

HB 4006 (2022) PUBLIC Community Open House

Summary and Results

December 14, 2022 6:00 PM

Meeting held in person with an online open house/survey

(This is for historical purposes as meetings are permanent retention documents and this will mark this period in our collective history)

In-Person and Online Participants: 33

Staff Present: Doug Rux, Community Development Director
Mary Heberling-Creighton, Housing Planner
Clay Downing, Planning Manager

HB 4006 (2022)

Rent Burdened Households: Causes and Solutions

Wording that was on the poster boards and online open house are provided below with the responses to the questions. Responses include both in-person and online.

Since 2018, the City of Newberg has been holding community meetings and discussions around housing affordability and rent burdened households.

This open house will include information and questions around rising rents in the Newberg community.

Items that will be discussed in this online open house:

1. Causes and consequences of severe rent burdens within the city.
2. Barriers to reducing rent burdens. (What is making it hard to have affordable rent in Newberg?)
3. Possible solutions to reduce rent burdened households.

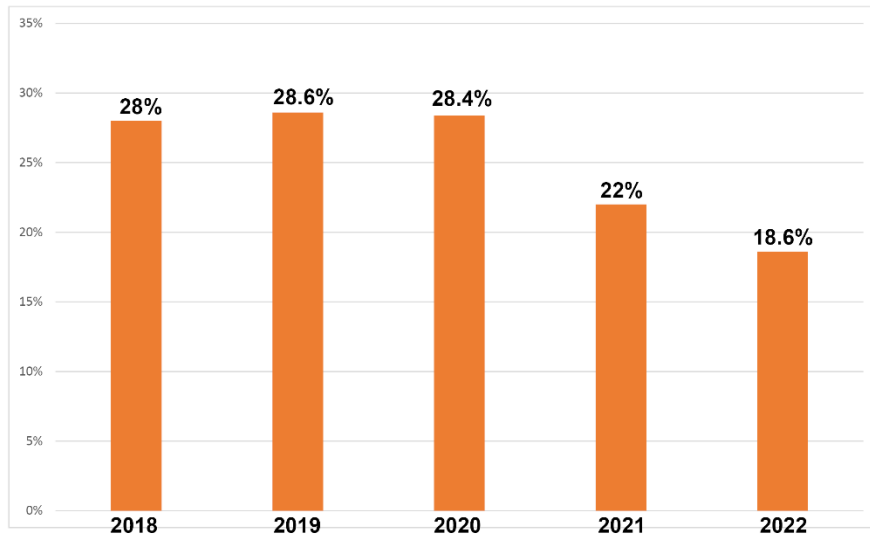
What does “Rent Burdened” mean?

A person or household who is “rent burdened” means that they are spending 30% or more of their monthly income on housing costs (rent and utilities).

A person or household who is “severely rent burdened” means that they are spending 50% or more of their monthly income on housing costs (rent and utilities).

In Newberg, the percentage of renters who are severely rent burdened has been decreasing slightly over the years with 2022 showing 18.6% of the renter population being considered severely rent burdened.

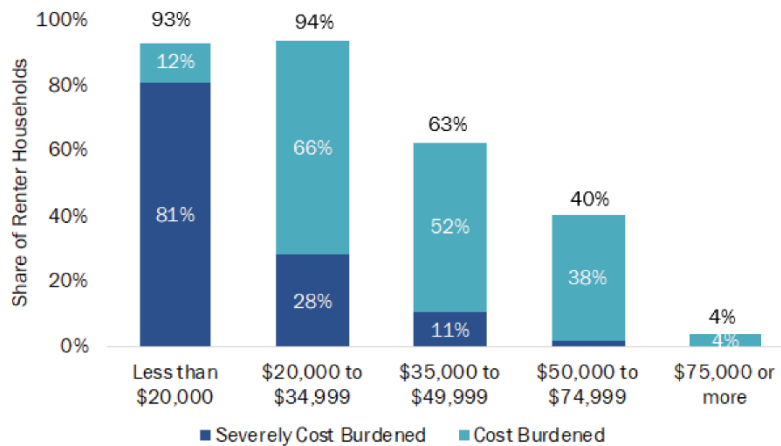
Percentage of Severe Rent Burdened Community Members in Newberg



In Newberg, the less your median household income (annually) the more likely you are to be severely rent burdened. Meaning, if you are lower-income and make less money annually, it is increasingly harder to find housing that is affordable.

To be considered living in housing that is affordable, a person or household should not be paying more than 30% of their monthly income on housing costs (rent and utilities).

Cost Burden by Income for Renter Households, Newberg, 2015-2019



Source: U.S. Census, American Community Survey 2015-2019

Severely Cost Burdened: Spending 50% or more of your monthly income on housing costs (rent & utilities)

Cost Burdened: Spending 30% or more of your monthly income on housing costs (rent & utilities)

What is the cause of this?

There are many potential causes for the lack of housing that is affordable and increased rates of rent burdened community members.

During previous community meetings on this issue, there have been discussions by community members around potential causes. Those are listed below.

