This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.

City of Newberg
City Council
December 5, 2022
Hybrid meeting format

WORK SESSION was cancelled.

BUSINESS SESSION –
Meeting called to order at 6:00 p.m.

Councilors Present:	Council President Elise Yarnell Hollamon Councilors: Mike McBride, Jefferson Mildenberger, Stephanie Findley and Peggy Kilburg.
Absent:	Mayor Rogers, District 3 vacant
Staff Present:	City Manager Will Worthey, City Attorney James Walker, City Recorder Sue Ryan, Police Chief Jeff Kosmicki, Administrative Specialist Zaira Robles Muniz, Intern Joshua Hren, Finance Director Kady Strode, Community Development Director Doug Rux, Library Director Korie Buerkle, Public Works Director Russ Thomas, Planner Ashley Smith, and Housing Planner Mary Heberling-Creighton.

CITY MANAGER'S REPORT
CM Worthey reported on the month's activities.

PUBLIC COMMENTS
Cathy Holbrook said she was concerned about the recent cutting of trees in the north of town. She urged the Council to reconsider the street tree preservation project put forth a few years ago by former Councilor Scott Essin.

Marilyn Godfrey supported the tree preservation movement.

CONSENT CALENDAR
Action: To approve Resolution 2022-3875, A Resolution adopting the revised Facility Use Policy for the Newberg Public Library *(replaces Resolution 2002-2415)*

Motion:	Councilor Findley
Second:	Councilor McBride
Vote:	5 Yes 0 No 0 Abstain 2 Absent [Rogers, District 3 Vacant]

PUBLIC HEARING: Resolution 2022-3874, Sole Source contract – Taste Newberg

Council President Yarnell Hollamon opened the Public Hearing. She called for abstentions, or declarations of conflicts of interest.

City Manager Worthey recommended award of the destination marketing services to Visit Newberg dba Taste Newberg. He said Taste Newberg will do a better job serving the community than a Portland-based firm.

Public Testimony: Dennis Lewis was in favor of the contract award.

Council President Yarnell Hollamon closed the public testimony. CM Worthey recommended award of the contract to Taste Newberg.

Action:	To approve Resolution 2022-3874, A Resolution awarding the Contract for destination tourism marketing services to Visit Newberg dba Taste Newberg via the special procurement method.
Motion:	Councilor Findley
Second:	Councilor McBride
Vote:	5 Yes 0 No 0 Abstain 2 Absent [Rogers, District 3 Vacant]

NEW BUSINESS: Construction Excise Tax:
Planner Heberling Creighton said the City adopted the CET by ordinance in December 2020. Revenues are generated from a tax of 1% on the project building permit value. The point of the tax is to use it for housing affordability in Newberg for homeowners or renters that earn 80% or less of the median family income. She explained what the funds could be used for including developer incentives, and affordable housing programs. Funds collected as of November 18th, 2022 included $525,112 for developer incentives, and $367,578 for Affordable Housing Program and incentives for a total of $892,690. Tonight's presentation was about starting the allocation of the funds through the Affordable Housing Commission in 2023. The first application deadline would be April 4, 2023 for the April 25, 2023 commission meeting.

The Council discussed:

- Criteria
- 60-year requirement
- Process for selection of projects
- Difference between ranges of points that could be awarded to projects.
- How the money would go through an organization not to individuals.
- Newberg residency for use.
- Oregon Housing Community Services 15% portion.
- Don't tax and spend, create jobs

Action:	To approve the content of the 2022-2023 Notice of Funding Availability (NOFA) for the Newberg Construction Excise Tax (CET) as shown in Attachment 1 and authorize staff to proceed with notification and publication of the NOFA with a schedule of applications due 3 weeks before an Affordable Housing Commission meeting. [Exhibit A – Attachment 1]

Motion:	Councilor Findley
Second:	Councilor Mildenberger
Vote:	4 Yes 1 No [McBride] 2 Absent [Rogers, District 3 Vacant]

COUNCIL BUSINESS

Councilor Kilburg said she wanted to revise the question portion of Resolution 3873 because is a more intentional and structured plan for the interview questions. She proposed using a subcommittee of two for the process. That the motion be made by a motion carried not a secret ballot.

