, including fund administration, determination of eligible applicants, eligible uses and activities, award preferences, eligibility criteria, award process, and selection criteria are established per city resolution and may be amended from time to time.

SECTION 2. Severability. The sections, subsections, paragraphs and clauses of this ordinance are severable. The invalidity of one section, subsection, paragraph or clause shall not affect the validity of the remaining sections, subsections, paragraphs and clauses.

SECTION 3. Codification. Provisions of this ordinance shall be incorporated in the city code and the word "ordinance" may be changed to "code", "article", "section", or another word, and the sections of this ordinance may be renumbered, or re-lettered, provided however that any clauses and boilerplate provisions (i.e. Chapters 2-3) need not be codified and the city recorder is authorized to correct any cross-references and any typographical errors.

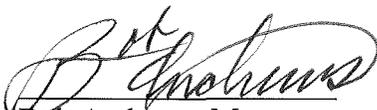
➤ **EFFECTIVE DATE** of this ordinance is 30 days after the adoption date, which is: April 4, 2012.

ADOPTED by the City Council of the city of Newberg, Oregon, this 5th day of March, 2012, by the following votes: **AYE: 6 NAY: 1 (MCKINNEY) ABSENT: 0 ABSTAIN: 0**



Norma I. Alley, City Recorder

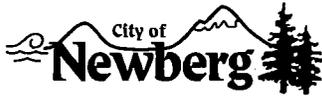
ATTEST by the Mayor this 8th day of March, 2012.



Bob Andrews, Mayor

LEGISLATIVE HISTORY

By and through the Affordable Housing Action Committee at the 4/4/2011 meeting.



RESOLUTION No. 2012-2988

A RESOLUTION ESTABLISHING POLICIES AND PROCEDURES FOR ADMINISTRATION OF THE CITY OF NEWBERG'S AFFORDABLE HOUSING TRUST FUND

RECITALS:

1. On May 4, 2009, the Newberg City Council adopted Resolution No. 2009-2843 accepting the Newberg Affordable Housing Action Plan.
2. On February 23, 2011, the Newberg Affordable Housing Action Committee recommended that the city council adopt an affordable housing trust fund and adopt policies and procedures for administration of that fund.
3. On March 5, 2012, the Newberg City Council approved Ordinance No. 2012-2749 establishing the Newberg Affordable Housing Trust Fund, to keep our community diverse and healthy by facilitating the production and preservation of affordable housing throughout Newberg.
4. The policies and procedures for administration of the Newberg Affordable Housing Trust Fund establish eligible uses, eligible applicants, method by which funds are awarded, and selection criteria.
5. The city council understands the changing nature of the housing market and corresponding housing needs. Therefore, the council has established flexible policies and procedures for administering the Newberg Affordable Housing Trust Fund (NAHTF) that can respond to changing market conditions and opportunities.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

SECTION 1. Purpose

- 1.1 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 100% 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 homeownership or rent, at a cost that will enable very low, low and moderate-income families to afford quality housing while paying no more than thirty percent of gross household income on housing.
- 1.2 To promote the rehabilitation, preservation and production of quality, well-designed rental and ownership housing, the NAHTF will award funds to community development partners that are furthering the NAHTF mission. It is expected that the local contributions made through Newberg's

Affordable Housing Trust Fund will maximize the leveraging of state and federal funds, as well as encourage private sector investment in affordable housing.

- 1.3 Understanding the high cost of housing regionally, it is evident that very low, low, and moderate-income households are not being served by the housing market. To address the disparity between the cost of housing and the means of resident household to afford housing, the Newberg Affordable Housing Trust Fund aims to provide direct financial support to projects that retain or increase the supply of needed housing for households earning less than 100% the area median income, which is to be defined through income limits established by the U.S. Department of Housing and Urban Development for Yamhill County, Oregon.
- 1.4 The administrative procedures associated with the Newberg Affordable Housing Trust Fund, including fund administration, determination of eligible applicants, eligible uses and activities, award preferences, eligibility criteria, award process, and selection criteria are hereby established.

