

NEWBERG PLANNING COMMISSION MINUTES
May 9, 2019
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

Chair Allyn Edwards called meeting to order at 7:05 p.m.

ROLL CALL

Members Present: Jason Dale
John Wuitschick
Sharon Capri
Jeffrey Musall
Robert Ficker
Zach Pelz
Allyn Edwards

Members Absent: Capri Wheaton

Staff Present: Doug Rux, Community Development Director
Keith Leonard, Associate Planner

PUBLIC COMMENTS: None

CONSENT CALENDAR:

1. Approval of the April 11, 2019 Planning Commission meeting minutes.

<p>MOTION: PC Wuitschick/PC Ficker moved to approve the April 11, 2019 PC Meeting Minutes. Motion carried (7 Yes/0 No).</p>
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WORKSHOP:

1. Vertical Housing Development Zone

PowerPoint presentation was given by Associate Planner Leonard on a Vertical Housing Development Zone program. This type of program would encourage investment and rehabilitation in mixed use and multi-story developments, encourage new mixed use developments, stimulate more commercial growth, enhance opportunities for live/work communities, create long term community wealth, and encourage walkable neighborhoods. This type of zone could be for only one tax lot, several parcels, or a district. He explained the types of projects that would qualify for the program. Both non-residential and residential uses were required and the buildings would be eligible for a partial exemption from property taxes imposed by the City and other taxing districts. The tax exemption could last for up to ten years. Each floor of residential was eligible for 20% exemption from taxes. Once the district location was decided, a letter would be sent to all of the taxing districts about whether they wanted to opt in or out. There was also a partial exemption for affordable housing of 20% for each floor. He had surveyed other communities and most of them had a program like this. He then explained the differences in these programs. He asked for guidance on the details of a program for Newberg.

PC Pelz asked if there were any tax increment financing districts in downtown that would be affected by this. CDD Rux responded there were none at this time. They did plan to do an Urban Renewal District feasibility study. If they had an Urban Renewal District, this program would reduce the amount of revenue for a time. If developers

did not follow the rules for this program, they would not get the tax abatement. He explained how this program and an Urban Renewal District would impact the other taxing districts.

PC Pelz asked what kind of housing was permitted and what was conditional in the downtown commercial zone. CDD Rux responded detached single family all the way to multi-family was permitted, ADUs were conditional use. This was an incentive for developers to build mixed use downtown.

Chair Edwards asked about the height limit for downtown. CDD Rux responded it was 150 feet. He thought some of the buildings could be 5-6 stories.

PC Ficker asked if other communities had success with this program. AP Leonard replied yes, such as the City of Tigard.

PC Dale would like to see the valuation of a project using this program.

PC Ficker asked if the Butler property could be included. CDD Rux responded yes and other downtown projects.

Chair Edwards recommended doing what the City of Gresham did by having a flat fee. He also recommended for any project over four floors that the tax savings would be split pro rata. CDD Rux commented that State law did not allow that. If there were five or more floors, those floors would be fully taxed.

PC Ficker asked what was involved in the annual monitoring fee. AP Leonard replied it was making sure the projects were complying with the program. CDD Rux added they would have to decide if the City subsidized the fee or have the developer pay for the staff time.

PC Musall liked the simplicity of Gresham's flat fee. He thought with proper planning these buildings could have good aesthetics.

CDD Rux explained how this program could apply to redevelopment.

PC Wuitschick asked if they had looked at the City of Sherwood. AP Leonard responded he could not find Sherwood's program, but could look into it further.

PC Capri asked if there would be a design review for these projects. AP Leonard replied there were design standards for downtown. Any new building would have to go through design review, but if it was an interior modification there would not be a planning review but a building review.

CDD Rux commented staff was recommending including the C-3 zone downtown and industrial area south of the railroad tracks to match the boundaries of the Downtown Plan.

PC Pelz asked if the structure of the tax could be adjusted, such as a higher subsidy closer to the downtown commercial core area and spread it out from there. CDD Rux responded no, it could not.

Chair Edwards was not sure if the vertical housing would blend in with the historic skyline of downtown. CDD Rux agreed currently downtown buildings were mostly one story. They also had to look at efficiency measures and better utilize the land that they had. The Downtown Plan was trying to capture 100 new residential units to help support the commercial businesses. This program was meant to incentivize housing in a structure that would probably be 3-4 stories high. He thought they should start going up because the answer was not going to be going out solely to UGB expansion to accommodate for population growth.

Chair Edwards asked if PC Pelz had experience with this type of program.

PC Pelz responded yes, with the City of Independence and it was successful. He liked the program from the economic development perspective. It was a good way to increase density in the core and to get more rooftops near businesses and make it a more walkable, vibrant downtown. He thought the boundary described by staff was good. He thought the obligation to report should be on the property owner so it was just a matter of review for staff. One of the biggest challenges developers faced was uncertainty, and he appreciated that the City of Newberg provided good information up front.

