

**NEWBERG HOUSING FOR WORKING FAMILIES
AD HOC MEETING MINUTES**

**October 16, 2008
7:00 p.m. Meeting
Newberg City Hall
414 E. First Street**

TO BE APPROVED AT THE NOVEMBER 6, 2008 AD HOC COMMITTEE MEETING

I. ROLL CALL:

Present:

Bob Ficker	Mike Gougler	Charles Harris (arrived late)
Bob Larson	Joel Perez	
Chair Philip Smith	Mike Willcuts	

Absent:

Rick Rogers (excused)	Dennis Russell (excused)
Kevin Winbush (excused)	

Staff Present:

David Beam, Econ. Dev. Coordinator/Planner
Barton Brierley, Planning Director
David King, Recording Secretary

II. OPENING:

Chair Smith opened the meeting at 7:02 PM.

III. MEETING MINUTES:

Motion #1 Larson /Gougler to approve the minutes from the September 4, September 18, and October 2, 2008 meetings. The motion passed by unanimous voice vote for all those present.

IV. PUBLIC AND PRIVATE AFFORDABLE HOUSING PROGRAMS:

Mark Davis was introduced by David Beam as an invited guest. Mr. Davis works with the Housing Authority of Yamhill County (HAYC), which has been in operation since 1951. He stated that many affordable housing funds are from H.U.D. that subsi-

dizes rentals for tenants with an income less than 50% of local medium income (e.g. Section 8). Annually, these funds contribute six to seven million dollars to Yamhill County's local economy.

Two other programs of note of HAYC: The Housing Rehabilitation Program, which helps provide loan funds to low income home owners at a very low or no interest rate. The loans are first targeted to housing safety issues. He also discussed HAYC's housing fairs for first time home buyers, which helps them prepare and plan ahead for buying a house.

Mr. Davis' primary responsibilities involve property development. The Housing Authority owns apartment complexes and houses. In Newberg, they own and manage Woodside Park, Victoria Square, and Newberg Terrace. All three are examples of the HAYC buying existing properties instead of building them. Right now they manage ~ 500 rentals throughout Yamhill County. HAYC also operates a traditional subsidized single family housing program. However, they are trying to end this type of housing, as it is not an efficient use of funds. They want to sell these properties and buy or build more multi-family complexes.

HAYC also works with other groups, such as CASA in Newberg. Since HAYC is a government entity, they can raise funds by issuing bonds. HAYC is run by a Board appointed by county commissioners. They would be happy to work together in the future with the Affordable Housing committee.

Questions from committee members:

David Beam asked if the county commissioners have any authority over HAYC other than appointing the board members. Mr. Davis replied that they don't, but that they do have the power to take over the HAYC if necessary, as has happened in other counties.

Bob Larson asked how they rent their units. Mr. Davis said they advertise in the paper, but the exact details are complicated because of the various restrictions of the different programs. Their occupancy is close to 97% of all their units. The delinquency ratio is low, as credit checks are run and references are consulted before a person is allowed to rent. Also, tenants will be evicted if rent is not paid.

Bob Ficker wondered why HAYC isn't building apartments in Newberg. Mr. Davis mentioned the high cost for the right piece of land. HAYC has purchased Victoria Apartments three or four years ago as an alternative to buying land to develop.

Chair Smith turned the group's attention to the draft document: Newberg Affordable Housing: Proposed "Top Ten" List. He directed the group to read through while soliciting Mark Davis' comments.

Item 1: Create a Housing Trust Fund

After David Beam explained the housing trust fund, Bob Larson asked what would be needed to start such a fund. As a point of reference, Charlie Harris said the State housing trust fund has about \$15 million. Chair Smith recommends that any such fund should have a short list of specific eligible tasks for fund expenditures.

Chair Smith asked if the HAYC would be willing to be responsible for such a trust fund? Mr. Davis said they would be willing to administer the program, but important decisions should stay under Newberg control. Smith then asked city staff if the City would be able to oversee these funds? Barton Brierley said they could, with the right staff. He added that the city could accept tax-deductible financial gifts for the fund.

Charles Harris asked the developers at the meeting if they would want to pay into a trust fund or even donate land to a land trust fund. Mike Willcuts would rather see the contributions to the fund be spread out across the community instead of just the developers/purchasers contributing. Perhaps a city-wide assessment could help supply the fund.

Item 2: Provide Property Tax Abatements

David Beam explained that like tax increment financing, the local property taxes for an affordable housing project would be abated for a for a specific period of time (i.e., ten years). He added that the City Finance Department may not support such a program. Barton Brierley added that the City could only abate its portion of the property taxes, which at this time is about \$4.00/\$1,000 value of the home. Mr. Beam said that other taxing districts could also abate their portion of the property at their discretion. Charles Harris added that for a developer certain property tax abatements already exist.

Item 3: Expand Home Ownership and Counseling Program

Mark Davis talked about HAYC's housing resource center.

Charles Harris asked if HAYC has a ready-to-rent program. Mr. Davis explained how they provide education/instruction on how to responsibly handle a rent payment as part of a working family budget. After such educational assistance, the people get a certificate to show to prospective landlords.

Mike Willcuts asked about the credit check process for HAYC. Mr. Davis said it is still on the landlord to make wise decisions on who they rent to.

Bob Ficker asked if a ready-to-rent program is taken by students in the school system. Mr. Davis said no. Chair Smith would like to have a housing information fair for Newberg, similar to what he visited in McMinnville, perhaps in May 2009.