SECTION 2. Eligible Applicants

- 2.1 The Newberg Affordable Housing Trust Fund is structured to ensure that many different types of organizations and persons are eligible to receive funds.
- 2.2 Eligible applicants include governmental subdivisions, community development corporations, local housing authorities, community action agencies, community-based or neighborhood-based non-profit housing organizations, other non-profit organizations, for-profit entities and private employers, and private landlords.

SECTION 3. Eligible Uses and Activities

- 3.1 Newberg Affordable Housing Trust Funds shall support the creation or preservation of housing that is affordable to households with incomes that do not exceed 100% of the area median income, as defined by the Newberg planning and building director, using the best available data.
- 3.2 Newberg Affordable Housing Trust Funds will be limited to those activities that create, preserve or acquire housing within the Newberg city limits.
- 3.3 Housing developments financed by the NAHTF which receive subsidy, financing, tax credits or other assistance under a State or Federal housing programs, may contain market rate units insofar as permissible under those programs and/or to the extent that they are necessary to support the creation of and/or ongoing sustainability of the affordable housing units in the development. However, Newberg Affordable Housing Trust Funds may not be used to support such market rate units.
- 3.4 Affordable housing units developed utilizing subsidy from the Newberg Affordable Housing Trust Fund shall comply with the income and housing cost limits established by Newberg Municipal Code Section 15.242.030, as amended, and as restricted by a contract prepared by the City of Newberg. The city council reserves the right to make exceptions to the standards established by Newberg Municipal Code Section 15.242.030 for proposed projects it wishes to support and deems further the provision of affordable housing within the community.

- 3.5** The Newberg Affordable Housing Trust Funds can be provided as either a grant or a loan depending on the project or program receiving funding. To retain a significant degree of flexibility, the eligible uses have a broad application including the following:
- 3.5.a Acquisition and construction of new affordable housing.** Eligible acquisition and construction costs include reasonable costs associated with building or land purchase, including but not limited to:
- Purchase price
 - Option costs
 - Financing fees
 - Appraisal costs
 - Closing costs
 - Interest
 - Inspection fees
 - Title insurance
 - Relocation costs
 - Architectural/engineering fees
 - Permit fees
 - System development charges
 - Construction costs
- 3.5.b Conservation** of energy through the use of “green” technologies provided that the benefits of the energy savings is passed on in the form of reduced costs to the qualified occupants of the affordable housing.
- 3.5.c Land banking** to include the purchase of land to be dedicated toward the development of affordable housing in the near or long-term.
- 3.5.d Predevelopment activities** undertaken by a community development organization in support of the development of affordable housing including planning, architectural services, engineering services, landscape design, legal services, surveys, appraisals, site clearance and demolition, environmental clearance, permit application fees and system development charges. Grant funding for these types of activities may be required to convert to a loan if the project receives full funding. For-profit developers are not eligible to apply for Newberg’s Affordable Housing Trust Funds to assist with predevelopment costs.
- 3.5.e Bridge loans** to assist in development of affordable housing (for rental or owner occupancy). Bridge loans are intended to provide funding to permit housing projects to proceed in advance of the availability of permanent project funding. Bridge loan funding is available for acquisition or construction activities.
- 3.5.f Capacity building** for non-profit affordable housing providers in the form of direct grant awards to fund administration of an affordable housing project or program.
- 3.5.g Rehabilitation and emergency repairs** as part of an established program to secure units as affordable or to provide direct benefits to existing very low to moderate income households.

Eligible rehabilitation and emergency repair costs include but are not limited to:

- Architectural/engineering fees
- Consultations
- Construction costs
- Relocation costs
- Hazardous materials abatement including lead based paint noticing consistent with the Federal Lead Safe Housing Regulations HUD requirements at 24 CFR §35

Rehabilitation loans to the owners of owner-occupied dwellings are not eligible uses of the NAHTF.

