



## MEETING MINUTES

**CITY OF NEWBERG  
PLANNING COMMISSION  
Library Annex – 211 N. Howard Street  
Thursday June 28, 2007, 7:00 PM Special Meeting**

### **I. ROLL CALL: Call to order at 7:05 pm**

Lon Wall	Phil Smith	Nick Tri
Cathy Stuhr (Acting Chair)	Mat Haug	Benjamin Shelton (Student Representative)

**Absent:**

Daniel Foster  
Devorah Overbay (Chair)

**Staff Present:**

Barton Brierley, City of Newberg Planning and Building Director  
David Beam, Associate Planner  
Luke Pelz, Assistant Planner  
Jessica Nunley, Assistant Planner (Acting Recording Secretary)

### **II. CONSENT CALENDAR** (items are considered routine and are not discussed unless requested by the commissioners)

No items.

### **III. COMMUNICATIONS FROM THE FLOOR** (5 minute maximum per person)

Eleven citizens were present at the beginning of the meeting, and they were offered the chance to speak on issues not on the agenda. No additional items were brought forth.

**Acting Chair Stuhr** commenced the public hearing after stating the applicable meeting rules and criteria.

### **IV. QUASI-JUDICIAL PUBLIC HEARING**

APPLICANT:	Erik Johnson
REQUEST:	Approval to modify a local historic landmark known as the Nelson House and request for a variance to the height requirements for an accessory structure.
LOCATION:	515 E Sherman St
FILE:	HISM-07-003/VAR-07-008

### **Staff Report:**

**Luke Pelz** gave a presentation that covered the issues in the application. The proposal is to construct a two-story Victorian style carriage house in the location of the existing garage. Staff recommends approval of the modification and the variance with two conditions: (1) require trees along the north side of the carriage house; and (2) provide one off-street parking space for the carriage house.

### **Questions for Staff:**

**Commissioner Wall** – is it really reasonable to suggest that it's a deprivation of use to compare historic properties to non-historic properties because historic properties might enjoy some other privileges that others don't? **Luke Pelz** stated that they were really comparing residential property standards in general when looking at the height variance.

**Commissioner Haug** wanted to know if the car shown on p.54 is where we were requiring the new off-street parking space. **Luke Pelz** said that since it's already paved it would be a good spot but the applicants are free to suggest other spaces.

### **Deliberation:**

Motion to adopt Resolution 2007-239 with conditions as recommended by staff. **Commissioner Haug/Commissioner Tri**

**Commissioner Wall** – I don't see how anybody could be against this. Some of the logic is flawed when going through the variance criteria. Staff used the comparison of another property in town that had a variance granted to it for a similar thing and I worry that it creates precedent for everybody to do it.

**Commissioner Haug** wondered if all the variance criteria needed to be met. **Barton Brierley** said that they did.

**Barton Brierley** clarified that the comparison with the Jesse Edwards House was to illustrate the second-story addition issue.

Roll call vote, passed unanimously.

### **V. WORKSHOP: "Affordable Housing through Density and Design"**

**Commissioner Stuhr** reminded everyone that this workshop is the product of a lot of work over the past few months. It was decided through discussion that public testimony will be accepted.

**David Beam** gave a presentation to start the workshop. He stated that this project was started with money from the state that enabled us to hire **Scot Siegel** from Siegel Consulting to aid us with the research. So far, we've had three public workshops over the past few months and this workshop tonight is the result of those workshops that have been formulated into a plan.

**David Beam** showed a graph illustrating the median incomes and median home prices of our area. He also discussed how we will need 15% of our land to be built for multi-family housing and that it is not happening currently.

**Commissioner Smith** wondered where the statistics came from. **David Beam** said they were primarily from various real estate sources because census data is all from 2000 so it's difficult to compare.

**Scot Siegel** discussed his recent trip to Wyoming and the various methods they are trying to get affordable housing out there. Some places use inclusionary zoning or deed-restricted housing.

**Scot Siegel** gave a presentation about the project. He first went over the purpose of the project, part of which is to evaluate regulatory barriers and other policies that can help get affordable housing and meet residential density targets. He then discussed how community planning can achieve affordable housing, and ways that the cities of Portland, Ashland, and Lake Oswego are addressing affordable housing. The proposed approach for Newberg includes: present a package; build on Newberg's Residential Development Design Guidelines; use "carrots" and "sticks"; address multiple levels of affordability; and support state legislative efforts.