There was discussion regarding how much to charge for the fee. CDD Rux suggested starting with a \$1,000 application fee and a \$200-\$300 annual monitoring fee.

PC Musall asked if any commercial use would be eligible for the program. CDD Rux responded yes.

2. Newberg Housing Needs Analysis and Housing Strategy

CDD Rux gave updates on the Housing Needs Analysis and Housing Strategy. The citizens committee would meet next Wednesday for final review and there would be an Open House on Wednesday night. He was also going to the Affordable Housing Commission for final review as well. The report had to be turned into DLCD by June 15. He then reviewed the report, including the table that outlined the different Comprehensive Plan designations in the City and the acreage for each designation, residential development status map, buildable acres and vacant and partially vacant land by Comprehensive Plan designations, redevelopment capacity of 100 units, how most people did not live and work in Newberg and how they were a mobile community, median home sale price which was \$340,000, rents in Newberg, and median family income and rental/home buying prices.

Chair Edwards asked what was considered a medium family. CDD Rux replied it was a family of 4.

CDD Rux continued by discussing the forecast of demand and population growth and how between 2020 and 2040 they needed 4,035 new residential units or 202 units per year. Currently there were 26 vacant lots in approved final plated subdivision and partitions, and 500 new lots proposed through tentative subdivisions and partitions. He explained the historical average density and mix for single family and multi-family residential, how 38% of Newberg residents were rent burdened, and how single family detached was 71% of Newberg's residential units, 6% were single family attached, and 23% were multi-family. The citizens committee had looked at different options for reducing the single family detached units and increasing single family attached and multi-family units in the community. They had come up with a 60/40 split where 60% would be single family detached and 40% would be single family attached and multi-family. He then discussed the land needs shown in the report. The City was 20 acres deficient in low density residential, 26 acres deficient in medium density residential, and 62 acres deficient in multi-family. The summary table showed efficiency measures that they could do to be more efficient with the land they had in the UGB, such as doing an economic opportunities analysis, evaluate and establish a maximum lot size, evaluate and establish minimum density standards, evaluate and expand cluster developments, density bonuses, allow duplexes, triplexes, and quads, small and tiny homes, establish a vertical housing tax abatement program, affordable housing property tax abatement, Urban Renewal District, and Construction Excise Tax. He asked for feedback on the report from the Commission.

PC Ficker asked about the hospital putting tiny homes on their property. CDD Rux said Providence was looking to put a tiny home village of 5 to 15 units on their medical campus. This was an Institutional zone and there was no minimum or maximum density for that zone. They would have to go through a design review, but he did not know if the units would have to pay property taxes.

PC Ficker said one of the main complaints he heard was the amount of tax-exempt properties in the City.

PC Pelz asked about the 60/40 split and how it lined up with incomes. CDD Rux thought it would help as multi-family units were typically more cost effective than detached single family homes.

Chair Edwards said condos were a good affordable housing option, especially compared with tiny homes that needed to go on land. CDD Rux responded he could not tell developers to build condo projects. It was all market driven.

PC Pelz commented on the legal issues with condos and how it was discouraging condo development.

PC Capri said the goal was to get more people living and working in Newberg, however many people did not have the income to purchase a home. CDD Rux said people were making choices about where they lived by many different factors. The report showed what Newberg's land need was over a 20 year horizon as well as the types of housing needed and income levels that they had.

Chair Edwards asked what determined the value of the land. CDD Rux said it was what a buyer was willing to pay to a seller. It was based on supply and demand. Government did not have any control over that market. Land prices and construction costs were rising, but incomes were not keeping pace with those rising costs.

Chair Edwards asked how they could subsidize low income housing to make Newberg more affordable. CDD Rux said one option was imposing a Construction Excise Tax to help build a certain number of affordable units in housing projects. The City did not control property taxes, the State did.

PC Dale thought the main thing they could do was expand the UGB. PC Pelz added they needed to more efficiently use the land they had and increase the supply of industrial and commercial land to create more jobs. He thought the focus should be on more housing and more jobs.

PC Capri said the commute to Portland was not good, and agreed they needed to create more jobs in the City. CDD Rux responded the economic opportunities analysis and UGB expansion would help with that effort, however UGB expansion was a long process.

There was discussion regarding the UGB expansion process and the steps that would need to be taken.

ITEMS FROM STAFF:

The next Planning Commission meeting would be on June 13, 2019.

VI. ITEMS FROM COMMISSIONERS

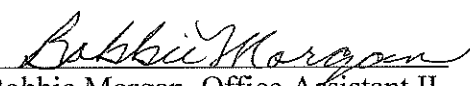
PC Pelz said this was his last Planning Commission meeting and he thanked everyone for their work.

II. ADJOURNMENT

Chair Edwards adjourned meeting at 9:00 p.m.

Approved by the Newberg Planning Commission this July 11, 2019.


Chair PC Edwards, Planning Commission Chair


Bobbie Morgan, Office Assistant II