

AFFORDABLE HOUSING COMMISSION MINUTES

October 26, 2021, 1:30pm

414 E First St,

City Hall Permit Center

Newberg Teleconference Meeting

(This is for historical purposes as meetings are permanent retention documents and this will mark this period in our collective history)

CALL MEETING TO ORDER:

Chair Larry Hampton called the meeting to order at 1:30p.m.

II. ROLL CALL:

Members Present: EC Bell, Vice Chair
Larry Hampton, Chair
Carol Sherwood
Melisa Dailey
Joyce Del Rosario- Student

Members Absent: Shannon Eoff, excused

Staff Present: Doug Rux, Community Development Director
Mary Heberling-Creighton, Housing Planner

Guests: Ryan Makinster

Joyce Del Rosario introduced herself to the Commission. She noted she is a financial services and data analytics student at George Fox University. Parallel to that she was working with a national center for housing management and has received a lot of training from them. She added it is great to be a member on this Commission.

III. APPROVAL OF MINUTES – July 27, 2021

MOTION: Member Bell and Member Dailey moved to approve the July 27, 2021, Newberg Affordable Housing Commission Meeting Minutes, Motion carried 4/0

IV. PUBLIC COMMENTS: None

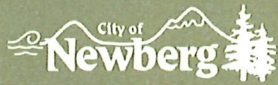
V. INTRODUCTION OF NEW STAFF:

CDD Rux introduced Mary Heberling-Creighton who is the new Housing Planner. She started with the City on September 7th.

HP Heberling-Creighton shared that she previously was at the City of Milwaukee for 5 years and that she is excited to be here in Newberg.

VI. TIME SENSITIVE GRANT REQUEST – NEWBERG AREA HAVITAT FOR HUMANITY:

CDD Rux noted City Council awarded the Time Sensitive Grant to Newberg Area Habitat for Humanity on August 16, 2021. Staff will be preparing a contract before funds are distributed.



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VII. COMMUNITY DEVELOPMENT BLOCK GRANT:

CDD Rux noted the contract has been received from Business Oregon and is currently going through legal review. The Sub-grant agreement with Yamhill County Affordable Housing Corporation has been received and is also going through legal review. Once he gets the second one done, then he will be in touch with Business Oregon and will finish executing the contract. Then he will go to City Council to get the contract awarded to the Yamhill County Affordable Housing Corporation. In the meantime, they are still moving ahead getting the required documentation put together. As a reminder the City received a \$500,000 Rehabilitation Grant for manufactured homes in manufactured home parks, similar to the program done in 2016 with \$400,000 but with \$100,000 more to help more households.

VIII. HOUSING PRODUCTION STRATEGY GRANT:

CDD Rux noted they had in the 5-year work program to do a Housing Production Strategy which is a requirement of HB 2003. In that program they were going to do it in fiscal year 22-23, The Oregon Legislature allocated funds to the Department of Land Conservation and Development (DLCD), so the City made an application. City Council authorized it, the grant proposal was put together and we were successful. DLCD came back and asked us to do changes on our scope to reduce cost a little. We will work with our consultant Eco Northwest. The next step is for the City and DLCD to finalize a grant award contract. The Affordable Housing Commission will function as the Citizens Advisory Committee for this project. Mary's going to manage this project and you will get to see a lot more of her.

IX. MIDDLE HOUSING – TRIPLEXES/QUADPLEXES/COTTAGE CLUSTERS/TOWNHOMES:

CDD Rux shared a PowerPoint presentation on Middle Housing for triplexes, quadplexes, townhouses and cottage clusters. He noted some of this is familiar because in early 2021 they were working on the duplex components which was driven by a Grant received from DLCD allowing Middle Housing to occur. The duplex portion was finished up in June 2021. The Ordinance went in affect the first part of July 2021 and now they have the other Middle Housing component, triplexes, quadplexes, townhouses and cottage clusters. When this started, we were classified as a medium sized City, more than 10,000 in population but less than 25,000. We knew we were very close to being 25,000 population. When the census number came out, we were at 25,138 and are now considered a large City.

CDD Rux noted they did a joint workshop with the City Council and the Planning Commission in June 2021 on the Other Middle Housing component. The public engagement that we did earlier in 2021 carries forward and was included and integrated into the body of work that the Consultants had prepared for this proposal.