**Commissioner Haug** wanted to know how many pictures they had. He suggested that **Scot Siegel** go through the pictures and discuss the different elements in them that the code would and wouldn't allow and/or encourage (pictures from a visual preference study that the City of Portland did previously).

**Scot Siegel** listed three issues for the Planning Commission to discuss: (1) Policies and definition of affordable housing; (2) Does the plan have a good mix of incentives and regulations? (3) What are other barriers to affordability?

The Commissioners asked **Scot Siegel** to specify what the definition of affordable housing was. **Scot Siegel** read the definition that is listed in the report and discussed the timeline we were looking at.

**Commissioner Stuhr** had questions about the timeline of deed restricted housing and thought it seemed like a really long time. Beam said that the longer timeline in effect makes it affordable when it is eventually sold at market price because it will be older housing stock by then (50-60 yrs). **Commissioner Stuhr** – but then you are restricting people's right to gain the equity from the house.

**Commissioner Stuhr** – the establishment of the median household income that determines everything needs to be consistent. **Commissioner Stuhr** wanted to know if the deed restriction process is working in other cities. **David Beam** said that it is, as well as the other methods. **David Beam** said that we would probably end up contracting out with someone who deals with affordable housing on a regular basis to administer the program for us.

**Commissioner Stuhr** wanted a summary of the regulations from the developer's standpoint. **Barton Brierley** gave a small presentation of how that would work using different scenarios to illustrate the incentive system for a proposed zone change.

**Commissioner Smith** wanted to know why a developer would be motivated to do this type of higher density housing when they could just build the single-family detached big houses. **Barton Brierley** said that the biggest incentive is that they can have a zone change to get more units, and in return they will have to meet certain requirements and will have different incentives. This would apply to all annexations also (because it's a zone change from county zoning to city zoning).

**Barton Brierley** said they would also have to meet certain design standards in their developments and build certain design features. The affordable housing part would come in because the standard would require 15% of the development to be affordable.

**Commissioner Wall** – Our zoning criteria is based on maximum lot size, isn't it? **Barton Brierley** – It's based on maximum density, minimum lot size. **Commissioner Wall** – It concerns me a little bit, the assumption that the developer will think he can make more money on this type of development versus the solely single-family detached. What kind of financial risk will the developer be taking? How many people who can afford a \$400,000 house want to live next to a house worth \$185,000? How many developers will actually take this risk to build this kind of mixed development? Do we have any reason to believe that developers are getting on board with this or is this something we think we can force them into? **Barton Brierley** – We need to look at what we're getting out of the zoning. Most new developments are in areas zoned for multi-family and everyone is building the \$400,000 houses and do not want affordable housing or multi-family next to them.

**Commissioner Haug** – First off, you said it's lower risk for the developer and also that they could make more money. If that were the case, they'd already be doing that so I'd challenge those statements. I thought if the developer chose not to do this higher density development with affordable housing, he could just put money into the pot. Can't he also do land swaps? We can give them incentives but they're not going to do it, otherwise it would already be done. If this is required, if they had a choice to put money into the pot, then that would work. **David Beam** – that was a choice. We could also have a housing trust fund. We could also approach developers that own existing R-2 – if he's not willing to build this type of development, the housing trust fund could buy some of the property/houses and make it deed-restricted. That way we spread the affordable housing throughout the community. **Commissioner Haug** – that's why we have the 60yr limit here, because then we'd have a long term commitment to maintain the affordable housing. **Scot Siegel** – As to whether it is more risk or not, it might be riskier just because it is a new concept. He said that **Barton Brierley's** illustration was a good one because it really shows several different scenarios. **Scot Siegel** went through the various options that the developer could choose to satisfy the requirements on pages 122-123 of the staff report. There are a lot of different ways to mix and match these options.

**Commissioner Tri** – I have a hard time finding any logical reason that we would have developers doing this kind of development. In thinking over the area of Newberg, there would be many areas where this would fit in quite nicely but it would be hard to find someone to do it. This does help with the density problem that we are facing. I can see in the southeast area, over by the schools in the northwest area, at least two places over by Dayton Avenue, these things could really work. Help us figure out how to get it done! **Commissioner Haug** – well, that's options 2 and 3. **Scot Siegel** – one of the comprehensive plan goals is to distribute affordable housing throughout the city. If the market will not bear smaller units, then the housing trust fund can really help get the affordable housing. **Commissioner Haug** – when people annex and they have to deal with this, it is not going to stop people from coming in and building.

