



PLANNING COMMISSION MINUTES

December 13, 2007

7:00 p.m. Regular Meeting
Newberg Public Safety Building
401 E. Third Street

APPROVED AT THE JANUARY 10, 2008 PLANNING COMMISSION MEETING

I. ROLL CALL:

Present:	Daniel Foster (Chair)	Matson Haug	Phil Smith
	Cathy Stuhr	Nick Tri	Lon Wall

Staff Present: Barton Brierley, Planning & Building Director
David Beam, Economic Development Coordinator/Planner
Steve Olson, Associate Planner
Jessica Nunley, Assistant Planner
David King, Recording Secretary

II. OPENING:

Chair Foster opened the meeting at 7:01 pm.

III. CONSENT CALENDAR:

Chair Foster asked the commissioners if the November meeting minutes had been reviewed, and if any corrections or comments needed to be addressed. No issues needing addressed were mentioned.

Motion #1: Haug/Stuhr to approve the minutes of the November 8, 2007 Planning Commission meeting (6 Yes/0 No).

IV. COMMUNICATIONS FROM THE FLOOR:

Chair Foster invited the 14 guests in the audience attending the meeting to bring forth any new topics. No additional issues were asked to be added to the agenda.

V. LEGISLATIVE PUBLIC HEARINGS:

1. **APPLICANT:** Initiated by Newberg City Council

REQUEST: Amend the Newberg Development Code to encourage affordable housing and the achievement of the city target densities
FILE NO.: GR-58-05
RESOLUTION: 2007-244

Chair Foster asked for any commissioners who needed to abstain or declare any previous involvement with this development. No one mentioned a reason to abstain from this hearing.

Staff Report:

David Beam presented the staff report on the project called, "Affordable Housing Through Density and Design." (This is the title of an additional handout given out after the initial presentation—commissioners wanted the facts and figures from the presentation). It was also noted that duplicate copies of the agenda packet were given to the commissioners due to the poor copy quality of the first set of packets.

David Beam highlighted the history of the effort to produce affordable housing in Newberg. This has been underway for over a year; a process that has provided many opportunities for citizen input.

Chair Foster interjected apologetically an invitation for the guests of the meeting to fill out a Registration Card/Slip if anyone was interested in speaking to the issue after the staff report.

Commissioner Stuhr queried Mr. Beam on how he planned to deliver the staff report. David Beam answered that he planned to present a brief summary, and then would field questions from the commissioners, have public comment, and finish with more specific details being discussed.

Commissioner Haug requested that the initial staff report should include a more comprehensive and detailed presentation before opening up the floor for public testimony. **Commissioner Smith** concurred. David Beam agreed to broaden the initial portion of the staff report.

David Beam continued by first answering why Newberg needs affordable housing (see above mentioned handout on Affordable Housing). He discussed economic, environmental, social and ethical reasons to promote affordable housing. Overall, it is beneficial for the city to have workers *living* as well as working in the community.

Affordable housing is being defined, according to the Federal Department of Housing and Urban Development, as a percentage of family's household income. Specifically, when 30% or less of the household income is spent on housing (rent/mortgage, utilities, and property taxes) then the housing is considered affordable (see Agenda Packet, P16). According to this definition, over 28% of homeowners and over 36% of renters (in 1999)

in Newberg were paying over 30% of family income. In Newberg, the medium family income can only qualify for a house of approximately \$182,000 in value, of which only three houses were listed in the Newberg area at the time this calculation was made in the summer of 2007.

The genesis of this project was a report made by the Ad Hoc Committee on Newberg's Future, which stated that that targeted densities were not being achieved for Newberg, especially those in the R-2 zones. With permission of the City Council, a grant was therefore acquired from the Oregon Transportation & Growth Management (TGM) program. The project funded with the grant funds had two principal goals. Firstly, research options on how the city could better achieve target densities. Secondly, research options on how the city could encourage the construction of more affordable housing. Three public forums followed the creation of the draft density/affordable housing tools, where public input was taken to refine the tools. In general, the general approach of the recommended tools is more towards the "carrot" rather than a "stick" type, often using incentives to encourage developers to provide more dense affordable housing developments of higher quality.

The density/affordable housing tools being recommended can be summarized within the following categories:

- Housing variety
- Density incentives
- Reduced or flexible lot size/dimensions
- Lot size averaging
- Accessory dwellings
- Special needs housing codes
- Inclusionary housing
- Removal of unnecessary public improvement requirements
- Reduced or flexible development standards
- Financial incentives for affordable housing

This concludes the general summary staff report — details of the proposed changes would follow initial questions by the Planning Commissioners.

