

NEWBERG AFFORDABLE HOUSING COMMISSION MINUTES

Tuesday May 28, 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 1:30 PM.

ROLL CALL

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

Members Absent: Steve Comfort

Staff Present: Doug Rux, Community Development Director
Keith Leonard, Associate Planner

Guests: Bryan Corn, Mike Ragsdale

APPROVAL OF MINUTES

Approval of the April 23, 2019 Newberg Affordable Housing Commission Meeting Minutes.

MOTION: Hampton/Sherwood to approve the Affordable Housing Commission minutes for April 23, 2019. Motion carried (4 Yes/0 No).
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PUBLIC COMMENTS

None.

VERTICAL HOUSING DEVELOPMENT ZONE PROGRAM

Associate Planner Keith Leonard provided an overview of the draft Vertical Housing Development Zone proposal, commercial requirements on first floor, tax break limits for floors (20% - 80%), and that affordable housing provides addition tax break on land. The Planning Commission on May 9th reviewed the draft proposal. A review of the map was provided on where the zone may be located in the downtown area. AP Leonard reviewed the fees and noted the Planning Commission thought one fee was acceptable rather than a series of fees. Evaluating other communities on what they are charging on annual monitoring. He is working on obtaining project examples from other communities noting the City of Tigard as an example.

Chair Bell inquired if the Planning Commission concern was on multiple fees or costs.

AP Leonard noted the Planning Commission wanted to making it easier for development and encouraging development

CDD Rux looking at flat fees for application and monitoring costs. The City cannot charge more than what is costs are to conduct annual monitoring for program compliance.

He noted page 26 of the packet and examples of what other communities are charging. Planning Commission wanted to keep it simple and not be complicated on fees.

Vice Chair Hampton commented on the fees and monitoring costs. He inquired on the tax benefit verses what the fees may be if monitoring fee is \$300 - \$400 a year.

Commissioner Sherwood asked if the fee is just one time.

CDD Rux noted the Planning Commission suggested not charging pre-application fee and separate processing fee. An application fee and monitoring fee are being proposed. He noted staff will need to look at assessed values. He also noted the Union Block building that is mixed use as are some other building downtown to look at assess values.

Chair Bell requested to see assessed value of a mixed use project in the downtown area to get an idea of what the tax bill could be.

AP Leonard noted that letters had been sent to taxing jurisdictions on the proposal outlining the program and will follow up with them to see if they want to opt out of the program. The tax break is a maximum of 10 years.

CDD Rux noted more analysis needs to be done. Staff will go back to Planning Commission for additional feedback. The goal is to get a recommendation from the Planning Commission and Affordable Housing Commission once a final proposal is prepared. Staff will need to talk to the County Assessor on assessed value calculations. Additionally, examples will need to be prepared for discussions with the other taxing districts.

Mike Ragsdale inquired about commercial development on the ground floor along Second Street and if the program would apply to that area noting property assemblage and would redevelopment be required to have commercial.

CDD Rux recapped that requiring commercial along Second Street is proposed to be changed to not require commercial on the ground floor. Under the Vertical Housing Development Zone program to take advantage of the tax breaks a development would have to meet the commercial requirement of the regulations.

CONSTRUCTION EXCISE TAX

CDD Rux provided a recap of the proposal with the discussion focus on what should be exempt. The packet includes examples of other cities and what they have exempted and noted 6 other cities examples. Building permit values projections are in the packet. He will need to meet with developers on the program proposal. Senate bill, draft ordinance. Page 36 of the packet has the initial list of possible exemptions. He recapped the list.

Chair Bell inquired on Public/Private schools and private/public hospitals. Other cities have made decisions on what is exempt.

Commissioner Sherwood noted it makes sense to have public/private schools exempt.

Commissioner Eoff questioned hospitals public or private. There was a general discussion on hospitals and public or non-profit status by Commission members concerning public intent, value, etc. Is the Providence medical office building part of the hospital? Would Oregon Clinic have to pay?