**Commissioner Smith** – When people want to up-zone (or annex), they typically want to go to R-2. So are we requiring them to provide affordable housing? It's important to remember that this is a package of carrots and sticks and will likely look different. If they don't want to do any of this, they can just pay into the fund. This is good because we're not getting what we want in R-2 now. What if they want to stay R-1?

**Barton Brierley** – We'll still have plenty of R-1. Although we have minimums in our code, these standards will allow flexible lot sizes and things like that so developers still might choose to do one of these options even in R-1. **David Beam** pointed out that R-1 is still an up-zone from county zoning.

**Commissioner Shelton** – how would the trust fund be regulated and how would it work? **David Beam** – we would probably contract out the work to someone who works in affordable housing. The funds could be used with a lot of flexibility (or not), maybe match funds with federal or state money to build housing, maybe buy down some units from new housing and deed restrict them. We are also interested in a mobile home overlay so that some land could only be developed with mobile homes, a good source of affordable housing. **Barton Brierley** – if there is a developer who wants to build affordable housing on their own they might be able to get subsidized by the housing trust. **David Beam** – we could also help out Habitat for Humanity with buying land. **Commissioner Shelton** – so would it be mostly private side or helping public agencies? **David Beam** – it would be a combination. **Barton Brierley** – one goal is to get people who currently are not affordable housing developers to become affordable housing developers.

**Commissioner Wall** – There is sort of an ironic dynamic that works here. The stick has to be sufficient to have some sort of material effect. If we require the developer to do something that has an economic cost, that cost will get passed on to the buyers. With that, we might be making some housing more expensive. **Commissioner Haug** – I expect that we will get the argument that we're raising housing prices in general. **Commissioner Wall** – it's a reality, someone has to pay. **Commissioner Smith** – I object because you're saying that all government regulations drive up the costs of housing. For example, we require sidewalks on all developments and maybe it does make the property more expensive, but nobody

objects to that because it is for the common good. I don't think it is true that government regulations drive up prices on a free market.

**Commissioner Stuhr** - Did I read something about the possibility of waiving SDCs? **Barton Brierley** – Yes, we thought that the housing trust fund could pay those fees.

**Commissioner Haug** – Somewhere along the line, the developers are going to raise these arguments. Are there other cities that are using this payment-in-lieu option? It's important that we know because they are going to come after us and challenge it. City Council might not want to take the risk of being the first one with these regulations. **Scot Siegel** – that is why there are options – you cannot just require a fee per state rules.

**Commissioner Stuhr** – How many developers actually came out and participated? Because now that it is real I am sure we are going to hear from them. **David Beam** – We had Mike Willcuts, Scott Stuckley, Leonard Rydell, Mart Storm, we also had real estate people, bank people, housing people, school district people (all were invited, but people from all the groups didn't always come).

**Commissioner Wall** – I don not want my comments to be misinterpreted as thinking that this would not work. I just have a problem sometimes when people disregard the economics of the issues. We all have to follow the rules of economic law and reality, the developers especially.

**Rick Rogers** – I applaud the city for taking on this problem. Ashland's solutions look like really good and exciting ones that seem to be working. In response to **Commissioner Wall**, we are just trying to get things built that are not built now. We are just trying to get housing that is affordable for the median, which is above what we try to get at Habitat. We encourage you to require something different like this to get things built. I hope there is the political wherewithal to get this through.

**David Beam** – This issue has effects on other aspects of the community too – employers need to have employees that can afford to live here and things like that.

**Elise (Director at YCHA)** – You should look at Ashland's programs more, they really seem to be working (she has spoken with the housing director). They do not have the housing trust now, but they are looking at it. This is something that is serious and needed and as much as we need it, we need to proceed carefully and make sure it will work here.

**Larry Rummel, Royal Oak St, Newberg** – is working now with Habitat. You mentioned that affordable housing could be built in several zones. Another option was to do deed restricted housing. Have you done a survey of preferences of what types of housing are preferable?

**Commissioner Smith** – I think it should be a mix. The stereotype is very large subsidized housing and we want to stay away from that. Dispersal is the key. I would not necessarily turn away from a large multi-family development, especially with our design standards in place. **David Beam** – Most people do not even realize that affordable housing is there because it doesn't look any different.