- 3.5.h Direct benefits** to very low to moderate income households through an established program including down payment assistance, rental assistance, mortgage foreclosure prevention, emergency housing vouchers, homeownership training, renter education, or other programs intended to increase housing opportunities for Newberg's low to moderate income residents.
- 3.5.i Transitional and emergency housing** for homeless individuals and families through an established program to move people toward self-sufficiency.
- 3.5.j Educational programs and services** for potential home owners and renters.
- 3.5.k Other uses as deemed appropriate** by the Newberg City Council as supporting the development or preservation of affordable housing within the City of Newberg.

SECTION 4. Program Goals

- 4.1** To help maintain the effectiveness and long-term viability of the NAHTF, preferences will given to the provision of loans over grants. General criteria of project selection are found in Section 8 of this resolution. In no particular order, the following preferences are provided as general guidance for future applicants for Newberg Affordable Housing Trust Funds.
- 4.1.a** Developments that produce new affordable housing units. New affordable housing units shall include housing units constructed where none had existed previously, abandoned or fire-damaged residential units to be returned to residential use, and non-residential or mixed-use projects in non-residentially-zoned property. Any designated new affordable housing units shall be secured as affordable for future use through the recording of an appropriate legal instrument approved by the city attorney.
- 4.1.b** Developments that provide new affordability. New affordability refers to existing housing where a new level of affordability is provided that does not currently exist. This could occur in rental or ownership housing where the number of affordable units is increased, where a portion of existing units will be made affordable to households at income levels substantially lower than the units previously served, or where the term of affordability on the units will be extended for a period of at least twenty-five (25) years.

- 4.1.c Developments that improve the energy efficiency and safety of existing affordable housing stock while maintaining affordability of the units.
- 4.1.d Developments of housing utilizing the land trust model to secure property and perpetual affordability.
- 4.1.e Developments that include joint ventures between multiple non-profit developers and/or for-profit developers, working in partnership, to complete an affordable housing project.
- 4.1.f Developments that include a joint venture between service providers and non-profit affordable housing developers to create projects that contain additional benefits to low income individuals in the development of the project, or additional services for the resident upon completion.
- 4.1.g Developments that incorporate the use of “green” building materials, use of energy-efficient appliances, low-water use landscaping, and reduced storm water runoff. In addition, developments that incorporate building design and operational factors that minimize energy use and resource consumption as well as avoid indoor health impact.
- 4.1.h Developments that include affordable units for the disabled and the homeless.
- 4.1.i Projects that propose long-term affordability.
- 4.1.j Projects that are sponsored by non-profit organizations.
- 4.1.k Projects that use private funding sources and State funding sources to leverage the least amount of Newberg’s Affordable Housing Trust Funds.

SECTION 5. Fund Administration

The Newberg Affordable Housing Trust Fund (NAHTF) originated through the direction of the Newberg City Council.

- 5.1 The City of Newberg acts as fiduciary agent and administrator of the funds. The city reserves the right to contract certain tasks to most effectively and efficiently achieve its administrative duties.
- 5.2 Funds dedicated to the Newberg Affordable Housing Trust Fund shall be exclusively reserved to support the eligible uses activities identified in Section 3, and shall not be used for the general operation of the city.
- 5.3 The City of Newberg shall accept requests for funding from the NAHTF’s Time Sensitive Loan Program from eligible applicants at anytime in order to accommodate affordable housing project opportunities that are time sensitive. Coordination with other private and government funding application timelines will help ensure that NAHTF funds are best applied to leverage additional resources in support of the housing projects. Project submittals deemed not time-sensitive will not be approved, but the applicant will be encouraged to submit their proposal to the annual request for

proposals (RFP) funding process under the NAHTF's Competitive Awards Program. Also, eligible applicants may submit proposals to the NAHTF's Rental Rehabilitation Loan Program at any time.

