



## PLANNING COMMISSION MINUTES

January 24, 2008

7:00 p.m. Regular Meeting

Newberg Public Library Meeting Room

503 E. Hancock Street

*APPROVED AT THE FEBRUARY 28, 2008 PLANNING COMMISSION MEETING*

### I. ROLL CALL:

Present:	Thomas Barnes	Matson Haug	Phil Smith
	Cathy Stuhr (Chair)	Nick Tri	Lon Wall

Staff Present: Barton Brierley, Planning and Building Director  
(left early for another meeting, came back at the end)  
David Beam, Economic Development Coordinator/Planner  
Steve Olson, Assistant Planner  
David King, Recording Secretary

### II. OPENING:

**Chair Stuhr** opened the meeting at 7:01 PM.

### III. CONSENT CALENDAR:

**Motion #1 Haug/Tri** to approve the minutes from the Planning Commission meeting of January 10, 2008 (6 Yes/0 No, 0 Absent).

### IV. COMMUNICATIONS FROM THE FLOOR:

**Chair Stuhr** invited the twelve guests to speak on any topic not on the agenda. No one spoke.

### V. LEGISLATIVE PUBLIC HEARING:

- APPLICANT:** Initiated by Newberg City Council  
**REQUEST:** Amend the Newberg Development Code to encourage affordable housing and the achievements of city target densities  
**FILE NO.:** GR-58-05  
**RESOLUTION:** 2007-244

**Chair Stuhr** announced that there would be a continuation of public testimony (from the 1-10-08 meeting) and that time would be given for Mr. Beam to speak to additional items regarding this hearing. There would be a period for more public testimony, both spoke as well as written.

Quote for the evening: *"Always drink upstream of the herd."* Texas Bix Bender

### **Public Testimony:**

Mike Gougler (proponent), a resident of Newberg and a local developer, began with an apology for not having attended past meetings of this project. He appreciates how city staff advertises the public meetings pertaining to affordable housing. As a developer, he finds the proposal—to amend the Development Code to encourage affordable housing—an excellent effort on the part of the city staff.

As a developer, he has agreed to donate half the cost of some land for a Section 8 senior living (65 years old and older) center in conjunction with Friendsview Manor, south of the hospital in the Springbrook Oaks development. In order to do this with a grant for the Section 8 housing, the value of the land must fall within certain guidelines set by the federal government. If the land is going to cost more than what the government is willing to pay, then a developer is challenged to establish affordable housing. He asks the commissioners, therefore, to encourage more outside input on the proposed changes. For example, he would like to some flexibility in setbacks for some projects; maybe use height ratios instead of height limits. In conclusion, if the Planning Commission is considering the approval the proposed changes tonight, he would like to suggest that he be allowed time to prepare a response to the proposal, making suggested changes from a developer's viewpoint.

**Commissioner Smith** summarized Mr. Gougler's requests by stating more time is being asked of the Planning Commission so Mr. Gougler could serious work through the proposal and make suggested changes. Mr. Gougler agreed with that statement. He added that that in the old days, one third of his development cost was for the land, one third was for construction, and a third was profit. Now, 40-45% is for land and 8-10% remains for profit. Summarily, the proposal needs some fine-tuning to help developers build affordable housing.

**Commissioner Haug** asked if the Planning Commission kept the public record open, how long would Mr. Gougler need to prepare his response? Mr. Gougler said he probably could use two weeks, but would also like to visit with any other individuals that have issues that need clarification as well. He promised a written response in two weeks that could be emailed to whom ever would like to see it.

**Commissioner Smith** asked about the problems that Mr. Gougler has had with affordable housing. Are any of the problems related to "Not in My Back Yard" (NIMBY). Does Mr. Gougler believe that the City of Newberg should promote affordable housing? Mr. Gougler said yes. Often cities do this through promoting

manufactured housing parks, but the key to affordable manufactured housing parks is affordable land within a city. This could be provided by expanding the URA, with a certain acreage dedicated to manufactured housing parks.

**Commissioner Wall**, in referencing a handout on Rents in Western Cities (see handout), asked if more land is the key to affordable housing, then why rent is so high cities such as Los Angeles, which has grown through relatively little control over land expansion? Mr. Gougler responded that there are certain areas that are affordable, but the figures are skewed from the averaging affect with the very high priced areas. Mr. Gougler added that the City of Newberg has recently raised the development fees 30+%. Such increases immediately take the development of apartments and other segments of housing out of the likelihood of being developed.