CM Worthey said the proposal he designed did have the component of showing the voting results so it would not be in secret.

The Council discussed:

- Scheduling an extra meeting between Christmas and New Year's.
- The conflicts given the holidays.
- More thought given to qualifications for the candidates.
- That the Council can't require more qualifications than the Charter so describe them as qualities instead of qualifications.
- Ranked choice voting.

Action: To revise the interview question portion of Resolution 2022-3873 as follows in Part II and we remove "Each councilor submits one question to be asked of candidates on the night of December 19th. These questions will be emailed to CityRecorder@newbergoregon.gov". and replace that with 1. A subcommittee of the Council shall be formed to receive input from other councilors regarding qualifications desired as a Council candidate and 2. After finalizing and sharing the list of qualifications with the councilors then receive questions from them related to those qualifications just to bring to light whether each candidate possesses those qualifications, and then 3. The subcommittee would finalize the interview questions to ensure that all qualifications are heard with the questions, and to remove duplicates then after that then each councilor that will be there will be assigned a question to ask on the 19th.

Deliberation on the motion.

Council President Yarnell Hollamon asked if someone could volunteer to help Councilor Kilburg. Councilor McBride said he could help but it would have to be at night as currently he was running his insurance business by himself.

Councilor Mildenberger volunteered.

CM Worthey said Item #4 – it would still be a points score. Council President Yarnell Hollamon said that would be discussed separately.

Motion:	Councilor Kilburg
Second:	Councilor Findley
Vote:	5 Yes 0 No 2 Absent [Rogers, District 3 Vacant]

There was a discussion on how to show the scoring publicly at the December 19th meeting, and how the vote on the chosen candidate would be by motion.

Action:	To make the ranked choice scoring for the position public.
Motion:	Councilor Kilburg
Second:	Councilor Mildenberger
Vote:	5 Yes 0 No 2 Absent [Rogers, District 3 Vacant]

Council President Yarnell Hollamon opened Public Comment again.
Melinda Stephans and Shirlene Gahr said the previous issues with their housing situation under Housing Authority of Yamhill County had continued and they still needed help resolving the issues.

Meeting adjourned at 8:00 p.m.

Sue Ryan, City Recorder

ATTEST:

Rick Rogers, Mayor

Council Minutes
2022-1205
Exhibit A

Newberg Construction Excise Tax (CET) Funding Request Application

NOTE: Applications are due 3 weeks before an Affordable Housing Commission Meeting at 4:30 p.m. A list of those due dates are in the information packet.
Applications are to be submitted to Mary Heberling-Creighton, Housing Planner by email at mary.heberlingcreighton@newbergoregon.gov or by postal mail via City of Newberg, PO Box 970,

CONTACT INFORMATION:

Project Name:	
Organization Name:	☐ For-proft ☐ Non-proft
Contact Name/Title:	
Mailing Address:	State/Zip:
Phone:	Email:

PROJECT INFORMATION:

Total project cost: ______________________

Requested amount of CET funding: ______________________

Has this project requested or will request funds from the Affordable Housing Trust Fund? ☐ No ☐ Yes Amount requested: ____________

Amount and description of other matching funds being contributed to the project, if applicable:

____

Has this organization received Newberg CET funds in the past? ☐ No ☐ Yes Amount received: ____________

Project Partners and their Contributions to the Project: ______________________

____

____

____

Estimated project beginning date:	Completion date:

COMMUNITY DEVELOPMENT
PLANNING DIVISION
(503) 537-1240
planning@newbergoregon.gov

Please see next page

Please briefly describe the affordable housing problem this project is trying to solve and how it helps in solving that challenge:

Please attach additional information that describes how this project will address the Competitive Awards Selection Criteria described in "Attachment A" of this form, including additional documentation/evidence as needed.