- 5.4** The City of Newberg shall annually issue a notice of funding available (NOFA) to announce the availability of funds. The City shall also issue a request for proposals (RFP) for affordable housing projects that are not time sensitive.
- 5.5** As a target in any given year, up to 80 percent of the NAHTF will be available for project loans and up to 5 percent will be available for project grants. The remaining 15 percent of the NAHTF will be available for project contingencies through grants and/or loans.
- 5.6** In any given year, at least 50% of the available funds within the NAHTF shall be available for use through the competitive awards program. In any given year, the city council may make an exception to this standard to take advantage of affordable housing opportunities.
- 5.7** The City of Newberg shall form an Affordable Housing Commission (AHC) that consists of three members appointed by the Mayor with the consent of the city council. Membership of the commission should reflect representative broad interests regarding affordable housing in the community. The commission shall review applications for Newberg Affordable Housing Trust Funds to determine project eligibility and evaluate the applications based on the selection criteria. The commission shall provide recommendations to the city council who shall make final award decisions. In addition, the commission shall meet annually to prepare the NAHTF's annual NOFA and RFP for consideration of approval by the city council. Otherwise, the commission will meet as necessary during the year.
- 5.8** Newberg Affordable Housing Trust Funds will be allocated in a manner consistent with the threshold criteria provided Section 8, and consistent with state and local public contracting law.
- 5.9** Grant monies received into the NAHTF will have five percent of those monies reserved for administration.

SECTION 6. Match Requirements

- 6.1** The Newberg Affordable Housing Trust Fund is intended to support the development of needed housing. In addition, the City of Newberg believes that projects can become stronger and more successful through the partnership of many organizations. Therefore, the following match requirements apply to projects utilizing grants from the NAHTF.
- 6.1.a** The Newberg Affordable Housing Trust Fund grant contribution shall not exceed 50% of the total project or program cost. Required match can be met utilizing government funding, direct contribution from the applicant, private donations, and the contribution of land, materials or labor to the project.
- 6.1.b** In the case that land previously owned by the applicant is considered as required match, the value of the land shall be determined by a city approved certified appraisal completed by the applicant or real market value from the Yamhill County assessor office provided by the applicant, unless otherwise directed in Oregon Revised Statute or Newberg Municipal Code.

- 6.1.c** The valuation of land, and available equity to be considered as matching funds, shall be verified by the city prior to the disbursement of an NAHTF grant when its value is considered as required matching funds.
 - 6.1.d** Donated materials and labor, which are proposed as required match through the development of a project shall have their value estimated at the time of application. The actual value of these contributions is subject to verification by the city at completion of the project.
 - 6.1.e** Award recipients shall provide verifiable accounting for donated labor and materials, when such was necessary to satisfy the NAHTF match requirements.
 - 6.1.f** If a recipient of an NAHTF grant has been deemed by the city to have failed to have fulfilled all the necessary grant award match requirements, the city may require a full or partial repayment of any NAHTF grants awarded to a project.
- 6.2** Approved loans provided by the NAHTF may cover up to 100% of a project's costs.

SECTION 7. Allocation of Funds

The Newberg Affordable Housing Trust Fund is structured to allow flexibility for the city and housing providers. The establishment of three distinct and separate award processes is intended to provide for both consistency and flexibility of the NAHTF program. Annually, the city shall issue a notice of funding availability (NOFA), announcing the availability of funds in the following year and the types of programs. The city shall issue the NOFA for the year through publication in the Newberg Graphic and on the city's website. The NOFA shall be issued on or near July 1st of the year.

First, there is the competitive awards program. Annually, the city will issue a request for proposals for affordable housing projects of a non-time sensitive nature. Proposals awarded funding through the RFP process shall be done through a competitive basis. Loans and/or grants may be awarded through this program.

Second, there is the time sensitive program. Through this program, applicants requesting funding from the NAHTF may submit requests at any time in the year to accommodate affordable housing project opportunities that are time sensitive. Coordination with other private and government funding application timelines will help ensure that NAHTF funds are best applied to leverage additional resources in support of the housing projects. Loans and/or grants may be awarded through this program.

Third, there is the rental rehabilitation program. This program is intended to assist private property owners with rental rehabilitation projects. Applications for this program may be submitted at any time and need not be considered under the competitive awards program. Applicants seeking funding assistance must be willing to enter into a contractual agreement with the city that will ensure the future affordability of the project units for a specific period of time. Only loans will be awarded through this program.