QUESTION: From the list below, what potential causes do you think are issues in Newberg? [select all that apply]

CAUSES	RESULTS
Income (People aren't making enough money)	16
Available Housing Inventory	16
Conversions of homes to short-term rentals or vacation rentals	11
Increases in constructions and labor costs to build housing	14
Increasing land prices	11
Lack of living wage jobs	12
Rental availability (not enough rental housing)	14
Lack of high-density zoning (rental housing is typically built in higher density zones)	10
High Rents	14
City permit fees and System Development Charges	8
Lack of federal investment in public housing and voucher programs	9
Not enough industrial land that can lead to higher paying warehouse, manufacturing and distribution jobs	7
High Monthly Utility Costs for Light and heat	9
High Property Taxes which may drive up rental rates	7
High healthcare costs	6
Lack of legislative action from the State	5
Lack of Variety of Rental Unit Sizes (1-bedroom, studios, 2-bedrooms, etc.)	15

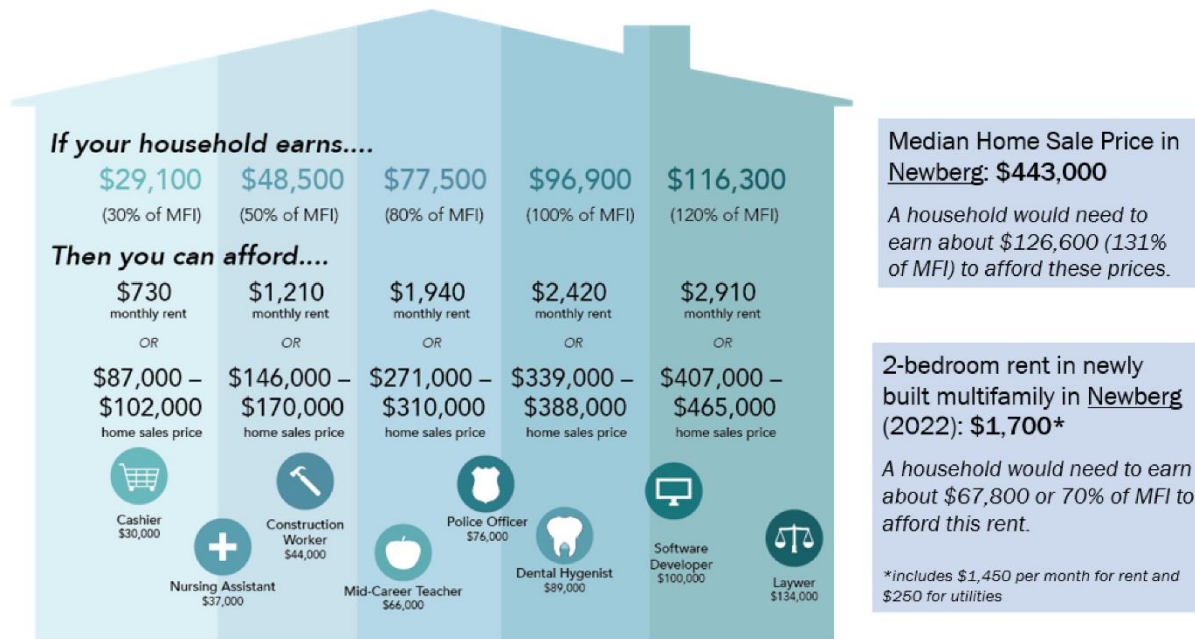
QUESTION: What other potential causes are missing in the list above?

RESULTS (verbatim):

- Interest rates
- Commuting costs to travel to work and back, fluctuations in gas prices, increased vehicle maintenance costs & vehicle insurance. Minimal public/bus transportation with a variety of pick up & drop off times
- Lack of services to support disabled wage earners, lack of developer desire to take on the onerous task of going after the mixed sources of funding that lead to sustainably affordable housing, minimum wage not set to properly offset housing cost unless housing is subsidized.
- High deposit costs
- High utility costs for WATER.
- Large pieces of developable land on the north side of town held vacant by the owner and not developed with housing.
- Water fee's in Newberg are ridiculous. 70% of my water bill is "service fee's". I barely use water.
- None
- Greed

Why is this a problem? What are the consequences?

In Newberg, workers of all types are finding it harder to find housing that is affordable to them based on the income they earn.



Newberg Median Family Income (2021): \$96,900*

**(for a family of 4)*

QUESTION: Consequences from lack of rental housing that is affordable to all income levels are listed below. From this list, which consequences do you think are the most concerning for Newberg? [Pick your top 3]

CONSEQUENCES	RESULTS
Less money is available for food, clothing, daycare, and other needed essentials	20
Leave Newberg to find housing that is affordable elsewhere	8
Harder time for businesses to find/hire and retain workers	8
Higher rates of people becoming homeless or housing insecure	14
Multiple households needing to live together to afford rent	11
Declining enrollment at Newberg Public Schools and local colleges/universities	4
Higher commute rates as people live elsewhere and commute into Newberg to work	5
Less disposable income to spend on local businesses	4
Higher rates of poverty	5
Less economic diversity in the community	3

QUESTION: What other potential consequences are missing from this list?