Commissioner Haug asked for a summary of City Council's workshop on Dec. 3, 2007 for affordable housing. David Beam reported that the Planning Department gave a workshop for City Council on the issue. One action item request by the City Council was for the Planning Department to come up with some sort of calculation of how much affordable housing currently available in the Newberg area.

Commissioner Stuhr asked David Beam about current needs compared to future needs of affordable housing.

David Beam responded that using the HUD definition of affordable housing, only about two thirds of homeowners and renters in Newberg are in affordable housing (using 1999

census numbers). Although current numbers of households in affordable housing are unknown, Mr. Beam speculated that the situation is likely worse now compared to 1999. Since that time, house prices have far outpaced the increases in household incomes.

Commissioner Haug asked for clarification on the numbers in affordable housing

Barton Brierley cited, as an indicator, the statistics of ~ 4,500 people commuting into Newberg each day, as well as ~ 4,500 people commuting out of Newberg to work. This strongly implies that Newberg is lacking in affordable housing for many people that work here.

Detailed policy changes:

David Beam now worked through the proposed policy changes, beginning on P15 of the Agenda Packet.

The summary covered proposed policy changes (P15-17) and proposed development code changes (P18-51). Perhaps the most important proposed change is located in Section 151.253 (starting on page 29). Here, through a mathematical point system, a developer is given some flexible development options that should provide an opportunity for more profitability. In exchange, the city would receive a development of higher quality and provides some affordable housing. How would this program work in practice?

Barton Brierley presented a visual presentation of a hypothetical development on an actual property in Newberg (a sample 7.1 acre property zoned R-1). The target density for such a property is 4.4 units per acre, or about 31 units for this property. However, a fairly typical development pattern of this property would yield only about 26 units, or about 83 of the target density.

*** The visual presentation was slow to work on the laptop. Meanwhile, David Beam fielded some questions.

Commissioner Stuhr asked David Beam how to calculate the number of density points that are needed, as referenced on page 25. **David Beam** said that he will make that issue clear when that part of the report was addressed.

Commissioner Haug asked Barton Brierley whether the design standards of affordable housing will affect the surrounding area. **Barton Brierley** believes that various design standards will not negatively affect the existing community around new development.

***. . . . back to visual presentation by Barton Brierley:

A developer would likely create about 26 lots on the proposed property. Homes on these lots would likely sell in the \$375,000 to \$600,000 range, which is affordable to about 2 of 10 families in Newberg. If the developer changed the zoning to R-2 zoning, for example, he then could get about 34 lots on the property (5,000 square feet each). Such homes

could sell in the \$240,000 – 300,000, which is affordable for three out of ten families. With the proposed development code changes, one proposed scenario would allow about 50 units to be built on this property. Such a development would include: 19 dwelling units in the \$300,00 to \$400,000 range (affordable to 3 in 10 Newberg families), 7 dwelling units in the \$240,00 to \$300,00 range (affordable to 4 in 10 Newberg families); 20 attached dwelling units in the \$175,000 to \$250,000 range (affordable to 5 in 10 Newberg families); and, 4 attached rental units in the \$750 to \$900 per month range (affordable to 6 in 10 Newberg families). (see Sample Project handout).

Commissioner Haug asked to hear of the proposed design changes that would ensure the livability for the surrounding homes. **Barton Brierley** said that livability would be addressed. He continued working through the facts and figures of the Sample Project handout. Barton Brierley then wanted to present the scoring system of such a development, but a break was needed.

*** two minute break ***

Barton Brierley now referred to a worksheet on the projection screen that demonstrated how such a development scenario would score in terms of development flex points, affordable housing points, and design points.

Commissioner Haug referenced the various workshops that he has attended on affordable housing, and his conclusion was that the lowest end of the income bracket that need something like a Habitat for Humanity home will never be able to afford the kind of homes that Barton Brierley presented in his scenario.

Barton Brierley said that the goal is to provide affordable housing for various income levels. Additionally, very low income housing rarely comes from new construction. Such low income housing needs to come from the existing older housing inventory.

Commissioner Haug countered that such affordable housing for the lower income families will deteriorate the livability of existing neighborhoods.

Barton Brierley stated that didn't believe livability of the area would have to suffer.