Item 4: Apply for and use Community Development Block Grants (CDBG)

David Beam explained that such grants are aimed at assisting low to moderate income people. Such funds helped build the new Head Start building in Newberg. CDBG funds

are already being used locally to help rehabilitate affordable housing and support a housing resource center in McMinnville. The city could also request CDBG funds for infrastructure of an affordable housing project.

There was much discussion regarding mixed-use projects with one of the components being affordable housing. Mr. Davis was asked how the new mixed-use project with affordable housing was created in downtown McMinnville.

CDBG money does not come easily for new developments, according to Mike Gougler. The time it takes to get the funds can be too slow for a developer.

Chair Smith wanted to know if CDBG money could be used on mobile home parks. Mike Gougler didn't think so, but thought it might be useful for developing a new park, i.e., the actual lot and infrastructure.

Charles Harris spoke of an existing McMinnville mobile home park that was being converted to a co-op, where the residents have ownership of the park.

Item 5: Work more closely with Housing Authority of Yamhill County

Chair Smith left this item for the end of their discussion for Mark Davis to give the group final comments.

Item 6: Support work of local community development corporations

David Beam explained that two CDCs existed locally: the Yamhill Community Development Corp. in McMinnville and Mid-Willamette Valley Council of Governments in Salem. Charles Harris said that CASA also has a CDC. Barton Brierley added that a CDC could handle any housing trust fund that may be developed.

Item 7: Leverage employer's commitment to affordable homes for workers

Barton Brierley stated he would like to see an employer matching fund program to help first time home buyers get into a house. Perhaps the proposed future trust fund could kick in a certain amount and then ask employers to match the amount. Charles Harris added that through their IDA program, a potential low income home buyer can be matched 3 dollars (from various sources) for every dollar they might contribute to a home down payment fund.

Bob Larson suggested that staff add the Chamber of Commerce to the list of potential responsible parties for this task.

Mike Gougler said that such a program may not work for businesses that have a high turnover of young employees. The high mobility of young people could be a negative in the eyes of the employers, making their investment in this program to help retain and recruit employees not worthwhile.

It was mentioned that the new Allison Hotel in Newberg is going to have 165 workers, many who will be making only minimum wage. How could this employer help out with affordable housing? Once again, Mike Willcuts doesn't want to see the new hotel, for example, to have to be saddled with the affordable housing fees/taxes when the issue is more of a community-wide problem. A community-wide assessment is therefore more appropriate. Charles Harris agreed that the Allison will hire many low-skill workers that will need decent housing.

Barton Brierley said that the transient room tax could be the appropriate mechanism to raise affordable housing funds.

Mike Gougler said it is a community development issue, so we must find a way to get everyone in the community to contribute.

Item 8: Establish Mortgage Credit Certificate Program

The MCC Program is a federal program (implemented locally) where annual mortgage interest can be written off one's taxes, sometimes 15 – 20%, even 40% in one case. Charlie Harris has some familiarity with this program and said he will call around to find out if the program still exists and get a better understanding of how this program works. If this program is still exists, the committee expressed its desire to pursue looking into it.

Item 9: Create a Community Land Trust

Mike Gougler believes that the Oregon land use laws make it very difficult to acquire land. Land trusts work well when the pressure for in-fill is low. Charles Harris believes that Items 8 and 9 could possibly be administered by a CDC (Item 6). Some in the group felt that there may be existing land trusts in the area.

Item 10: Support and expand transitional housing and group housing.

YCAP in McMinnville services Newberg. Mike Gougler doesn't believe that the community in general understands what is happening with transitional housing. Churches in the community oversee some of this need. Mr. Gougler shared a personal story of helping a soldier one night, and a mother with child on another night, where neither had shelter/temporary housing. He suggested some sort of coupon system to help those in need.

The city could call together a public forum to decide how to get this idea off the ground. The city can help by being a leader on the issue.

Bob Larson also felt that the community needs a Newberg version of Henderson House in McMinnville.

Chair Smith wanted to add three more items to this list:

Item 11: Create a new zone—**R-4 for manufactured homes.**

Item 12: **Create an expedited annexation procedure**, especially for affordable housing, where a vote of the people would not be needed. This would save time and money.

Item 13: **Adopt changes to city fees for the developers who provide affordable housing**

Mark Davis was now asked for his input now that he has heard all the proposals. Even if a third of the proposed actions were instituted, Mr. Davis believes Newberg would be making great progress. Mr. Davis quickly highlighted how HAYC is either involved with each item, or very willing to work with Newberg. He did point out. However, that no organization oversees them all, so we must be willing to work with various organizations. Special needs project homes are often green-lighted by the government because of the extreme needs of these people. The key is money.

V. OTHER BUSINESS:

Chair Smith solicited members for other issues. Nothing was mentioned.

David Beam highlighted the handout regarding the draft plan to eliminating homelessness in Yamhill County.

Chair Smith also asked about the general schedule for the committee. The next meeting will return the Committee's focus on possible changes to the development code to encourage affordable housing.

VI. NEXT MEETING:

The next meeting is scheduled for Thursday November 6, 2008 at 7:00 PM.

VII. ADJOURN:

Chair Smith adjourned the meeting at 9:05 PM.

Approved by the Ad Hoc Committee this 6th day of November, 2008.

AYES: 7

NO: 0

ABSENT: 3

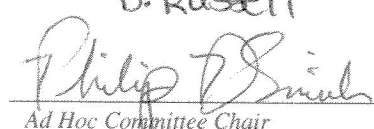
ABSTAIN: 0

(List Name(s))

(List Names(s))

B. Ficker, J. Perez
D. Russell


Ad Hoc Committee Recording Secretary


Ad Hoc Committee Chair

4/6/08
Date