**Commissioner Haug** – I have heard before that people want mixed neighborhoods and that is what options 1 and 3 do.

**Elaine Taylor** – I keep thinking about a project I saw in Canada once where roughly every fourth house had an accessory dwelling unit. I was surprised to see that would not be allowed in the city – what would it take to make that a more common thing? **Commissioner Smith** – it is part of option 3. **Elaine Taylor** – If people could have an accessory dwelling unit, maybe they could have a more expensive house because they would have the extra income to help out. **Scot Siegel** – A reason we allowed it with some limitations was because there were some fears that it would not help the housing stock much because they would be used for guest houses or in-law units or storage. **Elaine Taylor** – Would those units help sell

the house? Larry Rummel – It would provide some incentive and housing options, but it does not really fit the niche of Habitat because we sell the houses and it would not be allowed to have them separately.

Discussion about deed restricted houses and accessory dwelling units and whether they are compatible (could an accessory dwelling unit provide extra income for someone living in a deed restricted house).

Doug Parker(?) (used to be with YCHA) – Thank you for doing this, it is a visionary issue. You are setting a plan and a vision for Newberg and that is really important. There was a suggestion given in an earlier meeting where the developer had to contribute to the affordable housing and whether they could do that on another site – could they do that? **Scot Siegel** – it is not in the code now, but we can discuss it. A parallel that I can think of is transferred development rights. Doug Parker – I can see it making sense in a development that is really expensive homes. With regard to dispersal, real lower income dispersal does not work unless there are services nearby and adequate transportation. There needs to be some tie-in of these elements. McMinnville has a plan for five centers with coffee shops, grocery, etc. If we could think of those things in other areas of Newberg outside of the downtown and Springbrook areas, then it would make sense to have affordable housing in those areas. It seems that affordable housing is really on a spectrum and when we are talking about getting affordable housing for the median, we are a long way from getting really affordable housing. Developers are not building that affordable housing; it is being built by organizations like Habitat, the Housing Authority, and CASA. We should use the trust fund to facilitate those kinds of organizations in expanding and ramping up their developments. I am also a real fan of accessory dwelling units; I think that can provide a great niche. I think that family sizes are really changing and we need those different options. The plan needs to be tweaked so that it has incentives and recognizes that partnerships with the Housing Authority and other affordable builders (some are for-profit) are important. It would really be much stronger of a plan if there were things in this package that facilitated working with them.

**Commissioner Wall** – I wanted to make clear that at this stage, everything is wide open. We really like to hear from the public.

Joyce Morrow (Chairman of Housing Authority of Yamhill County) – The biggest challenge has always been finding land. We have gone from purely working with HUD to diversifying over the years. We work with partners and with tax credits and other things to make a project happen. You have to look at many options.

**Commissioner Stuhr** - what other incentives might be state driven (as mentioned on a previous slide)?

**Scot Siegel** – There was some discussion about grant money, there's an ongoing discussion about assisting residents in mobile home parks, and the issue of inclusionary zoning so that communities can outright require affordable housing and not have to rely on incentives.

Doug Parker – In the legislature, there was a bill to provide \$100 million to a host of affordable housing programs and it failed. We are going to need entities to advocate for this sort of thing two years from now when it comes up again.

**David Beam** – one key component of any program is to find ways to preserve existing affordable housing stock. The pressure is on the mobile home parks to sell out and develop because the land is so valuable. So far, it has skipped over us, there is one in McMinnville right now. It is very unlikely to be able to preserve that land in the Metro area and the best thing you can do is find areas for them to relocate. Sometimes the residents are able to band together and form a condo-like association and buy the land. Here in Newberg, we have 600 homes just in parks so we'll need to prepare for this.

**Elaine Taylor** – Does anyone have an estimate of how many people live in RVs? Mrs. Rogers – those people are typically living in mobile home parks because they will need utilities.

**Commissioner Stuhr** – Where do we go from here? **Barton Brierley** – We anticipate taking the comments from tonight and compiling them and bringing back a refined report for a formal hearing. We would like some feedback.

**Commissioner Haug** – I would like to see another option that is not having option 2.

**Scot Siegel** – There are a couple of options not in here that you might want to be aware of. One was a minimum density requirement, there was not a consensus that it should stay in. We decided that we would use the incentives to get our target density instead of requiring it. **Commissioner Stuhr** – that would in effect solve the problem of building R-1 developments in R-2. **Scot Siegel** – yes, or it would be just more big houses on smaller lots. Another option was just to reduce the lot sizes in general. The sense was that to unilaterally reduce the lot size would contradict the feel of the different zones.

