

**NEWBERG AFFORDABLE HOUSING
ACTION COMMITTEE – JOINT FEES/FINANCE AND CITY HOUSING PROGRAM
SUBCOMMITTEES**

Meeting Summary for Wednesday, January 12, 2011

7 p.m. to 9 p.m.

Newberg City Hall

Permit Center Conference Room

414 E. First Street, Newberg, OR

- I. Open meeting.** Barton Brierley opened the meeting.
- II. Roll Call.**
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|-------------------------|---|
| Subcommittee Attendees: | Mike Gougler, Dennis Russell, Charlie Harris, Rick Rogers, Cathy Stuhr |
| Absent members: | Ken Austin, David Maben, Beth Keyser |
| City Staff: | Barton Brierley, Planning & Building Director
David Beam, Economic Development Planner |

III. Housing Trust Fund Revenue Sources

Barton Brierley outlined potential revenue sources for the housing trust fund.

Utility bill surcharge. Advantage is that it is spread out equally among the entire community. The disadvantage is that there recently have been significant rate increases in the recent past, and the public would be concerned about further increases.

Transient Room Tax. The benefit would be that room tax could be used to benefit the workers at tourism facilities. Barton explained that the current room tax is 6%, and the Council recently agreed to dedicate 25% of the revenue to the visitor center as an investment in the community. Any use of the current fee would simply be taking from the general fund. If the room tax were increased 1%, it potentially could raise about \$15,000 per year revenue that could be used for the trust fund.

Business license. Barton said the existing business license should be restructured in any case, because a single person shop currently pays the same as large businesses. The committee discussed whether it should be assessed on a per employee or total sales basis; the committee thought that the per employee method would be more fair. This seemed to be low hanging fruit. At \$10 average raise, this would raise \$17,500 per year. This would be a good steady source of income. The committee suggested a reduction for some small businesses. Dennis said we should show some benefit to the small businesses. The benefit for larger businesses would be housing for employees. Mike suggested a business directory would be advantageous to the businesses who pay the tax.

CDBG Funds. David explained the CDBG entitlement program. The committee thought the community shouldn't give up the opportunity for large grants such as for a shelter.

Rick suggested as a target we try to raise \$20,000 out of business license and \$30,000 out of hotel tax. Raising the transient room tax to 8% would get the \$30,000.

The committee agreed to recommend requesting that the City Council use both a business license and the transient room tax to fund the housing trust fund, generally as Rick suggested.

Cathy clarified that proposed rental rehab was for units that would be rented to low income families and not that the money would be loaned directly to the family.

Cathy suggested that priority in grants be for goods and supplies and not labor. The committee recommended flexibility on this.

Cathy suggested that the memo should make clear that the funding is not limited to rehabilitation.

David asked about using existing housing rehab funds for the housing trust fund. Rick suggested we ask City Council to transfer those funds to the housing trust fund.

IV. Housing Trust Fund Bylaws

David explained the three suggested main programs: annual competitive program, the time sensitive program, and rental rehab program.

Rick suggested the percentages used in the meeting packet memo and the proposed bylaws should all match.

Mike suggested the fund loan officer be a bank or a credit union.

The committee discussed whether the Council should have to approve any of the grant/loan awards. Dennis suggested not taking it back to the Council. The Commission should make the decisions based on a budget approved by the Council. The NHTF commission should only have to report their actions to the Council. The committee agreed with that concept.

The fund should consider the overhead cost for administering the program. They suggested a 5% for admin fee be applied and this fee should come out of the proposed contingency fund.

Rick thought the percent of grants was low. Mike suggested starting the program as suggested, then adjusting later. The committee agreed to a target of 80% for loans, and not less than 5% for grants, 10% for contingency, and 5% for admin.

The committee then looked at the following specific changes to the bylaws:

P. 6 - "NAHTF will strive to create dedicated source"

"create, preserve, and acquire" - pick three and stick with it throughout the document.

P. 7(a) - Deleted "earmarked affordable" housing funds.

P. 8 – Capitalize City Council

When the proposed bylaws go to Council for consideration, we need to include the correct ordinance and resolution numbers.

P. 11 - Compare 3.5.a with 3.5.d. Seem similar. Should these sections stand or be different?

P. 11 - 3.5.h. Should be 'very low to moderate' throughout this section.

P. 11 – 3.5.j. Add “through an existing established program.

P. 12 - 4.1.c and 4.1.g are very closely related. Can they combined?

P. 13 - 5.3 “not to be approved off-cycle”

P. 13 - 6.1.a Suggested to make it “should generally not exceed 50% target instead”. Leave some flexibility.

P. 16 – 7.3.b.2 Does this apply to all units in a development or just those rehabilitated? Group discussed whether rental rehab should be for low income only, or allow moderate income. The group liked the flexibility of allowing moderate incomes for certain cases. Preference should be for low and very low.

P. 16 – 7.3.b.3 Use should in stead of shall. Replace and with or.

P. 16 – 7.3.c.7 How will this be enforced? It was suggested that the restriction should last for term length of the loan. Should there be a pre-payment penalty? Should it be “shall” or do we give flexibility?

P. 16 – 7.3.d.2 Preference given in order: very low to moderate.

P. 17. – 7.3.d.4 Commission to make decision, not Council.

Under Section 8: Add a purpose statement; consistent with other sections.

Make clear somewhere that mobile home park rehab and upgrade expenses are eligible uses for funds.

VI. Adjourn: 8:50 p.m.

Approved by the Affordable Housing Action Committee – City Fees/Finance and City Housing Program Subcommittees this 23rd day February, 2011.



Legislation Subcommittee Secretary