CDD Rux shared what Other Middle Housing is and shared different photos on triplexes, quadplexes, townhouses and cottage clusters. He noted currently we allow triplexes, quadplexes and townhomes. The City does not have any regulations on cottage clusters, Triplexes, quadplexes and townhomes regulations the City has do not meet the new administrative rules and so they need to be updated.

CDD Rux continued with implementing HB 2001. He noted as with duplexes it is similar for Other Middle Housing that wherever we allow detached single-family homes in zones R1, R2, R3, AR and RP we also now have to allow the triplexes, quadplexes, townhomes and cottage clusters. The DLCD went through the process and created the Administrative Rules and created a Model Code. We could follow the Administrative Rule, or we could just follow the Model Code. Taking in consideration the feedback from the public in our survey, predominantly we're following the Administrative Rule and there are bits and pieces out of the Model Code that we've integrated into the proposal.

CDD Rux noted the zones are R1, R2, R3, RP and AR. It will also apply to the Master Plan Specific Plan Areas, the Northwest Pacific Plan which is to the east of College St and north of Mountainview, Springbrook Oaks which is out east off of Brutscher which includes The Greens and the Springbrook Master Plan which is the land north of Mountainview and at the corner of College and Mountainview. He noted the Consultants and staff went through each of those Master Plans just as they did with the duplex proposal and made specific changes to those documents and implementing provisions. The city also updated the Housing Needs Analysis. He noted some may remember when the Middle Housing provisions were coming forward, the State identified that you could look at 3% of your future housing falling into this Middle Housing category. We went back and updated our HNA in June/July and added the 3% over a 20-year horizon and that equated to about 57/58 Middle Housing units.

Key Code Concepts:

CDD Rux noted with duplexes they had 52 different changes to sections within the Development Code. This one is a little less but around 35 to 40 changes to the Development Code, but they have to update the definitions to match the Administrative Rule. They have to make sure it's clear that in Specific Plans, Master Plan areas and residential zones that they allow these housing types. They had to adjust the minimum lot sizes, height setbacks and some dimensional standards. Revision to parking requirements to one per dwelling unit and provide access and parking area options.

CDD Rux shared unit definitions for Middle Housing types and a variety of attached and detached options.

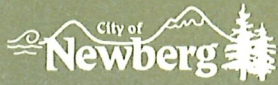
CDD Rux shared permitted uses introduced in all residential zones where single-family is permitted. Townhouse dwellings used to be a special standards provision and now they will be allowed in residential zones, plus adding triplexes, quadplexes, and cottage cluster project development. He noted for the cottage clusters in this proposal they are also allowing cottage clusters in institutional zones, in response to the feedback received during the community outreach.

CDD Rux noted the minimum lot size for single family it is 5,000 in R1 and 3,000 in R2 / RP and in R3 it is 2,500. He noted there are some Administrative Rule limitations on the minimum size that you can have, they had to work through the size of lots. For triplexes it's going to be 5,000 sq ft with one variation, 4,500 sq ft in R3. Quadplexes are 7,000 sq ft. lot size minimum, and in R3 will be 6,000 sq ft. Townhouses minimum lot size is 1,500 sq ft but it also has a 20-foot lot width. Cottage clusters is 7,000 sq ft and the minimum number of units is three.

Project sizes:

CDD Rux shared they have in the proposal to have up to four attached townhouses in R1 zone, but in the R2, R3, RP and AR zones you could have up to eight units. Cottage clusters have a minimum of three and a maximum of eight units in a cluster, but you could have several clusters on one parcel. Maximum number of units in a cluster in R2, R3, and RP would be 12 units. For individual cottages there is an administrative limitation that the footprint of the building can be no larger than 900 sq ft, but you could have a two-story cottage which puts the maximum at 1,800 square feet of floor space.

CDD Rux noted design standards have to be clear and objective. they had to go back to the Code and change a lot of things that were subjective based on the way the Code was written about triplexes and quadplexes in multifamily and there was a lot of subjective criteria. They're going to treat them just like single family development. They will do the review when they submit a building permit application and will be looking at lot coverage, building height, setbacks and parking to see that they meet the minimum requirements. For townhomes, there are some additional things that they could do in the Administrative Rule dealing with entryways, window coverage, how garages are



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located and issues on the driveway aprons and separation. With cottage clusters there is the requirement for a courtyard and the number of units that have to face onto the courtyard.

