

PLANNING COMMISSION MINUTES
February 28, 2008
7:00 p.m. Special Meeting
Newberg Public Library meeting room
503 E. Hancock Street

TO BE APPROVED AT THE MARCH 13, 2008 PLANNING COMMISSION MEETING

I. ROLL CALL

Present: Thomas Barnes Matson Haug Philip Smith
Cathy Stuhr (Chair) Nick Tri Lon Wall (arrived at 7:01 PM)
TeAnna Rice (Student Planning Commissioner)

Ex Officio
Present: Mayor Bob Andrews (arrived at 7:15 PM)

Staff Present: David Beam, Economic Development Coordinator/Planner
Barton Brierley, Planning and Building Director
Steve Olson, Associate Planner
Jessica Nunley, Assistant Planner
Elaine Taylor, Associate Planner
Jennifer L. Nelson, Recording Secretary

Others
Present: Mike Gougler, Carol Jones, Timothy Speakman, John Trudel, Mike Willcuts, Rick Rogers, Mart Storm, Larry Rummel, Phil Griffin, Julie Fugate, Steve Abel, Dennis Russell, Roger Grahn, others

II. OPEN MEETING

Chair Cathy Stuhr called the meeting to order at 7:00 PM.

III. CONSENT CALENDAR

1. Approval of minutes from January 24, 2008 regular meeting.
2. Continue the hearing on **File # GR-05-058: Efficient, Livable and Affordable Housing** to April 10, 2008.

Motion #1: Haug/Tri to approve the Consent Calendar including the Minutes from January 24, 2008 regular meeting and continue the hearing on File # GR-05-058: Efficient, Livable and Affordable Housing to April 10, 2008. (5 Yes/0 No/1 Absent [Wall]) Motion carried.

IV. COMMUNICATIONS FROM THE FLOOR

Twenty-two citizens were present at the beginning of the meeting and they were offered the chance to speak on any issues not contained on the agenda. No additional items were brought forth.

V. PUBLIC WORKSHOP: Newberg Housing – Efficient, Livable and Affordable

Mr. David Beam, Economic Development Coordinator/Planner, presented the workshop on Newberg Housing: Efficient, Livable and Affordable utilizing a power point presentation and worksheet designed to survey citizens and builders on such topics as Flexible Housing Development Standards for Efficient Land Use and Design (see official record for full report).

Mr. Mike Gougler asked why builders are building fewer units per acre than what is allowed and how that was relevant to affordable housing when reviewing threshold statement #1.

Mr. Barton Brierley, Planning and Building Director, replied the ideas were about density, design, and affordability and research concerning factors contributing to “under-building” pointed towards the current market influence, regulation barriers, and specifics of topography. He added that affordability as it relates to density could be interactive or exclusive and requested Mr. Gougler provide any additional comments concerning this topic as he completes his survey.

Ms. Carol Jones inquired if a builder could build however, they desired to maximize profit as long as they follow the mitigations.

Mr. Beam stated they cannot do whatever they want and with the Flex Standards, there are certain points that must be made up through affordable housing and design standards. They can build more units, but in return, they must meet these requirements.

Mr. Timothy Speakman, NewB Properties LLC, asked if this is something developers have the option to use or if it is mandated. Staff replied in some cases it would be optional and in others, it would be mandated, as with “upzoning” or annexation.

Mr. John Trudel, Oxberg Lake Estates Homeowners’ Association Board, stated Newberg needs a bigger tool kit what it has and asked what other towns have done for affordable housing that we are not doing. Staff replied that would be discussed further along in the presentation.

Discussion followed concerning two graphs included in the worksheet: Summary of Residential Demand by Tenure and Household Income Level (2003 dollars) and Newberg Housing Constructed 2005-2007 by Affordability Level Compared to Comprehensive Plan Projected Need.

Mr. Mike Willcuts, Coyote Homes, Inc., had questions about meeting actual demands in 2003 according to the graphs.

Commissioner Phil Smith spoke of a differentiation between what was needed and what was actually built.

Mr. Rick Rogers, Habitat for Humanity, commented about public housing and ten units of multifamily housing not meeting need in Newberg. He stated Newberg is not building anything approaching what people might be considered affordable.

Mr. Beam gave an example of a recent Residential 2 (R2) development, which built 5.3 dwelling units per acre. The City was shooting for 9.0 units per acre. If this were met, there would be a development with 94 units, 38 units more than what was built.

Mr. Mart Storm asked if stream corridors were considered when looking at the acreage for the charts. Staff replied that stream corridor land was deducted from the buildable land supply.

Mr. Larry Rummel asked if target density in R2 is considered the same as the maximum density. Staff replied this was correct. He also asked if there was not a way to exceed the maximum in one area to make up for a lack in density elsewhere. Staff replied there would be with the Flex Standard, but not currently because this Flex Standard was not in place.

Chair Stuhr asked if developers would be penalized or restricted based on these rules.