The distribution of any and all NAHTF funds through competitive or non-competitive awards, as described in Sections 7.1 through 7.3, will be in accordance with state and local public contracting laws.

7.1 Competitive Awards Program

The City of Newberg has a limited amount of Newberg Affordable Housing Trust Funds to use each year in comparison to the scope of the housing needs within the community. As a result, it is essential that the funds are used to meet the city's priorities in an efficient and cost-effective manner. To this end, a competitive award process uses a set of award criteria to evaluate proposals received through a request for proposals (RFP) process in terms of how they address the specific priorities outlined in the annual RFP.

The steps for making the competitive grant awards or loans are outlined below.

- 7.1.a** The City of Newberg may issue an RFP Request for proposals on an annual basis depending on availability of funds, providing applicants with a minimum of 45 days to respond to the request. The RFP shall be issued on or near July 1st of the year.
- 7.1.b** City staff shall assess the project proposals to determine if the eligibility criteria are met and shall develop a recommendation to provide to the Newberg Affordable Housing Commission and the city council.
- 7.1.c** The Newberg Affordable Housing Commission will provide applicants the opportunity to make a presentation on their project proposal and provide community members the opportunity to comment by holding a public meeting.
- 7.1.d** The Newberg Affordable Housing Commission will develop an award recommendation to the city council using the NAHTF criteria to determine which projects best meet the city's spending priorities. Each application will be rated on a numeric scale as established in the annual RFP for each criterion of selection (Section 8).
- 7.1.e** The Newberg city council shall make a final decision on the award of Newberg Affordable Housing Trust Funds.
- 7.1.f** The City of Newberg shall prepare an agreement between the city and the award recipient. The agreement shall outline the conditions of award and shall be executed prior to the disbursement of any Newberg Affordable Housing Trust Funds.
- 7.1.g** An award granted to an applicant may be rescinded by the city if the applicant does not initiate the activities identified in response to the RFP in advance of the City's issuance of another RFP.

7.2 Time Sensitive Loan Program

The City of Newberg recognizes that the nature of affordable housing development is often opportunity driven and time sensitive. Through this program, applications may be submitted at any time during a given year. When applications are received, the city shall review them to determine if the applications meet the city's threshold criteria. If the criteria are met, then the funds may be awarded to, or reserved for, the applicant. Funds available through this process are awarded on a first come, first served basis.

- 7.2.a** Project Eligibility. Projects are eligible to utilize funds for activities listed in Section 3.

7.2.b Project Security. Applicant must demonstrate and commit sufficient collateral to ensure the security of the loan.

7.2.c Loan Terms.

- (1) Loan amounts will be determined by the proposed project need and amount available within the NAHTF.
- (2) The standard interest rate is two percent (2%) below the prime rate.
- (3) The standard term of the loan is two years.
- (4) The applicant shall pay a loan processing fee equal to one percent (1%) of the loan or \$100.00, whichever is greater.
- (5) Standard loan terms may be modified by approval of the City Council.
- (6) The applicant shall enter into an agreement guaranteeing the dwellings will only be occupied by families or individuals meeting the income guidelines.

7.2.d Process.

- (1) The city manager shall appoint a loan officer to process loan applications.
- (2) The loan officer will prepare application specifications.
- (3) The loan officer will review applications for eligibility, and qualify applicants as either standard or preferred applicants. The loan officer may establish a priority for awarding of qualified loans.
- (4) Prior to awarding any loan, the application will be forwarded to the Newberg Affordable Housing Commission for consideration of recommendation for approval by the Newberg city council.
- (5) The loan officer shall prepare the necessary documents and agreements to execute and provide for repayment of the loan.

7.3 Rental Rehabilitation Loan Program

7.3.a Purpose

The purpose of the rental rehabilitation loan program is to loan NAHTF monies to local landlords so they can rehabilitate dwellings and make them safe and decent for rental to low or very low income families.