CDD Rux showed some examples of main entrance options. He noted they tried to be as flexible as possible and let the market respond on what product might go on the ground and that would be up to the developers and financiers. He also shared window coverage options and shared a graphic that was prepared through the rulemaking process through DLCD. There is a maximum of 15% window coverage and also shared entrance doors with different combinations with street appeal.

CDD Rux shared some different architectural features that can be added in a townhouse type of development, which shows some different articulation and variety on the street façade. He shared an example of cottage clusters with four cottages around a courtyard and one up in the center of the courtyard. He noted you could have other cottages as well, there can be a cottage cluster where they may have a carport off the back, a garage or a development where there is a parking field.

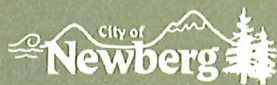
CDD Rux continued with the parking standards. The maximum number of off-street parking spaces required is one per unit. There was an encouragement from the State to not require any off-street parking, but with the feedback received from the Community over the years we need some off-street parking. He noted for plexes they can have different kinds of driveway configurations. Options are provided for one or multiple driveways similar to duplexes, up to 32 feet or 50% of lot frontage. Corner lots allow two driveways. He noted there's some boundaries about what you can and can't do. They wanted to address the issue about having on-street parking availability, so they worked with the Engineering Division and came up with a requirement of 22 feet spacing between driveways so you can create an on-street parking space. If the driveways are together the on-street parking would be on either side of the driveways. Townhomes must allow the option for up to 12 feet wide driveway per 20 feet wide lots with additional shared access or paired driveway options. There is a lot of driveway and not a lot of building face façade, but they are in alignment in the proposal with the Administrative Rule. He shared examples of cottage cluster and townhome developments with different types of parking, provisions for trash and recycling collection, and units that have a garage off the main access.

CDD Rux noted on the changes to the Master Plan areas. In the Springbrook Master Plan, they had to allow Middle Housing, where most of that Master Plan was put together in 2008 and the single-family area was predominately detached single-family homes. This will allow the opportunity for these other housing product types, and it will be up to the developer. The Northwest Specific Plan was revised to also include some changes to density standards. When looking at this type of product we're considering it to be like a single-family home and for its density purposes where we had a target of 4.4 dwelling units in R1, you start to mix in this other Middle Housing and that's going to drive the number up, so code changes were made. In the Riverfront District we'll extend the design standards already in place and they will apply to all Middle Housing types.

CDD Rux made the recommendation to forward on to the Planning Commission first and then on to the City Council. He noted the recommendation is that the City Council adopt the Comprehensive Plan amendments, Development Code amendments, amendments to the Northwest Specific Plan, Springbrook Oaks Specific Plan and the Springbrook Master Plan.

MOTION: Member Bell and Member Dailey moved to recommend the City Council adopt the Comprehensive Plan amendments, Development Code amendments, amendments to the Northwest Specific Plan, Springbrook Oaks Specific Plan and the Springbrook Master Plan and Motion carried 4/0

X. DEPARTMENT OF LAND CONSERVATION & DEVELOPMENT TECHNICAL ASSISTANCE GRANT – CODE AUDIT CLEAR & OBJECTIVE HOUSING STANDARDS



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CDD Rux noted that the DLCD opened up another round of their Technical Assistance Grants. The City has been outreached by the Fair Housing Council of Oregon on several occasions about Newberg's regulations not meeting State Law regarding clear and objective standards for needed housing. He noted they have had conversations with the Fair Housing Council about them doing an audit of our Code with the understanding we were making all these changes for Middle Housing. That would be to look at development of 5 units and above, which will now be classified as multi-family housing. The opportunity came up with the DLCD Grant to apply to see if we can get grant funds to hire a consultant to do the Code Audit and update our Development Code regulations and Comprehensive Plan. Mary put together the application, which was submitted and is going through evaluation with DLCD. He noted if they are awarded this grant, they will use the Planning Commission as the Citizens Committee and will share information with this Commission as well.