**Commissioner Wall** – One thing I will keep in mind is how this will effect our future density projections and how it affects our URA expansions.

**Commissioner Smith** – if we want to get the land into the city for other purposes, we have to show that we have done a good job of improving our density within the city to justify expansion.

**Commissioner Stuhr** – I would like to run through my list: transferring of density; services able to be provided near the affordable housing. **Commissioner Haug** – Remember that we tried to do that over in the Northwest Newberg Specific Plan with that area by Avamere and it did not work. We have already tried it and it did not work. **Commissioner B-** It is just that if we are going to have a housing center, we also need to have transportation and other services available nearby. Also on the list: making sure that the housing trust fund will work. How much money would be in the fund? Would it really fund some of these things?

**Commissioner Haug** – If there was an overlay zone for mobile home parks, then it would be more protected as a mobile home park. That is an idea we might want in our toolbox.

Mrs. Rogers – I think if you are going to have a trust fund, you cannot make it the easiest option because one of the biggest challenges is finding land. **Commissioner Stuhr** – Could a developer donate a few of their lots to Habitat to build houses? Mrs. Rogers – Yes! **Scot Siegel** – Ashland is looking into that also and would be a comparable community for Newberg to look at.

Doug Parker – it depends on how much the developers have to put into the fund. If it is expensive, then they will choose other things. **Commissioner Haug** – we should specify how much that would be in option 2.

**Commissioner Wall** – I suggest we watch the City of Lafayette, many of these issues are happening there too. There is a huge cultural shift happening there.

George (works with Habitat) – I would assume that if you design these options, each of them would complement the others to achieve the goals. Otherwise, people will always choose one option and it will be out of balance. I think accessory dwelling units are a great way for people to be able to afford their house by having supplemental income. They also provide a diversity of housing.

The workshop was wrapped up and staff said they'd come back with a refined plan.

## **VI. ITEMS FROM STAFF:**

Three meetings are coming up in July – the 10<sup>th</sup>, 12<sup>th</sup>, and the 26<sup>th</sup>. The meetings are all on the Springbrook Project. The 10<sup>th</sup> will be for the presentation, the 12<sup>th</sup> will be for public testimony, and the 26<sup>th</sup> will be for deliberation.

City Council is deliberating on the budget again tonight.

City Council has agreed to revisit the McClure property development agreement. **Commissioner Haug** – what is the likelihood that they (the McClure property) would get annexed into the city? **Barton Brierley** – they'd like to annex as soon as possible, but they have to be contiguous to the city first. **Commissioner Wall** – Speaking of which, the Council had an interesting work session on the two annexations last night. **Barton Brierley** – the substance was that we realized we don not have an established policy for how to proceed when an annexation request gets voted down.

NUAMC is meeting to deliberate on the URA on July 11<sup>th</sup>.

## VII. ITEMS FROM COMMISSIONERS

No items.

## VIII. ADJOURN

**Acting Chair Stuhr** adjourned the meeting at 10:10 PM.

Passed by the Newberg Planning Commission this 10<sup>th</sup> day of July, 2007.

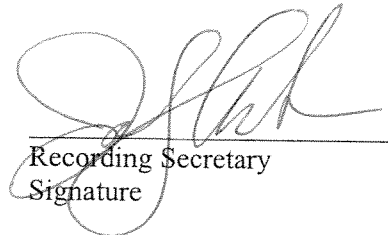
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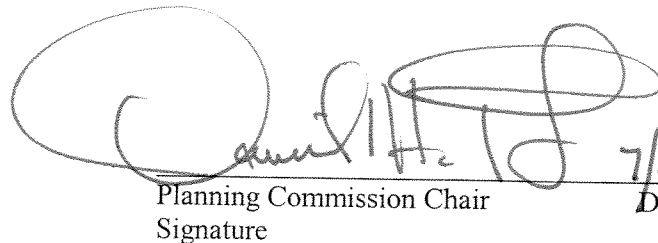
NO:

ABSTAIN:  
(list names)

ABSENT:

ATTEST:

  
\_\_\_\_\_  
Recording Secretary                      Date  
Signature

  
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Planning Commission Chair                      Date  
Signature    7/10/07