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MINUTES

May 25, 2022
McMinnville Affordable Housing Committee
Regular Meeting

10:00 am
ZOOM Online Meeting
McMinnville, Oregon

Members Present: Remy Drabkin, Lori Bergen, Beth Caster, Katie Curry, Howie Harkema, Philip Higgins, Yuya Matsuda, and Lindsey Manfrin

Members Absent: Kellie Menke, Alexandra Hendgen, Steve Iverson, and Vickie Ybarguen

Staff Present: Tom Schauer – Senior Planner

Others Present

1. Call to Order

Chair Drabkin called the meeting to order at 10:00 a.m.

2. Agency Reports

Chair Drabkin stated the Committee would begin with Agenda Item D, then proceed with the items in order.

A. YCAP

Chair Drabkin announced City Council the previous evening had approved the start of a new affordable housing fund for the City of McMinnville. The \$1.5 million from the state would be held in the YCAP fund. The Council had also approved a contract for design and project management services for the Navigational Center. Approving those items was Chair Drabkin's last vote as a City Councilor. One of the first things she had done as a Councilor was participate in starting the Affordable Housing Committee and trying to secure affordable housing funds for the City. The journey had taken many years but now there was an affordable housing fund.

B. HAYC

Yuya Matsuda provided a brief update on the Stratus Village project. Tom Schauer, Senior Planner, noted the project was 175 units and had partnered with the Confederated Tribes of Grande Ronde for financial assistance of \$7 million, which equated to 20 units.

C. Habitat

Katie Curry provided an update on development in Habitat's Aspire Development and funding sources. Habitat was seeking ARPA funds to provide a funding cushion since fundraising no longer matched the cost of building homes. The program was looking for people to join its board and interested parties could contact Ms. Curry.

D. Encompass Yamhill County

Howie Harkema provided an update on the Safe Overnight Parking Program, the MOU with McMinnville Covenant, the Sunday Sandwiches Program, and heating and cooling shelters. A sock drive would begin in June. Newberg was considering a car camping ordinance modeled on McMinnville's. Committee members discussed McMinnville's community outreach efforts which had helped to alleviate fear-based opposition from community members and noted McMinnville's experience was helping to mitigate concerns in Newberg.

3. Action / Discussion Items:

A. Lori Bergen/workgroup - discussion and questions re: use of Construction Excise Tax funds

At Chair Drabkin's request, Tom Schauer shared the Planning Staff's thoughts on the CET the CET update. Mr. Schauer noted McMinnville's Affordable Housing Committee (MAHC) was codified in October of 2021 and reviewed the formal purpose of the committee. He shared a document with Committee members to outline how MAHC could structure the CET program and make a recommendation to the City Council for what a program would look like as well as the Committee's role in implementing the program. The role of MAHC could be structured similarly to the Urban Renewal Advisory Committee or MAHC could look to neighboring communities with Affordable Housing Committees or similar bodies for ideas of how to structure and operate programs since many communities had established CETs following the passage of the enabling legislation in 2016.

Ms. Bergen updated Committee members with highlights of the discussion at the first meeting of the workgroup held on May 19. Questions the workgroup had were answered by Staff and Chair Drabkin as follows:

- The City projected \$180,000 to \$600,000 in CET funds would be collected in the first year.
- The City's professional Staff would reach out to professional staff managing similar type funds in other communities to gather information on how the program was structured and administered in other communities.
- The authority of the MAHC had been addressed by Staff and Staff's explanation would be distributed via email. The Committee could choose to make certain expenditures without seeking further approval from the City Council.
- The question of whether or not the funds would need supplementing and matching funds was mission drift. The goal was to establish a methodology for use of the CET funds. If the City found it was not bringing in enough funds, further revenue discussions could take place.
- The funds could serve as matching funds for other resources. One committee member questioned whether the CET could be allocated as equity to a project during construction, then returned CET with some modest return, or no return at

all, when the project was refinanced. If the fund was used as a passthrough, administrative costs would be lowered.

- The CET ordinance specified the affordability term for 30 years and perhaps longer.
- The ordinance specified how CET on residential construction would be allocated and some allocations provided financial incentives for developers to build affordable housing, including paying down SDCs. The commercial/industrial had requirements for 50 percent, after the administration cost and then the rest of the fund allocation was open for affordable housing programs.
- There was no immediate answer to what entity would hold the loans, how the City would monetize equity, or whether the City had properties available for allocation. The City did not currently have a program to purchase land.
- There were no set guidelines determining what portion, if any, of annexed land should be designated as affordable. Chair Drabkin thought House Bill 2001 might include guidelines. Staff noted the new annexation program in the Municipal Code of the Zoning Ordinance required applications for annexation to demonstrate how the land would meet Comprehensive Plan requirements and how the applicant proposed to address housing needs, including affordability standards, as part of annexation.
- The ordinance as written was based on the units developed that met the definition of affordable which would be affordable for CET funds. A mixed project could be developed where some units met affordability guidelines and some did not, which would enable some extended family living situations with a mix of income levels. The units meeting guidelines would be deed-restricted affordable units that needed to meet the requirements for affordability for renting or at the time of sale for the duration specified in the ordinance.
- Committee members expressed concerns surrounding the lack of affordable housing for those between 80 and 120 percent AMI. Chair Drabkin noted workforce housing was in MAHC's action plan and the Committee was tasked to work on programming and policy for those earning 0 to 120 percent of median family income, which did include workforce housing.

The workgroups would consider the four percent administration cost and collect more information with assistance from Staff who would reach out to professionals in other communities. Fifty percent of commercial/industrial CET by statute did not have to be dedicated to a specific program. The ordinance adopted by the City mirrored that in most other communities and would require 50 percent be dedicated to affordable housing programs. There may be room within that allocation for administering an affordable housing program with a portion of those funds. Chair Drabkin asked for the workgroup's questions and Staff's document be merged to build a larger document for reporting purposes and to address any community questions.

B. Follow-Up: Action Plan Prioritization

Tom Schauer shared an excel document highlighting MAHC's action plan and summarized the previous meeting's conversation about priorities. Committee members and Staff agreed to prioritize investigating community land trusts and land banks as well as parceling land brought in through the Urban Growth Boundary. The Committee could help address questions about whether lands brought in through annexation could be sold to Habitat or held in trust for

Habitat and how the City could build a structure to help purchase and acquire sites. The Committee could also help determine the right entity for donated or dedicated land.

In response to communication from MAHC member Katie Curry, Staff noted the City Council had adopted the new Middle Housing Standards on April 26th of 2022 which allowed for multi-dwelling zoning in single-family zones as well as smaller, “tiny,” homes. SROs and shared housing options were also rolled into the adoption.

4. Citizens Comments – None

5. Task Force Member Comments/Updates – None

6. Staff Comments/Updates

A. Shelter work in other communities (Salem), etc.

Tom Schauer noted the City of Salem had adopted Code provisions for Managed Temporary Villages which included ordinances for temporary uses for facilities such as emergency shelters. Tigard was working on similar provisions and MAHC should discuss whether such provisions should be incorporated into its work plan.

B. Navigation Center –

Mr. Schauer noted the Council had approved the contract for the Navigation Center’s architectural and project management services. Combined funds from the City, ARPA, and Oregon Housing and Community Services would allow the building of the center and provide a base for operational funding. The City of McMinnville had committed \$500,000 from its ARPA funds for first year operations. Committee members discussed opportunities to explore land options with community churches.

7. Adjournment

Chair Drabkin adjourned the meeting at 10:04 p.m.