Back to David Beam's presentation of detailed policy changes:

David Beam went through the various sections, summarizing the proposed changes to the comprehensive plan policies and development code changes

Chair Foster asked for late correspondences. Two letters came in after the deadline. The Planning Commission accepted them and staff passed out copies to them.

Public Comment:

Charlie Harris, owns rental properties in Newberg, develops apartments, and works at CASA in Newberg. He appreciates the city making a substantial effort towards affordable housing. He did hand out a letter to the Planning Commission before speaking. He then highlighted two perceived shortfalls of the overall effort. Firstly, the proposals do not include tools to encourage in-fill housing, which he said was an easy way to encourage affordable housing. Secondly, he would like to see the minimum lot size standards reduced. Also, Newberg also needs a discreet definition of affordable housing, since it is in the PDX metropolitan service area, which probably skews the figures. He wants to see “sticks” added to the process. As proposed, it is too easy to get the required design points.

Commissioner Smith asked Mr. Harris if he agreed in a general way that smaller houses are less expensive than larger homes.

Mr. Harris did agree, but he didn’t think that smaller always means more affordable.

Commissioner Haug asked for more clarity about the in-fill housing that he recommends, and what impact it would have.

Charlie Harris said, for example, he has a corner property, but it can not be developed further according to current city standards/ordinances. If lot sizes could be reduced to 3,500 sq. ft lots, and increase units/acre to 12.5, then some more affordable homes could be built on the property.

Commissioner Wall wanted to ask three questions of Mr. Harris. Firstly, does Mr. Harris live in a Newberg R-1 zone? Mr., Harris responded that he lives in an area zoned AF-20 (County designation). Commissioner Wall then asked if Mr. Harris would want in-fill lots next to him. Mr. Harris said that in-fill lots do not decrease the property value in the area of where it happens.

Commissioner Wall asked hypothetically if a developer will always chose the path of making the most money. Charlie Harris answered by saying how developers are not willing to build single family rental units—it is easier to build a home, sell it, and walk away. Finally, Commissioner Wall asked Mr. Harris what he thought about the Federal Government’s definition of affordable housing.. Charlie Harris said it was a reasonable figure.

Commissioner Stuhr wondered about his view of the design standards and requirements. What does he think as a developer of these standards? Charlie Harris thought that they were too easy. Also, if he had a project underway, what is view of these new standards being implemented? Charlie Harris realizes that some type of date will have to be set as to when new changes are implemented.

Commissioner Haug said that he appreciated many of Mr. Harris’ salient points. Commissioner Haug wanted to know if Mr. Harris had any experience with deed restricted af-

fordable housing. Charlie Harris said it is not an issue for him because the rents that he charges are low enough for that issue not to be a factor.

Dick Petrone, complimentary of the proposal so far. However, he wanted to know what will happen to plans already in process—will they be subject to these new changes?

Barton Brierley said that the drafting of the changes could allow projects already in process to be held accountable to the standards in place at the time of the application date. Dick Petrone was concerned with the NewB property and if such properties are under the current standards.

Barton Brierley reiterated that the Gueldner property is already annexed and zoned for city use (therefore, fall under the current standards). NewB property, which goes on the May 2008 ballot for annexation, will have to meet the standards in place at the time regarding annexations.

John Trudel, was concerned about the effects of the proposed standards on current agreements made regarding the Geldner/NewB annexations. He also had concerns about the economics of such proposals and whether they would achieve their intended goals. Portland has attempted to provide affordable housing, and only found it to truly work when the fees and costs were reduced by the city.

Rick Rogers applauded the commissioners for their work; it is a worthy cause. He wanted to know where the point system was developed—he doesn't remember the point system at the June public forum.

Barton Brierley said that the draft of the proposal in June was vague on specific points because they were blank with no values, which have since been added.

Rick Rogers expressed admiration for a program developed in Ashland, OR, where new land annexed into the city *has* to include affordable housing. This was a heralded step forward for affordable housing. He especially favors this approach of the "stick" because certain neighbors will always oppose R-3 development, and such development never seems to happen if the opposition can always work to keep it from happening.

Commissioner Wall agreed with Rick Roger's thought of neighbors usually not agreeing to mandate affordable housing in new developments, but how are such developments going to be sold to the public? Rick Rogers believes that developers can get out of building such housing by contributing to the proposed affordable housing trust fund.

Chair Foster wanted to know how Rick Rogers defined affordability. Rick Rogers believes that affordability has much to do with what is available in various price ranges. If Newberg only builds \$400,000 homes, obviously many people will not be able to afford them.

