

NEWBERG AFFORDABLE HOUSING COMMISSION MINUTES

Tuesday October 22, 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 1:30 PM.

ROLL CALL

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

Members Absent: Shannon Eoff, Steve Comfort

Staff Present: Doug Rux, Community Development Director

Guests: None

APPROVAL OF MINUTES

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

MOTION: Hampton/Sherwood to approve the Affordable Housing Commission minutes as amended for July 23, 2019. Motion carried (3 Yes/0 No).
--

PUBLIC COMMENTS

None.

CONSTRUCTION EXCISE TAX

CDD Rux recapped material that was in the packet. He material is substantially the same as the July meeting. He had outreached to other developers but was not able to make connections to gain additional feedback.

Chair Bell inquired about feedback from other communities on the percentage that is collected for residential verses commercial-industrial.

CDD Rux shared he did not have any additional information. He noted that each community is different. For Newberg we have land constraints and not much commercial-industrial land available.

Commissioner Sherwood inquired if GFU has an adopted plan to give back dollars to the community.

CDD Rux noted none that he is aware of.

Chair Bell asked the Commission about the fee percentage to charge.

CDD Rux noted Attachment 5 has gross monetary numbers based on percentages of .33, .5 and 1.

Chair Bell inquired if the 4% Administration Fee s fixed by state law. CDD Rux indicated yes.

Vice Chair Hampton asked if enough dollars would be generated from the administration fee to cover costs.

CDD Rux indicated he did not have enough information to answer that questions.

Vice Chair Hampton asked about what is occurring in the Riverfront area.

CDD Rux recapped the master plan for residential, commercial and industrial use.

Chair Bell asked the Commissioners if they wanted a recommendation in the positive. If so what is the percentage. He also noted he wished Commissioner Eoff was present for the discussion.

Vice Chair Hampton noted that if the vote was 2 to 1 they may want to wait until November.

Vice Chair Hampton moved to approve forwarding a recommendation to City Council to approve a CET.

Commissioner Sherwood seconded the motion.

Vice Chair Hampton shared that the recommendation for CET came out of Housing Newberg. It's a way to incentivize affordable housing. Be believes we need to give it a shot. It's working in other cities.

Commissioner Sherwood shared that she is in favor of affordable housing but not sure this is the most equitable way. Would like to see a way to spread the base so all are contributing like 2%-5% of taxes to housing.

Chair Bell shared that in reading the material comments that it could impact first time home buyers. It will not hurt the wealthy. No way to be perfectly equitable across all citizens. We would be asking some folks to do more. It's a useful and tried approach.

Vice Chair Hampton asked if CET could be used to help pay debt on General Obligation Bond.

CDD Rux noted he did not know.

Commissioner Sherwood noted that comments in the packet talk about a General Obligation Bond.

Chair Bell noted costs get pushed to buyers and renters.

Call for vote.

MOTION: Hampton/Sherwood to approve forwarding a recommendation to City Council to approve a CET. Motion carried (3 Yes/0 No).
--

Commissioner Sherwood made a motion for a rate at .5%, Second by Vice Chair Hampton.

Chair Bell noted he is in favor of 1%, city strapped for cash, and staff wears many hats. A .5% cuts in one-half the Administration Fee to run a program. City could end up running a poorly administered program. He inquired where the City backfill dollars on administration costs might.

Vice Chair Hampton noted that a 4% Administration fee is low.

Chair Bell shared that it's a complicated program, but what stays constant is work flow.

CDD Rux shared that he had spoken with the Housing Authority about administering the program and they expressed a possible interest. During budget process he shared with the Budget Committee that an Associate Planner at mid-range would cost roughly \$122,000 a year. Staff resources to administer the CET may run in the .25 to .5 FTE range, but there are additional costs with the Finance Department, Legal Department and City Manager's Office.

Vice Chair Hampton noted there is a balance on running a CET program and costs.

Chair Bell noted there could be a concern running the program out of McMinnville for a Newberg program.

Chair Bell asked about general fund increase in tax rate.

CDD Rux noted that with the TVF&R annexation the city's rate went down t \$2.50 per thousand to offset the TVF&R rate. The Charter Amendment limits increasing the \$2.50 rate to 3% annually through the budget process but it could not go above the \$4.3827. To have more than the 3% increase would require a vote of the citizens per the Charter. Also assessed values increase 3% a year.

He noted the numbers in Attachment 5 are gross numbers and do not remove the exemptions on who does and does not pay the CET. That is a complicated process to calculate but we can look at it.

Vice Chair Hampton withdrew his second.

Commissioner Sherwood withdrew her motion.

MOTION: Hampton/Sherwood to approve a 1% CET.
Motion carried (3 Yes/0 No).

Chair Bell noted the following factors for the 1% approval:

1. Number of exemptions limits revenue stream
2. Sustainability of program to provide meaningful incentives

Vice Chair Hampton noted an administration of 4% of a little higher number helps support the program.

RIVERFRONT MASTER PLAN

CDD Rux provided an update on the status of the Riverfront Master Plan noting that it had been accepted by the City Council. Next steps will be working with property owners on Comprehensive Plan and Zoning changes along with updating the Development Code, Transportation System Plan, Water Master Plan, Wastewater Master Plan and Stormwater Master Plan.

HB 4006 RENT BURDENED HOUSEHOLDS

CDD Rux provided an update that the 2019 survey work has been completed. Looking at a December 5 or 10 date for the required community meeting. Commission members will be notified of the public event date.

OTHER BUSINESS

None.

NEXT MEETING

The next meeting will be January 28, 2020.

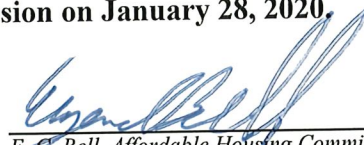
ADJOURNMENT

The meeting was adjourned at 2:47 p.m.

Approved by the Newberg Affordable Housing Commission on January 28, 2020.



Doug Rux, Recording Secretary



E. C. Bell, Affordable Housing Commission Chair