☐ Information that addresses Competative Selection Criteria, attached (please select)

Briefly describe what is attached:

ATTACHMENT A

Construction Excise Tax (CET) Fund
FY 2022-23 Competative Selection Criteria

Minimum Threshold Criteria	**Potential Points**
1. The project is considered an eligible use or activity under Section 3, and benefits households earning less than 80% of the median family income for a period of at least 60 years following the date of construction (threshold verification)*.	NA
2. The project is ready for implementation with documentation to demonstrate financial feasibility.	NA
3. 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, review procurement requirements and limitations before obtaining a purchase option.	NA
4. That 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.	NA
5.The proposal demonstrates that the Construction Excise Tax (CET) Funds are the most appropriate funding source for the project. Provide a description of a financing gap that includes funding sources or demonstrates budget constraints that limit the ability to pay or finance projects.	NA
Scored Application Criteria	
7. The project provides new affordable housing, or new affordability, through retention or rehabilitation of existing housing, within the city.	Up to 10 points
8. The project provides deeply affordable housing for households earning less than 50% of the median family income.	Up to 10 points
9. The project provides extremely affordable housing for households earning less than 30% of the median family income. Projects could include permanent supportive housing and/or transitional housing for families or individuals who are houseless.	Up to 5 points
10. Project concepts and designs showing close proximity to schools, parks, commercial areas, public transportation, services and jobs, green building designation or the integration of green building technologies, and demonstration of cost-effective sustainability and energy-efficiency measures.	Up to 10 points
11. The project maximizes partnerships in the community (volunteers, in-kind contributions, cash contributions, multiple organization involved, etc.) and demonstrates alliance building that directly benefits community members in need, such as helping build household wealth.	Up to 5 points
12. The project utilizes already existing resources in effective and innovative ways. The project shall not duplicate services provided by another organization.	Up to 10 points
13. The agency submitting the proposal has the capacity to carry out the project and has had demonstrated successes completing projects of similar scope. Higher points to projects that demonstrate engagement and contracting with D/M/W/ESB/SDVBE businesses in the last 10+ years.	Up to 10 points
14. The budget and timeline are thorough and realistic (evidence of construction and/ or service costs required with application).	Up to 10 points
Total Potential Points	**70**

***FOR 2022, the Median Family Income for the City of Newberg was $106,500.**

DEFINITIONS:

“D/M/W/ESB/SDVBE” means a business that is Disadvantaged, Minority-Owned, Women-Owned, Emerging Small Businesses, and/or Service Disabled Veterans Business Enterprises.

“Gross Income” (GI) is income before taxes for all members of one family in the previous twelve months. Income can be derived from salaries, investments, self-employment, farming, and other sources. Assets such as a house or a farm are not income. For people who have wages, gross income means the figure that they would have received in their paychecks if there were no taxes. Gross income before taxes when applied to farm income means the figure that results when farm expenses are subtracted from farm sales. Gross income also includes unemployment and disability compensation, worker's compensation and severance pay; and welfare assistance payments.

“Family” means all persons living in the same household who are related by birth, marriage or adoption.

“Median Family Income” (MFI) includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. Because many households consist of only one person, average household income is usually less than average family income. Although the household income statistics cover the past 12 months, the characteristics of individuals and the composition of households refer to the time of application. Thus, the income of the household does not include amounts received by individuals who were members of the household during all or part of the past 12 months if these individuals no longer resided in the household at the time of application. Similarly, income amounts reported by individuals who did not reside in the household during the past 12 months but who were members of the household at the time of application are included. However, the composition of most households was the same during the past 12 months as at the time of application, as defined by the U.S. Census.

Release Date: January XX, 2023

Notice of Funding Availability
Construction Excise Tax Fund
Fiscal Year 2022 - 2023

This Notice of Funding Availability (NOFA) is directed to organizations (non-profit and for-profit) and individuals that provide affordable housing and/or related services within the City of Newberg. The goal of this NOFA is to inform the intended audience of the availability of funds for activities that will assist with the creation/acquisition of new affordable housing or the assistance of programs that help lower income individuals and families to continue renting, prevent foreclosure, or buy housing.

Funding Availability

Funding of up to $XXXX is available for the fiscal year ending June 30, 2023.

Deadlines:

Applications will be initially reviewed by the Affordable Housing Commission (AHC). The AHC will then recommend applications and their amount of funding to the City Council. The AHC meets quarterly, and deadlines are based on the upcoming AHC meetings for 2023:

CET Fund Application Deadline	Affordable Housing Commission Meeting
April 4, 2023	April 25, 2023
July 4, 2023	July 25, 2023
October 3, 2023	October 24, 2023
January 2, 2024	January 23, 2024

What is the Construction Excise Tax (CET) Fund?