CDD Rux noted the Providence medical office building is part of the hospital while Oregon Clinic is a medical clinic and would have had to pay the CET.

Commissioner Sherwood had a question on religious facilities and the wording for education and what it means.

Commissioner Eoff noted non-profits like Love Inc. being exempt. What defines non-profit? She noted examples of FISH, Love Inc, Habitat Restore. She will do some research and propose language.

Vice Chair Hampton noted how broad do you get on exemptions and what is left to pay the CET and would there be enough value to generate funds to have a program.

Vice Chair Hampton inquired if George Fox University would be exempt.

Commissioner Sherwood also noted what would be left to pay a CET, just residential?

Commissioner Sherwood inquired why a shop is exempt but an addition to a house would have to pay. What is the rationale?

CDD Rux noted habitable living space verses no-habitable living space.

Chair Bell noted that a value under \$100,000 would be exempt. There was a general discussion on value, addition project types, shops.

Mike Ragsdale inquired about tiny homes and should they be addressed. Are accessory dwelling units tiny homes? A cluster of tiny homes would they have to pay a CET?

CDD Rux explained the tiny home issue of units on wheels or on foundations and the convoluted nature of the State regulations, City regulations on recreational vehicles, and tiny homes on wheels in Institutional zone.

Mike Ragsdale noted under Section D he was not sure if sales price should apply. Should be based on rent.

CDD Rux noted he will need to look at Section D in greater detail. He will also need to look at ORS 279A.101.

Vice Chair Hampton suggested starting at a rate of .33% and ratchet up to 1% over time.

HOUSING NEEDS ANALYSIS

CDD Rux recapped the Housing Needs Analysis document in the packet using a Power Point slide presentation. The information included a 10,819 increase in population over the time period 2020-2040, need for 4,035 residential units at 202 units a year, redevelopment assumption of 100 units and accessory dwelling units of 20, the proposed mix of 60% detached single family, 8% attached single family and 32% multi-family, dwelling units requiring vacant or partially vacant land, capacity of land and the land deficiency including group quarters, and a land deficiency of 107 acres.

The Housing Strategy framework was reviewed and summarized that includes:

- Conduct a full analysis of land sufficiency within the Newberg UGB
- Evaluate establishing mandated maximum lot size standards
- Evaluate establishing minimum density standards
- Evaluate expanded cluster development standards
- Evaluate expanding density bonuses
- Allow Duplexes/Triplexes/Quads in single family zones
- Allow Small/Tiny Homes

Establish vertical housing tax abatement district
Establish an affordable housing property tax abatement
Evaluate potential for Urban Renewal Districts
Establish a Construction Excise Tax
Reduced/Waived Building Permit fee, Planning fees, or SDCs
General Fund/General Obligation Bonds

He noted that there will be another meeting of the Housing Needs Analysis Project Advisory Committee on May 30 and that there will be some minor modifications in the wording of the strategies and double checking of numbers in the Housing Needs Analysis.

The Commissioners had a general discussion on the reports and the information within the reports. There were no suggested changes to the documents.

MOTION: Eoff/Hampton to recommend City Council accept the Housing Needs Analysis and Housing Strategies reports with any final modifications by the Project Advisory Committee.
Motion carried (4 Yes/0 No).

OTHER BUSINESS

None.

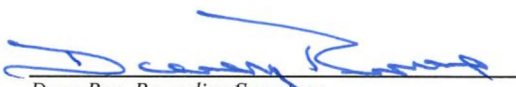
NEXT MEETING

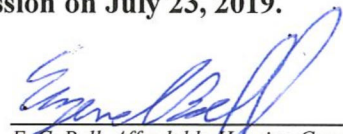
The next meeting will be July 23, 2019.

ADJOURNMENT

The meeting was adjourned at 3:12 p.m.

Approved by the Newberg Affordable Housing Commission on July 23, 2019.


Doug Rux, Recording Secretary


E. C. Bell, Affordable Housing Commission Chair