

NEWBERG AFFORDABLE HOUSING COMMISSION MINUTES

Tuesday April 23, 2019, 1:30 PM

Newberg City Hall Permit Center Conference Room

414 E First Street

CALL MEETING TO ORDER

Chair Bell opened the meeting at 1:33 PM.

ROLL CALL

Members Present: E.C. Bell, Chair Larry Hampton, Vice Chair
Carol Sherwood Shannon Eoff

Members Absent: Steve Comfort (excused)

Staff Present: Doug Rux, Community Development Director

Guests: None

APPROVAL OF MINUTES

Approval of the February 19, 2019 Newberg Affordable Housing Commission Meeting Minutes.

MOTION: Eoff/Sherwood to approve the Affordable Housing Commission minutes for February 19, 2019. Motion carried (4 Yes/0 No).
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PUBLIC COMMENTS

None.

VERTICAL HOUSING DEVELOPMENT ZONE PROGRAM

Associate Planner Keith Leonard provided background for the program referring to the summary information contained in the packet. The zones are allowed by State law. He noted the idea for the program was identified in the Newberg Downtown Improvement Plan and is an economic development and housing tool. A map provided in the packet shows where the zone might be located in the C-3 zone in the downtown area. AP Leonard noted tax abatements are allowed as follows:

- One floor = 20% exempt (market rate housing)
- Two floors = 40% exempt (market rate housing)
- Three floors = 60% exempt (market rate housing)
- Four floors = 80% exempt (market rate housing)
- Land may also be partially exempt for the number of floors allocated for low income housing (80 percent of area median income or below) in the same percentages listed above for the number of floors designated for market rate residential use.

AP Leonard noted the communities of Hillsboro, Gresham, Tigard, Beaverton and Oregon City have adopted Vertical Housing Development Zone programs.

Chair Bell asked for clarification on where the boundary may be located and was referred to the map in the packet. He inquired about the south boundary of the zone and if the R-3 designated land could be included. Community Development Director Rux indicated no because R-3 does not allow commercial uses.

Commissioner Sherwood inquired about the length of time for the tax abatement, 10 years, and how it works. CDD Rux noted that it is monitored annual for program compliance. If a project is not in compliance the City would notify the County Assessor that the abatement would not be allowed for that tax year.

Commissioner Sherwood inquired if it was just a housing project and no commercial would they get a tax abatement. CDD Rux indicated no. they would need to meet the commercial and housing requirement to be eligible.

Commissioner Sherwood noted the program would be an incentive to have mixed use development within the zone.

AP Leonard reviewed outstanding questions on the pre-application fee, application fee and annual monitoring fee. He noted Tigard has a pre-application fee of \$100 - \$200, application fee of \$1,000 - \$2,000 and a monitoring fee of \$300. AP Leonard additional research need to be conducted on what other communities are charging for fees and bring that back to the Commission for discussion.

CDD Rux noted there needs to be discussions with the other taxing districts on the program to determine if they want to participate or not. If only the City of Newberg participates then only the property taxes imposed by Newberg would be abated per the previously discussed percentages. The other taxing districts would collect their full amounts.

Vice Chair Hampton inquired about how taxes work and there was a general discussion.

Commissioner Sherwood asked if examples of a tax bill for a downtown property could be provided at the next meeting to see what is being paid by property in the downtown area for a mixed use development.

CDD Rux noted that additional information will be brought back at the May 28, 2019 meeting for discussion. He noted that the Planning Commission will be reviewing the draft material at their May 9 meeting.

CONSTRUCTION EXCISE TAX

CDD reviewed the draft material in the packet which included the memorandum and attachments. The intent of the program is to generate funds to partner with developers to develop affordable housing. One of the questions that needs to be answered is what should be exempt from paying the Construction Excise Tax. There are examples of other communities in Oregon that have the Construction Excise Tax program and each is a little different on what is exempted. He shared a table that has preliminary estimates of what the tax could generate on an annual basis for new development for residential, commercial and industrial. These estimate numbers could change based on what development is exempt. The maximum tax that could be imposed is 1% for residential. Commercial and industrial could be higher than 1%. There are examples of 1%, .5% and .33%.

Vice Chair Hampton noted the Mike Gougler expressed some support for the tax.

CDD Rux inquired what should the percentage rate be for the tax.

Commissioner Eoff noted that the school district should be exempt and if a building expansion is done and under a \$100,000 threshold where the tax would not be imposed could the tax be imposed later as the value of the building increases.

CDD Rux noted that this is the first discussion on the Construction Excise Tax. Discussion will need to be held with developers to get their feedback. He asked the Commission members to read through all of the material and the examples from other communities to look at what should be exempt from the tax. He also noted that if the program was adopted by the City Council there would need to be a restructuring of the Affordable Housing Commission because their current charge is established by resolution. More information will be brought back at the May 28, 2019 meeting for discussion.

UPDATE - WORK PROGRAM

CDD Rux recapped that the discussion on the work program went to the City Council after being discussed by the Commission and Housing Newberg. By motion the Council directed staff to work on HB 4006, Housing Needs Analysis, Construction Excise Tax, and Missing Middle Housing (duplexes and triplexes in the R-1 zone) over the next calendar year.

UPDATE - COMMUNITY DEVELOPMENT BLOCK GRANT

CDD Rux provided an update that 38 homeowners were served. All the funds have been spent and the final \$5,000 in administrative cost is being processed to Business Oregon. The City Council held the required second public hearing on the project and there was no public comment at the hearing.

STATUS OF TIME SENSITIVE GRANT

CDD RUX shared that he has not gotten the application posted on the web yet due to other departmental work activities. He will let the Veterans know when it is posted.

NOTICE OF FUNDING AVAILABILITY

CDD Rux recapped that the Notice of Funding Availability has had no inquiries to date.

OTHER BUSINESS

CDD Rux noted he will send the Commissioners a link to the draft Housing Needs Analysis when it is available in a week or so.

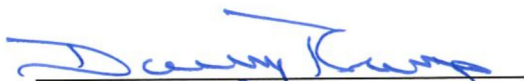
NEXT MEETING

The next meeting will be May 28, 2019.

ADJOURNMENT

The meeting was adjourned at 2:39 p.m.

Approved by the Newberg Affordable Housing Commission on May 28, 2019.


Doug Rux, Recording Secretary


E. C. Bell, Affordable Housing Commission Chair