A discussion followed concerning appropriate deed restrictions and for how long a period to keep them in an affordable housing range. Median household income was also discussed at being approximately \$60,000 making an affordable house around \$182,000. There a couple of homes currently for sale on the lot that was rezoned for multi-family to accommodate median income families. The homes listed at \$324,000 and \$329,000, which would only be affordable to families making 33% of the median income or \$80,000 annually. Staff suggested ways of dealing with this issue through lot sizes and lot development (i.e. frontages, setbacks, etc.). The conclusion was for future housing needs to meet all income levels projected to be living in Newberg, not only higher income levels.

Mr. Phil Griffin questioned whether a developer wanting an additional ten dwelling units on a property could either build affordable housing on another property or place funds in a trust according to the Flex Standard. Staff replied this would be correct, the Flex Standard would provide options to meet requirements, but a housing trust fund does not currently exist.

Mr. Gougler wondered how this would be considered different from a property tax, since a developer would be required to contribute a percentage for the option.

Mr. Storm argued building a unit in Newberg at \$182,000 sale price was not possible with the current cost of land, liability insurance, and building fees without losing money or paying against profits. He thought having the Flex Standard as an option would be a better way to start, rather than mandating it because he cannot see the economics of building a \$182K home with the mentioned design standards.

Discussion followed over concerns for mandating the Flex Standard for annexations and upzoning considering the current cost of land and if what could cause potential problems for developers.

Ms. Julie Fugate, Keller Williams Realty, expressed concerns for the majority of new development coming from annexed properties, which would be mandated to provide affordable housing and higher design standards.

Examples of design standards were discussed in further detail.

Mr. Gougler asked if staff understood that although these design standards may pose a cost benefit, there might also be a real liability problem for communities, such as having alleyways for access. Having alleys is a design standard that can pose potential hazards for criminal activity.

Mr. Steven Abel asked if citizen comments on the worksheet would be shared with the entire Planning Commission and staff replied they would all be shared.

Mr. Rummel added the design option to have a “granny flat” could not be rented out to just anyone. Staff agreed the owner must live either in the granny flat or in the principle portion of the home in order to rent that space.

Commissioner Matson Haug stated there could be opinions about each of the design standards and the options are to not permit the design feature at all, or permit it with some sort of overview or hearing, or to

permit it without any design approval at all. The citizens just need to convey their opinions on the worksheet.

Discussion followed about traffic statistics and mass transit systems as well as adequate off street parking and provisions for variance hearings.

Mr. Abel asked if there would be participation by the City and if there should be fee relief or System Development Charge (SDC) relief in order to contribute to more affordable housing. Staff replied there were other options and ways to achieve affordable housing and examples would be discussed later.

Mr. Gougler stated only new properties by annexation or upzoning have been discussed and affordability or accessibility of existing properties or buildings within the City has not been addressed. He felt there were things that could be done right now by City Council action to create affordability that way.

Mr. Dennis Russell, Friendsview Retirement Community, commented this system seemed to be creating two classes of people, those who chose to do this optionally who are currently working on projects within the City and those coming in under annexation in the future where the standards will be mandated.

Mr. Trudel agreed and asked about the parcels already agreed to come into the City based on the Urban Reserve Area (URA) and Urban Growth Boundary (UGB). Staff replied that nothing has been adopted yet and they would like to have the citizens' opinions of how that should be handled.

Chair Stuhr recessed for 20 minutes at 8:45 PM to allow citizens time to discuss details with staff and complete their survey worksheets if desired. The meeting reconvened at 9:05 PM.

Mr. Beam concluded the presentation and summarized items covered previously.

Chair Stuhr mentioned employer involvement and a more community-based approach might be a way to approach affordable housing.

Discussion continued on Community Development Financial Institutions (CDFIs) and contact information given to staff and options from the City of Ashland were mentioned as staff instructed citizens to submit their worksheets no later than Monday, March 3rd if they did not wish to complete them this evening.

Chair Stuhr opened the floor to public testimony.

Ms. Fugate spoke of her experience with section 8 renters and her discomfort with the narrow focus on new development and developers footing the bill for the entire process. She spoke of refurbishing old property and offering incentives to property owners to create more affordable, livable rental spaces as another solution. She spoke of different factors affecting affordability such as wages, unemployment rates, vacancy rates, home inventory vs. demand, etc. and she did not feel there had been enough attention paid to anything other than how to get developers to pay for this. She felt more possibilities needed to be explored before adopting a plan that only targets new construction. She felt a more multi-prong approach would be more effective.

Commissioner Smith asked if she had an idea for incentives for current property owners to rent to poorer people.

Ms. Fugate suggested property tax relief, creative ways working with employers, and using other housing entities for assistance with the process.

Mr. Gougler was interested in finding ways to enhance what is already being done and encourage more. He spoke of property owners contributing land for housing projects as an opportunity to adjust fees or SDC charges for in kind contributions. He spoke of Friendsview as an example. He also suggested funding projects from people that own businesses in Newberg to renovate buildings and not raise rent with grants.

Commissioner Lon Wall asked if he had any comments about how the City of Ashland approached the concept of affordable housing.