Sonja Haugen (opponent), with Austin Industrials and Springbrook Properties, is concerned with the unintended consequences of the proposal. She believes that it will discourage annexation. The cost of providing affordable housing will outweigh the benefits of annexation, and will in turn deny and new tax revenue stream for the city. It will push affordable housing to the perimeter of the city limits, instead of promoting a dispersal of various kinds of housing to many locations, which is already encouraged by city policies. There is also concern for ramifications for their master plan, and would therefore ask that approved master plans not be subject to any of the proposed changes.

She stated that the current form of the proposal needs clarification. She questioned how large the parcel of land would have to be before the proposed affordable housing standards would apply. She also wondered if developers would take advantage of the program, because the point system is so confusing.

The architect involved with the Austin master plan has suggested some creative plans for affordable housing. For example: 10% of a home's initial value could be paid by the tenant, and 90% by the city. Then, when the house is sold, the city gets 90% of the home sale proceeds, which it could then reinvestment in more affordable housing.

**Commissioner Wall**, as a member the City Budget Committee, he noted that new residential developments typically put the city a little more in the red—they don't generate a net income for the city. He also asked if Sonja Haugen would like the proposal if it were applied city-wide, not just to new developments. Sonja Haugen responded that she didn't know a blanket answer, but believes more study is necessary to answer that question.

**Commissioner Wall** also asked, "Has the master plan for the Austin properties made accommodations for some affordable housing?" Sonja Haugen stated that they will provide a wide range of housing prices, but that it is still too early to know for sure what will be provided.

**Commissioner Haug** is in agreement that unintended consequences are on the horizon with this proposal, but asked if there were any of the proposal's ideas that seemed

agreeable to Ms. Haugen at this point? Sonja Haugen didn't mention any specifically, but agreed to look more closely. She wants to promote unified goals for the whole community.

Dick Petrone (undeclared on registration card), has appeared previously to discuss concerns about the Adeco development, Gueldner property, and NewB property. Furthermore, he hasn't seen the proposal and agrees with previous speakers that stepping back and better understanding the ramifications would be prudent. Since affordable housing is a national issue, are there not successful examples somewhere that can be reviewed? Especially important to the residents of Oxberg Lake Estates is gaining an exact answer on whether previously approved projects will be required to comply with the new affordable housing standards.

**Commissioner Wall** referenced the letter in the agenda packet to Terry Mahr. **Mr. Beam** interjected that Terry Mahr had verbally conveyed to city staff that he concurred with the content of the letter written by Barton Brierley.

\*\*\* At this point in the recording, though undetected at the time, the first memory card was full.\*\*\*

**Commissioner Haug** asked again if there are ideas that seem agreeable at this point.

**Commissioner Smith** questioned if the real concern is having R-3 in the properties close to Oxberg Lake Estates.

John Trudel (opponent), requested that the Planning Commissioners be very detailed. He believes what he said in public testimony at the previous meeting and what is in the minutes is not congruent. He also wants the city attorney to be more exact in his response to Barton Brierley's letter to Mr. Mahr in the meeting packet. He wants the citizens of the community to be well informed on this issue.

He cringes at the accusation that this is about NIMBY.

He referenced the Oxberg Lake Estates meetings that went on in 2004 and the tense meetings that finally led to an agreement about a new road. Their group didn't cry NIMBY, but instead worked to do what was best for the community. There were at least 25 – 30 meetings and he suggested that the findings and minutes of those meetings should be put into the public record regarding this project proposal. Those meetings were productive and led to major decisions for the NewB and Gueldner properties. He also added that this is such a big issue, projects under the proposed standards would need more scrutiny than is used under a Type II process.

**Commissioner Haug** asks what would work better if not Type II? John Trudel believes that Type II decisions are usually very narrow. In September 2003, he moved to Newberg, and heard rumors of a road going through their neighborhood. After a

meeting, he became concerned that such a high level problem being negotiated by such low level city staff.

**Commissioner Wall** reminded Mr. Trudel that this is a really big issue, but this is the body (the Planning Commission) that needs to deal with it. He assured Mr. Trudel that usually the Planning Commissioners are in agreement by the end of deliberation. Mr. Wall also wants to see a formal and legal decision handed down by the city attorney.