Member Dailey commented on the Fair Housing Council and the regulations not meeting State Law and doing an audit. She asked if this is one of the things they do around the State of Oregon, an audit of everyone's Codes?

CDD Rux responded they watch closely on activities that are going on. When we did the duplexes and accessory dwelling units they were involved. They tracked Riverfront activities we have been involved in the last four years, they have tracked and have provided comments in reports and material. They have also been engaged in the process of the annexations that have taken place in the Riverfront area. He noted they did reach out to him this week on the Other Middle Housing and are awaiting the staff report to be available. He noted yes, the Fair Housing Council is engaged in several activities around the State.

XI. RIVERFRONT MASTER PLAN IMPLEMENTATION

CDD Rux noted the implementation of the Riverfront Master Plan continues. The City Council adopted one annexation package of material on October 18, 2021, which was for five properties south of NE Fourteenth Street down to S River Street and over to NE Waterfront Street. It included two parcels of the City's, Baker Rock's property and two other private properties. The second annexation package will include the Mill site and the Newberg-Dundee Bypass. He shared Staff have submitted paperwork to DLCD, and it will be going to a public hearing on November 10th with the Planning Commission and to City Council on December 6th. This will bring in additional land for multi-family housing and mixed commercial and the annexation which totals about a 187-acres. After this one there will be one other small cleanup to do in the Riverfront and then it will be through the implementation.

CDD Rux noted the Other Middle Housing would apply down in the Riverfront Area as well. The Riverfront area has with R2 and R3 land that can be developed, he noted Middle Housing could go on that land. Housing is not allowed on the industrial land and the Mill Site proper will be for industrial purposes. He noted there is some mixed commercial down off River Street, Fourteenth Street and Waterfront Street that would allow housing. Staff desires are to try and get some ground floor retail with housing above and it would also allow Middle Housing. It would be up to the property owner and a potential developer on what that product might look like.

XII. NEWBERG URBAN RENEWAL PLAN & REPORT

CDD Rux noted back in July the County Board of Commissioners adopted a resolution approving the Urban Renewal Plan with the condition that it had to go to a vote of the voters of Newberg. The City Council held its initial hearing on the Urban Renewal Plan on August 2nd, they received the July 29th Board of Commissioners Resolution and held their public hearing, took testimony and scheduled the second reading of the Ordinance on October 18th. In the meantime, the City Council had a discussion about going to a vote and initially had passed a Resolution to go to an election on November 1, 2021. At they're following meeting from that action they reconsidered their Resolution and decided not to go to an election on November 1, 2021. Staff at this point have been directed to look

at all other options. They are finishing up the annexations on the Riverfront and those should go into effect on January 6, 2022. They will be revising the Urban Renewal proposal to exclude lands that are not annexed into the city. The Consultants are updating the Urban renewal Plan and Report. They will be reconvening the Ad Hoc Committee and they will have their first meeting on November 30th and a second meeting January 18, 2022. They will be revising the legal description and then will go to the Urban Renewal Agency where they will refer it to the Taxing District. We will go through our 45-day confer consult process with the intent to get back in front of the City Council in April for their hearing on the Urban Renewal Plan. He noted to remember the Urban Renewal Plan is all about infrastructure, transportation, sewer, water and storm drainage improvements. He noted by revising the plan and taking out some areas that are tax-exempt it could have an impact, and there are about four or five smaller properties that would be removed from the Urban Renewal Plan that could have a financial impact. The financial consultants have to go back and look at all the numbers.

Chair Hampton asked if that would negate the necessity to have the County Commissioners approve.

CDD Rux responded yes, it removes the requirement that they have to approve it because under the old proposal, which included land that was outside the city, it required that the County had to approve the Plan and they had to determine it was in conformance with their Comprehensive Plan.

XIII. CONSTRUCTION EXCISE TAX

CDD Rux noted they have been collecting funds since January 2, 2021, and there has been a lot of development occurring over that time. There are projects that have been exempt from paying this fee such as Friendsview, and the School District projects that are coming along. With Mary now on board she is reaching out to other Communities with a CET program to gather information to build an implementation program. As material is gathered and prepared it will be brought back to the Commission for feedback and ideas so we can make adjustments. Eventually we will get to a point for a recommendation from the Commission as we take a final package of the implementation to the City Council.