Mr. Gougler stated that on paper, the reports seemed reasonably successful but he was concerned with there being a certain amount of social engineering that is cumbersome to maintain and manage from a staff point of view. He felt they addressed the problem but not necessarily in the most efficient way.

Commissioner Smith asked if he would suggest a matching of land contributions and other donations that developers make.

Mr. Gougler agreed and stated he understood the City needs money also, but he just wants to find ways to eliminate barriers to making affordable projects.

Commissioner Haug spoke of the two issues being how to make higher density and affordable housing and asked if there was any good in adopting to have the developer build more densely to satisfy design quality.

Mr. Gougler agreed there is some good in that but it is not mutually exclusive and not as easy as it seems. Design features may go against achieving density.

Mr. Roger Grahn questioned whether Newberg wants to provide housing for the two bottom categories of income level at the cost of safety. He spoke of complicated standards for developing low-income housing with government support. He spoke of land costs driving up the cost of construction and the need for affordable land before affordable housing can be achieved. He encouraged the City to let the developers do their thing and not create a mess of rules and conditions.

Commissioner Wall countered that there were homes just built in Lafayette costing over \$300K even though the land costs had not been very expensive. He added that Yamhill County was becoming an increasingly upper income place where people still want to be served fast food and to have their gas pumped. He asked where are the people who work in restaurants and the landscapers supposed to live if they are not making enough living wages to buy or rent a home in the community where they work.

Commissioner Smith asked if Newberg needed more rental housing than it has now.

Mr. Grahn agreed this was true.

Commissioner Haug asked if he thought this matter should be put aside. He agreed that it should.

Mr. Russell made a correction to the record stating comments were made that the project for Springbrook Road is a proposed Section 8 projects, but it is not, it is a section 202. He also argued against a previous comment that Newberg does not want people of low or very low income, stating that yes, we do and we have been providing to these people. He gave examples of what he considered great citizens of very low income who are still productive members of the community in other ways. He spoke of design review fees being paid for an entire area where only 3 types of designs were used throughout and felt it would be reasonable to

make some concession or incentive for repetitive design fees so that does not have to be passed on to the occupants.

Mr. Storm suggested a trial run with these standards on a voluntary basis only to see how successful it may be. He did not feel it should be mandated for everyone coming into the City, especially for those who do not wish to come in by choice because of a URA decision where the County takes away the rights to develop. He spoke of an affordable housing project where he paid \$200K for the property and \$185K to the City in fees. He encouraged looking at real numbers for land costs and development costs and figuring out what the value is there in what is being offered.

Commissioner Haug asked if he was looking for a fee reduction or elimination to reach some of the goals being discussed.

Mr. Storm warned them to be careful when reducing costs for one group because that opens the doors to others, which could also be a problem.

Discussion continued concerning realistic goals and other factors effecting affordable housing other than the market and fees, such as the insurance industry.

Commissioner Nick Tri stated there was a lot of information given and the results of the survey will be a beneficial tool to decide where to go from here.

Chair Stuhr was concerned there was not a good understanding of the big picture. She felt there should be a plan with key elements like how to improve rent and housing costs. She felt there were different components not addressed through the current focus and felt other options should be explored.

Commissioner Wall spoke of the moral obligation to take care of those who are disadvantaged in a civilized society.

Student Commissioner TeAnna Rice felt the process seemed somewhat chaotic right now and thought the survey would straighten some things out. She felt there was a need to help lower income people in the community.

Commissioner Haug stated there needed to be another workshop public hearing at least. He felt the program as proposed is too aggressive and the burden is with the builders to pay for it. Since the community wants to provide this, the cost should be distributed to the community to see how much they are willing to pay for affordable housing.

Commissioner Smith spoke of the year spent working on this may be frustrating because of moving back to square one but he felt a lot of good ideas were shared tonight for a higher emphasis on rental housing, fee reductions, and partnering with other entities. He spoke positively about the process.

VI. ITEMS FROM STAFF

1. Update on Council items

Mr. Brierley stated the Council adopted a new charter to handle appointments to commissions and explained the changes. Appointments are now made by the Mayor. He stated the second annexation on Alice Way was approved and will be on the ballot for May 2008 whereas the Speakman property has

requested to be taken off the ballot. Council also voted to change the way they hear appeals. On March 17th, Council will hear the appeal of the conditional use permit for the McKay property.

VII. ITEMS FROM COMMISSIONERS

None.

IX. ADJOURN

Chair Stuhr adjourned at 10:28 PM until the next Planning Commission meeting on March 13, 2008.

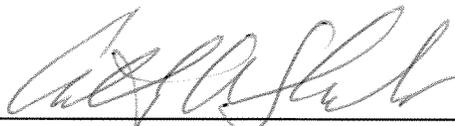
Approved by the Planning Commission this 13 day of March 2008.

AYES: 5 NO: 0

ABSENT: 1 ABSENT: N/A
(List Name(s)) N. TRI (List Names(s))



Planning Recording Secretary

 3/13/08

Planning Commission Chair Date