\*\*\* **Chair Stuhr** allowed a five minute break \*\*\*

(The first memory card was discovered to be full. A second one was then inserted at this point).

Stan Kern (undecided), also a resident of Oxberg Lake Estates, wanted to ask a few questions, and state a few comments. In light of hundreds of acres possibly being annexed into the city in the near future, he finds it interesting that the city goes in the red with new annexations. Secondly, Mr. Kern believes that developers would rather build high density not low. The people that do not benefit from development are those residents already living in the area. Thirdly, Mr. Kern asked what the motivation was for the proposed changes to the development code at this time.

**Commissioner Haug** clarified that the Planning Commission did not initiate the new development code. **David Beam** stated the motivation came from recent studies have shown that current building trends are not meeting residential planned densities, especially in R-2 zoned lands. Also, the recent escalation of housing prices in recent years has raised concerns of affordability. The City Council approved staff to look into these issues and to develop some proposed solutions to the problems.

Stan Kern then asked if the need for affordable housing is genuine or perceived.

**David Beam** reported the figures about affordable housing and the genuine need that exists in Newberg.

**Commissioner Wall** quickly clarified that more residential homes will bring more taxes to the city budget, but not enough to cover all the costs to the City government that are involved. **Commissioner Barnes** added that the city budget is split into various funds, which are not always well funded though the new taxes generated by new residential housing.

**Commissioner Haug** addressed the need for higher densities. City Council has used the need for affordable housing to adopt higher densities for the city. Hence, the Planning Commission has needed to find new ways to raise densities in all three residential areas. Mr. Haug can see that the current proposal includes unintended consequences, including affects to livability.

Stan Kern stated that high density doesn't necessarily mean affordable housing. For illustration purposes, he referenced the Pearl District in Portland.

**David Beam** reiterated the need for affordable housing. Newberg has a medium household income of approximately \$45,000 but that would calculate to an affordable home in the value of around \$182,000.

**Commissioner Wall** asked if Mr. Kern was in development. Stan Kern said no. **Commissioner Wall** clarified that he felt that developers don't like to build high density; they usually prefer low density.

Leonard A. Rydell (opponent), a civil engineer, did attend a few of the meetings as the proposals were being developed, and would like to define "affordable" as more than just the cost of home. One needs to consider how far one has to drive to work, whether shops/merchants should be separate from businesses and housing. Maybe Newberg should consider being more bike friendly and walker friendly.

With Newberg's population doubling in the next 20-30 years, does Newberg want to grow up or go out? If it grows out, then it will be at the expense of additional orchards. He believes that the current development code standards stifle creativity. The proposed point system doesn't seem inviting to use.

He does work in Washington County where lots with three foot setbacks, 32 foot frontages, and 2,800 square foot lots are being built.

Affordability also needs to consider how well neighbors get along. What is Newberg going to do to handle the growth in the next twenty years when the population doubles? To what will changing the standards lead?

He recommends that the people that need to be involved need to gain understanding of the problem and the proposal. There need to be a meeting, like a charrette, that brings everyone together: builders, bankers, architects, city staff, etc.. It should be a day-long meeting. He ended with a lesson learned from Earl Blumenauer -- people hate urban sprawl and they hate increased density. He strongly encouraged the proposal to be reworked.

**Commissioner Wall** wondered what Mr. Rydell meant by land use laws requiring growth.

Leonard A. Rydell replied that the state mandates a 20-year supply of buildable land: land that will be annexed into the city eventually.

**Commissioner Wall** then asked if Mr. Rydell believed that the free market system would produce a more densified city using less land. Mr. Rydell knows that different people will have different opinions, but the system is currently adversarial, and more people

could be brought together with their good ideas and learn ways to work it out. More input is clearly needed for this proposed development code change.

Charlie Harris (proponent) stated that the proposal doesn't go far enough. Better use of the existing lands within the city to address affordable housing issues more attention. He believes this is the right forum for a city-wide issue. NIMBY-ism occurs when development occurs to properties next door. He doesn't believe that more studies are needed. He also indirectly referenced ORD 197.310 regarding city development standards. Hence, a Type II proceeding is the correct forum for certain land use requests.

He doesn't believe that annexations will be discouraged because affordable housing is required. Instead, developers will adjust to the changes and flow with the market. The market has more influence than this proposed.