7.3.b Eligibility

- (1) The dwelling must be within the Newberg city limits.
- (2) The dwelling must be rented to low or very low income families or individuals, according to income guidelines established by the Affordable Housing Commission. Preference will be given to units to be rented to very low income families or individuals.
- (3) Repairs shall improve the overall livability of the dwelling by addressing health and safety issues and by making the home more energy efficient and affordable. Priority is placed on the repairs needed to make the home safe and to prevent further deterioration and escalated costs if left unattended. Typical examples of these projects include new roofs, new windows, new electrical wiring, heating system repair/replacement, and utility repairs.

- (4) The applicant shall demonstrate sufficient equity in the property and sufficient ability to repay the loan.
- (5) The applicant shall demonstrate that the rehabilitation could not be accomplished using conventional loan programs.
- (6) Preference shall be given to landlords who live in Newberg or the Newberg area, and who own 10 or fewer rental units, and who own the property outright or have substantial equity in the property.

7.3.c Loan Terms

- (1) Loans are available in amounts ranging between \$5,000.00 and \$15,000.00. This amount may be increased up to \$25,000.00 if the need for repairs is justified and adequate equity is established.
- (2) The standard interest rate is two percent (2%) below the prime rate.
- (3) The standard term of the loan is seven years.
- (4) The applicant shall pay a loan processing fee equal to one percent (1%) of the loan or \$100.00, whichever is greater.
- (5) Standard loan terms may be modified by approval of the city council.
- (6) The applicant shall enter into an agreement guaranteeing the dwellings will only be occupied by families or individuals meeting the income guidelines for the loan term.

7.3.d Process

- (1) The city manager shall appoint a loan officer to process loan applications.
- (2) The loan officer will prepare application specifications. The loan officer will receive applications by a date specified in the notice of funding availability. The loan officer will accept applications after that date if funding remains available, and may establish a waiting list for applications in future funding cycles.
- (3) The loan officer will review applications for eligibility, and qualify applicants as either standard or preferred applicants. The loan officer may establish a priority for awarding of qualified loans.
- (4) Prior to awarding any loan, the application will be forwarded to the Affordable Housing Commission for consideration of recommendation for approval by the Newberg city council.
- (5) The loan officer shall prepare the necessary documents and agreements to execute and provide for repayment of the loan.
- (6) The applicant shall complete all repairs within one year of loan award

SECTION 8. NAHTF Competitive Grant or Loan Award Threshold and Selection Criteria

- 8.1** The project is considered an eligible use or activity under Section 3, and benefits households earning less than 100% the area median income (threshold verification).
- 8.2** If the project is related to the provision of technical assistance to affordable housing providers, the use of Newberg Affordable Housing Trust Funds functions to increase the capacity of the organization to specifically address the mission of the NAHTF (threshold verification).
- 8.3** Newberg Affordable Housing Trust Funds shall be limited to the minimum amount necessary to complete the project. The lower the percentage of NAHTF funds requested, relative to the full project costs, the higher ranking the project shall be given.

- 8.4** The project addresses the unmet housing needs as identified in the Housing Element of the Newberg Comprehensive Plan.
- 8.5** The lower the income level that is targeted for the benefitting households, the higher the ranking the project shall be given.
- 8.6** The project provides new affordable housing, or new affordability, through retention or rehabilitation of existing housing, within the city. The greater the number of units provided, the higher the ranking the project shall be given.
- 8.7** The project retains the affordable housing units as affordable. The longer period of time the units remain affordable, the higher ranking the project shall be given.
- 8.8** The project addresses energy conservation through the integration of green building technologies in new construction, or achieves greater energy efficiency through rehabilitation of existing housing.
- 8.9** The project maximizes partnerships in the community (volunteers, in-kind contributions, cash contributions, multiple organization involved, etc).
- 8.10** The project utilizes already existing resources in effective and innovative ways. The project shall not duplicate service provided by another organization.
- 8.11** The agency submitting the proposal has the capacity to carry out the project and has had demonstrated successes completing projects of similar scope.
- 8.12** The budget and timeline are thorough and realistic.
- 8.13** The project is ready for implementation.
- 8.14** If the project includes the acquisition of property, the identified property is currently available for acquisition and the applicant has secured either a purchase option or letter of interest from the seller. If the applicant is also applying for federal funding (i.e. Community Development Block Grants or HOME) they should carefully review procurement requirements and limitations before obtaining a purchase option.
- 8.15** The relocation of existing residents will be minimized, and when necessary, the applicant has included accurate relocation assistance costs as part of the project pro forma.
- 8.16** The proposal demonstrates that Newberg Affordable Housing Trust Funds are the most appropriate funding source, and necessary, for the project.
- 8.17** Additional selection criteria may be developed and included in the annual RFP to best direct Newberg Affordable Housing Trust Funds toward an identified priority need. Numeric rankings for each of the selection criteria shall be incorporated into the annual RFP.