XIV. NEXT MEETING – TBD

CDD Rux noted the next meeting is a quarter away or possibly could be sooner as they get the contract from Business Oregon on the Housing Production Strategy and will make any refinements to the timeline for the next meeting. He will reach out to everyone via email to let them know of their meeting rotations. He noted right now they are looking at January or February for their next meeting.

Member Sherwood asked where the Middle Housing units might go.

CDD Rux noted they would go in any of the zones that they identified. For example, they had a pre-app meeting for a potential project of duplexes up off of College Street. Also, some past pre-application meetings for some duplexes over off of Hayworth Ave and Elliott Rd. He noted with the Springbrook Master Plan the future housing stock is going to come from this development. It was approved to have 1345 dwelling units so they're looking to ensure to maintain that number and might get more which depends on the developer. He noted they have been encouraging developers to put in townhomes, duplexes, triplexes or quadplexes instead of having just detached single-family homes as was done in 2007 and 2008. He noted on the Housing Needs Analysis they updated the final version to incorporate the 3% Middle Housing which equated to about 58 units over a 20-year horizon, which will be market driven.

Chair Hampton noted unlike some fears in Portland or other places are that developers are going to come in and tear down these nice large homes and put in Middle Housing. He noted he doesn't foresee this kind of situation happening or that it is possible unless it is an old rundown place or something like that.

CDD Rux noted the way they've written the regulation for Middle Housing for example if someone has a single-family home and wants to convert into a duplex or triplex they can as long as they meet all of the other standards that apply in the building code standards. On the planning side if you take a single-family dwelling and convert it into a duplex, we will look at the regulations for example they require two parking spaces, confirming setbacks and lot coverage. The same would happen if converting to a triplex or quadplex. He noted he has received responses from the notice in the mail where they thought it meant they were going to take away their house and he explained that it was for allowing new development of these Middle Housing types or be aware their neighbor sometime in the future might want to convert their house to a duplex or triplex etc. He noted you might see some of the homes that were built in the 70s and 80s, tri-levels where conversions might happen north and south of the downtown area.

Member Sherwood asked if Middle Housing are lower-income priced houses.

CDD Rux responded it is just more housing. The Excise Tax Program would provide the opportunity to partner with a developer or property owner if they're going through a conversion and could invest, if we've got 80% or less of the medium family income for 60 years to invest. He noted there might be some affordable housing out of these conversions or new construction.

Member Sherwood noted the price of housing right now in Newberg is too high.

Ryan Makinster responded to Member Hampton's concern about knocking down housing and putting up Middle Housing type units and that the concern has no basis in reality. Portland's concern with anything of value on a lot right now is you can't afford Middle Housing, for example you're looking at \$800,000 for a two-bedroom condo. He noted this shouldn't be a concern in Newberg. Newberg has issues with land availability, which is raising prices, as opposed to Portland where there is a total lack of land. Regulations in Newberg, which every jurisdiction has, does raise costs. There is more desire to move into Newberg and for his developers because it's easier to accomplish. He also noted they like working in Newberg and with their staff. He noted that Newberg is very forward in what they are looking at for Middle Housing and are fully embracing it, where a lot of jurisdictions he works in have more of a housing crisis than Newberg.

Chair Hampton responded he's not afraid of this happening in Newberg, he was noting that some people in Portland are worried about it. He feels the situation in Newberg is a very different, for example in Sherwood, especially for Affordable Housing, they're not the same infrastructure to be able to do these kinds of things as done in Newberg.

CDD Rux noted he and Mary are going to have to schedule the Community Meeting on HB 4006 and the reporting that needs to be done. He will make the Commission aware of the date and time to have a virtual open house as done last year, where they had 15 to 20 Community members attend. He noted they would like to have it November before the Thanksgiving holiday.

XV. ADJOURNMENT

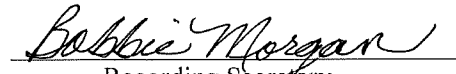
Chair Hampton adjourned the meeting at 2:25pm.



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Approved by the Newberg Affordable Housing Commission this January 25, 2022.



Larry Hampton, AHC Commission Chair

Bobbie Morgan
Recording Secretary