There are many factors that lead to affordable housing. What is most certain is that low density housing does not lead to more affordable housing.

**Commissioner Wall** stated that the commissioners in a legislative hearing like this one must make some decisions. He wondered if this issue is made available for community-wide citizens involvement, would citizens get involved? Mr. Harris stated there might not be a huge amount of demonstrated support, but some good policy decisions don't always have full political support of the community.

**Chair Stuhr** wanted Mr. Harris to share all his ideas that he has learned that might help bring people together.

**Commissioner Wall** didn't want to split hairs, but good policy decisions that fly in the face of the majority of the community are not good.

Charlie Harris said that people will have to get past their perceptions about affordable housing, and education will be needed to help people to do this. Affordable housing next door doesn't have to have a negative effect on livability for the neighbors already there if good design is in place.

Rick Rogers (undeclared on registration card), with Newberg Area Habitat for Humanity, finds it very positive that affordable housing is being discussed. He also believes that the average citizen on the street would agree that more affordable housing is needed. Everyone at the table has to be willing to give and take if we are to develop and implement tools to create affordable housing.

**Chair Stuhr** will leave public testimony open until **Mr. Beam** finishes with his presentation.

**Staff Report:**

**David Beam** referenced a cartoon that made fun of a lack of affordable housing for a young couple. He also referenced the price increase for the Yamhill County.

(Mr. Beam's comments are very faint on the recording through the rest of the meeting)

**Chair Stuhr** desired to know where each commissioner stood currently on the issue before having David Beam go through the components of the proposal, point-by-point.

**Commissioner Smith** wanted to clarify with Mr. Beam if the proposed code changes apply to residential annexations and/or up-zoning? **Mr. Beam** said it would apply to both. **Commissioner Smith** stated that subsequently, it could be possible that a developer would never build an affordable house, but instead contribute money to an affordable housing trust fund. Also, deed restrictions would possibly lead to the situation when identical houses are priced at completely different prices (one deed restricted, one market rate). **Mr. Beam** concurred.

**Mr. Beam** added that up-zoning and annexations are Type III processes, not Type II.

**Commissioner Smith** continued his questions of clarification. In regards to the issues raised by the Oxberg Lake Estates neighbors, what is Mr. Beam's understanding? **Mr. Beam** believed that the five-party agreement primarily solely with roads and infrastructure. Furthermore, the standards applicable to a planning action request are the standards in place when the applications submitted. As for annexations, if an annexation request failed through the public vote, or if the applicant pulled his application, then the standards in place when the developer reapplies will be the applicable standards.

Furthermore, achieving affordable housing in Newberg is important to the community in many ways. It affects our economic future by supporting new and existing industry, workers living in town, and maintains livability.

**Commissioner Wall** doesn't care for the term "affordable housing". It is a manipulated term. There is an implied contract with residents in a neighborhood that the zone they live in will maintain certain standards for that zone.

He knows that at times the Planning Commission will make decisions that the public won't like, but this proposal seems even worse since this asks too many people to take too many risks. He wonders if a test area could be implemented. He does not want to do anything with this proposal in its present condition.

**Commissioner Haug** appreciates the effort of going line-by-line to make sure every detail is clear, but he doesn't want anyone to vote tonight. He is willing to enter into deliberation on any and all issues. There is too much in this proposal to be decided on all at once. Even if all the items in the proposal were deemed good and worthy, there are too many to implement all at once. Somehow, an incremental implementation approach is needed to avoid the unseen consequences and loopholes. Peoples' investments in their homes and quality of living are involved.



**Chair Stuhr** agrees that this issue needs a good solution. She would like to set a goal in affordable housing, one that could be a community housing vision. More input is clearly needed. Furthermore, more clarity needs to be brought to the rental issue and how city incentives can be utilized. A big community meeting might make it more complicated, but is truly needed.

**Commissioner Barnes** wanted to clarify the figures of 4,500 people leaving Newberg each day to work, and 4,500 come to Newberg to work. **Mr. Beam** believes those figures were about correct. Those who leave mostly work in Washington County and most who commute into Newberg live in more rural area where housing costs are lower.

**Commissioner Barnes** then asked Barton Brierley how much multi-family housing has been built recently. **Barton Brierley** believed it has only been about 20 units in ten years. **Commissioner Barnes** wants to see a wider group of people involved going through the proposal line-by-line. He believes now is the time to find a solution to this problem, given the current slow housing market.