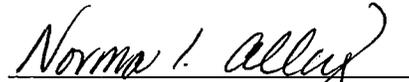
SECTION 9. Fund Revenue

9.1 The city manager is directed to create a new budget department code within the existing Fund 14 for monies within the NAHTF. Monies within the budget under line 14-4120-602000, Housing Authority Loans, shall be placed in this new department code.

9.2 All new revenue brought into the NAHTF shall be done so with the approval of the city council.

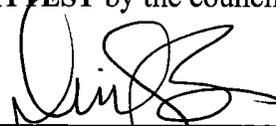
➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: April 17, 2012.

ADOPTED by the city council of the City of Newberg, Oregon, this 16th day of April, 2012.



Norma I. Alley, City Recorder

ATTEST by the council president this 19th day of April, 2012.



Denise Bacon, Council President

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: June 17, 2013

| | | | | |
|------------------|----------------------|-----------------------|-------------------------|------------------------|
| Order ___ | Ordinance ___ | Resolution ___ | Motion <u>XX</u> | Information ___ |
| No. | No. | No. | | |

SUBJECT: Appoint Stuart Brown, Steve Comfort, and Terry Emery as initial members of an Affordable Housing Commission

**Contact Person (Preparer) for this Motion: Mayor Bob Andrews
Dept.: Administration
File No.: G-12-007**

RECOMMENDATION: To consent to the appointment by the Mayor of Stuart Brown, Steve Comfort, and Terry Emery as initial members of an Affordable Housing Commission. Recommended terms of appointment are as follows: Terry Emory for 3 years; Stuart Brown for 2 years; and, Steve Comfort for 1 year.

EXECUTIVE SUMMARY: On March 5, 2012, the Newberg City Council adopted Ordinance No. 2012-2749, establishing the Newberg Affordable Housing Trust Fund. On April 17, 2012, the Newberg City Council approved Resolution No. 2012-2988, establishing the policies and procedures for administration of the Newberg Affordable Housing Trust Fund. Section 5.7 of this resolution states the following:

The City of Newberg shall form an affordable housing commission (AHC) that consists of three members appointed by the Mayor with the consent of the city council. Membership of the commission should reflect representative broad interests regarding affordable housing in the community. The commission shall review applications for Newberg Affordable Housing Trust Funds to determine project eligibility and evaluate the applications based on the selection criteria. The commission shall provide recommendations to the city council which shall make final award decisions. In addition, the commission shall meet annually to prepare the NAHTF's annual NOFA and RFP for consideration of approval by the city council. Otherwise, the commission will meet as necessary during the year.

Terms for members appointed to the Affordable Housing Commission are not specified in Resolution No. 2012-2988. Therefore, the Mayor recommends that the appointments be made in staggered, three year terms. This method will provide membership continuity for the Commission.

For privacy purposes, the proposed appointees' applications are retained in the City Recorder's Office. Please call 503-537-1283 to request a copy.

FISCAL IMPACT: None

STRATEGIC ASSESSMENT: The Affordable Housing Commission will provide thoughtful advice to the City Council on how to best serve the affordable housing needs of our community with the resources of the Newberg Affordable Housing Trust Fund.