

NEWBERG AFFORDABLE HOUSING COMMISSION MINUTES

Tuesday July 23, 2019, 1:30 PM

**Newberg City Hall Permit Center Conference Room
414 E First Street**

CALL MEETING TO ORDER

Chair Bell opened the meeting at 1:37 PM.

ROLL CALL

Members Present: E.C. Bell, Chair Larry Hampton, Vice Chair
Carol Sherwood Shannon Eoff

Members Absent: Steve Comfort

Staff Present: Doug Rux, Community Development Director

Guests:

APPROVAL OF MINUTES

Approval of the April 23, 2019 Newberg Affordable Housing Commission Meeting Minutes.

MOTION: Hampton/Sherwood to approve the Affordable Housing Commission minutes for May 28, 2019.
Motion carried (4 Yes/0 No).

PUBLIC COMMENTS

None.

CONSTRUCTION EXCISE TAX

CDD Rux recapped the list of comments contained in the packet from developers and real estate broker meetings on the Construction Excise Tax (CET). There was a consensus that a general obligation bond approach might be a better approach. Concerns were expressed about placing the burden on developers. Other alternatives were suggested on increasing the business license fee or a real estate transfer tax as ways to generate funds for affordable housing. He explained that a 1,800 square foot house on a 3,000 square foot lot cost around \$375,000 - \$385,000. A family of 4 at 80% of median family income would have income of \$70,300 and could afford a mortgage of roughly \$275,000 - \$285,000. This leaves a \$100,000 gap. CET could be used to write down System Development Charges, and Building fees and that would still leave a gap. To fill the gap might require a first time home buyer program. It is initially estimated that 5 families could be assisted a year assuming \$500,000 of CET funds. On the multi-family side it is initially estimated 10 units might be able to be created with the CET.

Commissioner Eoff noted she followed up on her research and looked at non-profits and the only definition she could come up with is social agencies.

CDD Rux referenced the Mike Gougler letter in the packet as well as the information from Del Boca Visit on the amount of fees they have paid to the City.

Commissioner Eoff inquired if fees could be deferred to occupancy or to a specific time period.

Commissioner Sherwood inquired as to what type of community do we want to be and noted the example of the aquatics facility and the bond that was passed for that project.

CDD Rux noted the Community Visioning project and that housing affordability is listed under Livability and Development.

Chair Bell noted the aquatics facility had 60 people who worked on the proposal.

Commissioner Sherwood inquired if it could be a specific project...

Commissioner Eoff noted you have to show value of the use of funds.

Vice Chair Hampton shared that for Habitat the impediment is cost of land and you can't pay \$100,000 for a lot and have an affordable house. He noted Del Boca Vista closed North Valley Road for two month and there is a big cost for infrastructure for that project before ever building a home.

Commissioner Eoff indicated she supports mixed use development.

Chair Bell inquired how many entities are exempt from paying the CET in the proposal, we are limited on land and have limited industrial land.

CDD Rux shared that funds have been budgeted to conduct and Economic Opportunities Analysis this fiscal year to see where we are at in out 20 year supply of commercial and industrial land.

Chair Bell noted we have constraints with the Willamette River, Chehalem Mountains and prime farm land surrounding Newberg. He also noted the perceived burden on developers. He inquired if the CET could be used for rental assistance.

CDD Rux noted on Page 13 it lists what the CET funds could be used for.

Chair Bell indicated we are not spreading the revenue generated.

CDD Rux asked the Commissioners to review the listed exemptions and to send him an email with any suggested modifications.

Chair Bell inquired if there is any information from other communities what percentage of their CET comes from commercial and industrial verses residential. He asked CDD Rux to do some inquiries.

HOUSING NEEDS ANALYSIS

CDD Rux shared that the Housing Needs Analysis Citizens Advisory Committee recommended that the Housing Needs Analysis (HNA) be accepted by the City Council. The Planning Commission passed a resolution recommending the City Council accept the HNA. There were only a few minor changes to the HNA from the version the Affordable Housing Commission reviewed.

NOTICE OF FUNDING AVAILABILITY

CDD Rux shared that no application were received by the closing date. He suggested the Commission wait until the winter to reconsider doing another posting as no one has submitted in a request over the past four years.

VERTICAL HOUSING DEVELOPMENT ZONE PROGRAM

CDD Rux noted staff is working on obtaining a cost estimate to conduct a displacement analysis required by Oregon Revised Statutes. This has placed the project behind schedule. Staff is starting to meet with taxing districts to discuss the proposal. We will also be working with the County Assessor to develop a scenario of what the tax abatement might look like for a project to share with the taxing districts.

OTHER BUSINESS

Residential parking regulations in downtown. CDD Rux noted we are working on a program to provide addition flexibility on how residential parking can be provided in the downtown area for new development. A discussion has been held with the Planning Commission. Staff will be talking with the Newberg Downton Coalition and the Downtown Merchants Association.

Commercial requirements on E Second Street. Staff is starting work on a proposal to remove the commercial square footage requirement for development along E Second Street.

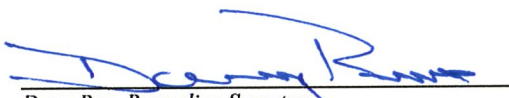
NEXT MEETING

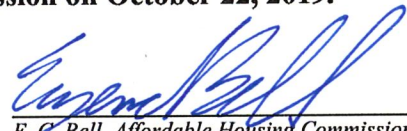
The next meeting will be October 22, 2019.

ADJOURNMENT

The meeting was adjourned at 2:50 p.m.

Approved by the Newberg Affordable Housing Commission on October 22, 2019.


Doug Rux, Recording Secretary


E. C. Bell, Affordable Housing Commission Chair