*** A short break was allowed ***

Commissioner Haug wanted to clarify the need for a point system, somewhat modeled after the R-1 residential system. Secondly, he read from the packet on how certain conditions (4) would require affordable housing. Rick Rogers was still wondering what is mandated. **Commissioner Smith** began an explanation, which requires all annexations to include affordable housing, which makes this a big “stick”. Then **Barton Brierley** clarified that annexed property, zoned R-1, would have to get some affordable points somehow.

Commissioner Haug was concerned that if certain density definitions were maintained, then certain affordable units might not be required when the property is brought into the city.

Commissioner Wall asked Mr. Rogers what he thought about the 30% household income guideline defining affordable housing from the federal government. Will the city be distracted from the true goal of affordable housing by focusing too much on this guideline? Rick Rogers didn't think so.

Denise Bacon describes herself as a middle-class citizen of Newberg and has wondered through this whole process if her type of family is really wanted in this community. She shops and spends her money in this town, and feels she is a fully functional member of the society. Her family values dictated that she stay at home with their son, instead of maintaining two incomes. Yet, with the plan proposed, she doesn't feel wanted in this community. It still won't provide the tools needed so that her family can afford a home in Newberg.

Commissioner Wall asked her why she doesn't feel wanted. She said it is because when her family recently tried to buy a home, there were only four homes available on the market that her family could afford, and most of them required too much renovation. She also attended a City Council meeting about this proposal where she received the impression that the entire medium-class of families was being ignored. She believes that she could afford a home out in Dayton and commute to Newberg, but she has ten years invested in this community.

End of Public Comment

Chair Foster wanted comment on whether to leave public testimony open. The schedule says that January 24, 2008 could work as a special meeting to continue this subject.

Motion #2: Wall/Tri to keep public testimony open until January 24, 2008 (6 Yes/0 No).

Commissioner Smith addressed the audience (14 still present after 10:00 pm), and stated that he felt that the policy changes do include proper “sticks” to bring about affordable housing. He also wanted to clarify an issue brought up by Mr. Petrone and Mr. Trudel. All annexations involve an increase in density through a change in zoning, which is the proposed major vehicle for requiring affordable housing.

Barton Brierley clearly stated that the language before the commissioners tonight will not require the NewB property to supply affordable housing if the voters approved the annexation in May 2008.

Commissioner Wall asked about involving Terry Mahr to lend a legal opinion on the NewB property annexation question. **Barton Brierley** said that since the proposed changes mentioned tonight are only in draft form then he would have Terry Mahr review the proposal

Commissioner Stuhr asked about an issue on P31. How does a developer get flexible points for county acreage brought into the city as R-1. **Barton Brierley** provided a scenario. He said to assume an annexation which when in the County allowed 20 units on 20 acres (1 unit per acre), but when brought into the City would be R-1 (allows 4.4 units per acre), there is a net gain of 60+ units, which equals 600 points.

Commissioner Haug asked if there were any scenarios of annexation where affordable housing would not be required. **Barton Brierley** said if the property is zoned commercial, then it would not apply, plus it would not apply with very small lots or perhaps forced annexations.

Commissioner Wall strongly encouraged citizens to stay involved.

VI. ITEMS FROM STAFF:

Barton Brierley updated the commissioners on City Council issues, including three appointments for the Planning Commission. Nick Tri has been re-appointed, and new members, Marcia Mikesch and Thomas Barnes, have been appointed to begin in January 2008. The new student Planning Commissioner, TeAnna Rice, is a freshman from Newberg High School.

The next meeting is January 10, 2008 and will discuss an annexation of an island property, as well as a condition use permit request for two dwelling units on one R-1 property. Barton Brierley also said that the commissioners would be watching a training video on quasi-judicial decisions.

VII. ITEMS FROM COMMISSIONERS:

Chair Foster regrets leaving the Planning Commission due to greater responsibility at work, and has truly enjoyed the opportunity. Barton Brierley will have the seniority order of commissioners at the next meeting for determining the new Chair and Vice Chair.

Commissioner Smith reported on a December 12, 2007 NUAMC meeting. He learned a lesson about the differences between legislative and quasi-judicial meetings.

VIII. ADJOURN:

Chair Foster adjourned the meeting at 10:27 p.m.

Approved by the Planning Commission this 10th day of January, 2008.

AYES:

6

NO:

0

ABSENT:
(List Name(s))

0

ABSTAIN:
(List Names(s))

0



Planning Recording Secretary



Planning Commission Chair

1/10/08

Date