RESULTS (verbatim):

- Having to get a second or third job just to make ends meet, getting stuck in a downward debt spiral that leads to destitution
- Legal definition of homeless should be expanded to include living with family in under sized abodes. Such as staying on the couch or floor due to lack of space/rooms, etc.
- Lack of workforce for attracting new industry to Newberg

- People live in Newberg but to be able to afford living here, commute to higher paying jobs in the Metro tri-county area.
- None
- Death

What are the barriers to reducing the rate of rent burdened households?

What is making it harder to address the causes of unattainable rental housing at all income levels? Usually there is not a quick fix to these large, complicated problems in communities. However, it is important to understand where there are issues/policies that are making it harder to address the problems. Once we know of those barriers, we can make changes to address them.

From previous community meetings and discussions on housing affordability and rent burdened communities, a list of potential barriers is listed below.

QUESTION: From this list, which potential barriers do you think are the biggest concern for Newberg? [select all that apply]

BARRIERS	RESULTS
Lack of land supply (not enough land to build more housing)	4
Lack of higher density zones	12
Lack of creative financing	10
Expensive housing being built	11
City permit costs, System Development Charges	9
Tax rates on manufactured homes are being increased by Yamhill County	2
Increasing cost of construction and land	12
A few property owners own a large portion of existing land supply and sitting undeveloped	7
Lack of support on apartment developments	10
Landlords not accepting Section 8 (Housing Choice) vouchers	7
Properties being bought by people not living in Newberg (absentee ownership)	10
Long wait lists on housing vouchers and subsidized affordable housing buildings	13
Not meeting density targets per zoning (low-scale housing being developed in most zones)	5
Churches/faith-based institutions not providing land for residential development	3
Lack of housing variety	15

QUESTION: What other potential barriers are missing from this list?

RESULTS (verbatim):

- Regulations
- SDC's are not a problem just in Newberg, they are a problem throughout Oregon.
- None
- Lack of affordable places for fixed income singles

What are the solutions to this problem? What is the City of Newberg already doing?

The City of Newberg adopted a [5-Year Housing Work Program](#) in November of 2020. This list has about 50 items and are actively being address by City Staff.

To view this list and current and previous housing projects, visit this website: <https://www.newbergoregon.gov/planning/page/affordable-housing-newberg>

Currently, City Staff are working on:

- A [Housing Production Strategy](#) – which will result in a report with a list of strategies to help produce housing that is most needed in Newberg
- [Multi-Family Code Audit & Amendments Project](#) – reviewing the Newberg Development Code and assessing where code changes may be needed around multi-family housing development
- Researching other communities and cities that allow Tiny Homes on Wheels as a permanent housing type. Understanding the pros and cons to this.
- [Construction Excise Tax \(CET\) implementation](#) – working on creating documents and criteria for affordable housing projects to receive CET funding

QUESTION: From this list of proposed strategies to address the rent burdened problem, which ones do you think are most needed in Newberg? [Pick your top 3]

SOLUTIONS	RESULTS
More state dollars to put towards affordable housing	5
Tax incentives for property owners to rent below market rate	7
Shortened review times and fees for apartment developments	2
Large employers provide housing for their workers through various programs (first time buyers, rental assistance, employee provided worker housing, etc.)	3
Reduce city permit fees for "missing middle" housing development	11
Residential development on church/faith-based properties	5
General obligation bond to assist in providing affordable housing	3
Provide incentives to develop more duplex, triplex, quadplex, and townhouse units	9
More homeowners and landlords renting to Section 8 (housing choice) vouchers holders	6
Partnership between the City of Newberg and Yamhill County Housing Authority	7
Church/faith-based support to fill gaps on household costs	3
Incentivize Accessory Dwelling Units (reduce permit costs and review timeframes)	16

QUESTION: What other potential solutions are missing from this list?

RESULTS (verbatim):

- More housing cooperatives like habitat for humanity, more programs to transition renters to homeowners, a housing tax on agribusinesses that do not support their farm workers with programs or housing, developing mixed use housing with retail space below
- Newberg doesn't allow RVs to be used as ADUs. This may be a missed opportunity that would be easy to permit. Under certain parameters (setback distance from street, 3-season use only, connection to water, etc), allowing for RVs to be occupied at least a portion of the year could be a solution for a small percentage of those who are housing-insecure.
- Increase land available to develop
- None
- Allow tiny homes on wheels in the city of Newberg.
- City building it's own affordable housing

QUESTION: Are there any additional comments you'd like to provide in this open house?

RESULTS (verbatim):

- Yes. There needs to be more funding available for homeless prevention and day centers and shelters
- Incentives for housing Mentally Challenged; help homeowners alter house or garage configurations for private Apartment/ADUs or separate entryways or additional rooms to main house-rent out to singles, students, senior, disabled, veterans, etc.

- In order to address solutions to the rent burdened, multiple production strategies are needed. The problem will not be solved by prioritizing just one solution.
- Make sure the roads can handle additional cars from any new Dwellings

ADJOURNMENT:

The Public Open House ended at 8:00pm and the Online Open House and Survey ended on 10/21/22