**Commissioner Tri** also wants to go through this slowly, line-by-line. He doesn't want to see people who commute to Newberg having to live outside the city because of our high housing costs.

**Student Representative Rice** believes that affordable housing is a benefit for people her age. Affordable housing allows money to be available for other needed items.

**Commissioner Haug** mentioned that this proposal is also meant to meet the density standards. He would like to see mobile home parks developed. He also wants to see more involvement from City Council on this issue before it is brought before them.

**Commissioner Wall** wondered if an invitation needed to be made to City Council members. **David Beam** reported that an update on this project was given to City Council last December. From that meeting, City Council requested an inventory of available affordable housing in Newberg.

Rick Rogers asked if the city possessed figures on the kind of housing that is needed from the Ad Hoc work, and he believes that such figures are even listed by income bracket.

John Trudel stated that in regards to the five-party agreement, there is separate agreement for protection of their water system. He also wants the city attorney put into writing a legal opinion about the effects of the proposal on annexations.

**Commissioner Smith** wants there to be a balance between implementation and more public input. Even if this process is continued, it has already been on the table for over a year and at some point, action will need to be taken.

**Commissioner Haug** wants to know what other input will be given, such as other cities where this has been implemented and get feedback from them.

**Commissioner Wall** asks what the main objective is: density or affordable housing? What should be the primary focus for the Planning Commission?

**Commissioner Haug** stated that higher densities do exist in Newberg, more than in years past. This proposal does encourage higher densities, but he doesn't believe it necessarily provides affordable housing. The real question for him is the impact of this proposal on livability.

**Commissioner Smith** agreed that the Planning Commission should improve the proposal, but disagreed that it doesn't encourage affordable housing. The "sticks and carrots" would certainly encourage some affordable housing, though he is not sure to what degree.

**Chair Stuhr** summarized that more public input is needed. It is probably too late tonight to go through the proposal item by item.

Larry Rummel (spoke from the audience without a registration card supplied), with Habitat for Humanity, would like a mechanism where there could be more than one home on a 7,500 sq. ft. lot (R-1 zoned). They would like to see an easier process to upzone a property to allow more housing.

**Motion #2 Smith/Barnes** moved to leave public testimony open, and for staff to receive input from Mr. Gougler, and to acquire information from other cities that have implemented similar proposals.

**Chair Stuhr** wondered if this is the best public forum.

Charlie Harris suggested a meeting with staff before the next Planning Commission meeting.

Rick Rogers referenced that originally there were 18 tools from a consultant for affordable housing.

**Commissioner Haug** said that this list of tools was presented at a workshop, and is something which everyone on the Planning Commission should become familiar with.

John Trudel believes common knowledge is needed prior to a meeting.

**Vote #2** (6 Yes/0 No, 0 Absent).

**Chair Stuhr** asked if staff is to have another meeting with the stakeholders.

**Commissioner Wall** said that he is more comfortable with the stakeholders having to have discussion in a public meeting; it is better keeping such meetings public.

**Commissioner Haug** suggested a workshop forum for a community debate on the issue, perhaps on February 28, 2008.

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

**Barton Brierley** updated the commissioners that at the last City Council meeting they voted to appeal the decision on the McKay conditional use decision, discussed previously by the Planning Commission in favor of hearing more information on the issue.

**Steve Olson** clarified that the city employs a code enforcement officer, and the city does enforce codes via complaints called in by citizens.

The City did receive a copy of the court order to evict the renter at the property mentioned above.

The next meeting is February 28, 2008 with a continued hearing on affordable housing density.

## **VII. ITEMS FROM COMMISSIONERS:**

**Commissioner Haug** referenced an email from Roger Currier of cell phone towers that look that are made to look like trees. It was suggested that future cell towers include some type of camouflage. Therefore, Mr. Haug recommends that the staff request of the City Council to have the Planning Commission look into cell tower camouflage.

## **VIII. ADJOURN:**

**Chair Stuhr** adjourned the meeting at 10:21 p.m.

**Approved by the Planning Commission this 28th day of February, 2008.**

**AYES:** 6

**NO:** 0

**ABSENT:** 0  
(List Name(s))

**ABSTAIN:** 0  
(List Names(s))

 2/27/08  
Planning Recording Secretary

  
Planning Commission Chair