The City of Newberg adopted by ordinance a Construction Excise Tax (CET) in December 2020. Senate Bill 1533 from the 2016 Oregon Legislative session is the enabling legislation that allows local jurisdictions to implement a Construction Excise Tax. Revenues generated from a tax, 1% on the project building permit value, would be used to address housing affordability issues for homeowners or renters within Newberg for families that earn 80% or less of the median family income.

The City of Newberg defines affordable housing as residential housing primarily for households or persons earning less than 80% of the median family income (MFI) and where housing and/or rental costs do not constitute more than 30% of a household’s income. MFI shall be established by the most current U.S. Department of Housing and Urban Development Department data for Yamhill County, Oregon as determined by the Community Development Director in the year of application submission.

*FOR 2022, the Median Family Income for the City of Newberg was $106,500.

Who can access funding from the CET Fund?

Eligible recipients of resources from the CET Fund are organizations with interests in developing and/or preserving affordable housing in Newberg. Potential recipients 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.

What types of projects qualify for funding under the CET?

The funds received through the CET can be used in a variety of ways, with some limitations, and for projects that address housing affordability issues for homeowners or renters within Newberg for households that earn 80% or less of the median family income (MFI). The ordinance also states that any affordable housing that receives CET funds ***must remain affordable (80% or below MFI) for a period of at least 60 years following the date of construction***.

The state legislation limits the funding towards two categories:

- Developer incentives
- Affordable housing programs

Per ORS 197.309(5)(c) and (d) and 197.309(7), developer incentives allowed or offered include, but are not limited to:

- System development; and
- Land acquisition; and
- Local public improvements required by municipal governments.

Per Section 9, Chapter 59, Oregon Laws 2016, affordable housing programs include, but are not limited to:

- Rent buy-downs and subsidies; and
- Down-payment assistance; and
- Foreclosure-prevention assistance.

Examples of development proposals that could use CET funds based on the limitations above:

- Funds to pay the System Development Charges (SDCs) for a multi-family affordable housing project.
- Funds pay for certain amount of land acquisition of a parcel that a non-profit is buying for permanently affordable homeownership options.
- Funds towards the cost of street frontage improvements for a subsidized affordable housing project for seniors.
- Funds provided for a local organization's rental assistance program.

Competitive Selection Criteria - Minimum Threshold and Scored Criteria:
Minimum threshold and additional scored criteria are located in Attachment A of the CET Fund application.

A project may receive additional points towards being awarded CET Funds if it meets some of the additional scored criteria. A few examples are:

- The project provides deeply affordable housing for households earning less than 50% of the median family income. *(Up to 10 points could be awarded)*
- Project concepts and designs showing close proximity to schools, parks, commercial areas, public transportation, services and jobs, and demonstration of cost-effective sustainability and energy-efficiency measures. *(Up to 10 points could be awarded)*
- The project maximizes partnerships in the community (volunteers, in-kind contributions, cash contributions, multiple organization involved, etc.) and demonstrates alliance building that directly benefits community members in need, such as helping build household wealth. *(Up to 5 points could be awarded)*

Up to 70 points can be awarded to a project. The higher the points awarded, the more likely to be recommended for funding by the Affordable Housing Commission to City Council.

How does one apply for funding under CET Fund?

The application form for funding under the CET Fund can be found at (https://www.newbergoregon.gov/planning/page/affordable-housing-loansgrants-available) or may be picked up at the Newberg City Hall at 414 E First Street.

Who do I contact with questions about the CET Fund?

For questions about the CET Fund, please contact Mary Heberling-Creighton at 503-554-7778 or at mary.heberlingcreighton@newbergoregon.gov, P.O. Box 970 Newberg, OR 97132

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For a more detailed description of this Notice of Funding Application (NOFA), please visit the following website link https://www.newbergoregon.gov/planning/page/affordable-housing-loansgrants-available or visit City Hall at 414 E First Street.

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