

This is the first meeting of the Affordable Housing Task Force and as such, it's not the intent to have the answers to the discussion questions below. Rather, we'll need to first establish the framework of how we go about looking at this problem and give thoughts on what experiences or resources we still need to acquire to allow us to successfully address the issues.

### **Charter**

From the minutes of the Sept 26<sup>th</sup> Work Session on Homelessness and Affordable Housing: "The idea of the formation of a low-income housing advisory committee was discussed. It was noted that the advisory committee should be a mix of City staff, Council members, and outside interests. Topics for the Committee would be SDCs, rezoning lands within the current urban growth boundary, and short term solutions to address the upcoming winter. It was agreed that the "low hanging fruit" should be the committee's first priority."

- Formalizing membership
- Formalizing Charter...What is it we plan to do?

### **Supply and Demand:**

Who are we helping? How many resources already exist? Who are our partners?

### **Various Building Fees**

- System Development Charges
  - Collected to address growth needs such as new roads or parks based on residential or business growth. For residential growth, the McMinnville current fee structure is:
    - Sanitary Sewer SDC: \$2,870 per dwelling unit
    - Parks SDC: \$2118 per dwelling unit
    - Transportation SDC: \$2,287 per dwelling unit
- Lot charges (example - Aspire's lot development for first 8 homes)
  - City Permitting and Plan Review: \$11,800
  - City / Water and Light for sewer, water and power lines: \$20,000
  - Yamhill County Surveyor: \$2,200
  - Geological site assessment: \$2,300
- Yamhill County Electrical Inspection Fees: *Still researching*
- McMinnville School District: First 600 sq ft of the combined home/garage footprint is not assessed; remaining sq footage is assessed at \$1.20 per sq foot.
- Various City Permit fees per home

### **Accessory Dwelling Units**

- "Accessory dwelling unit" means a secondary, self-contained single-family dwelling allowed in conjunction with a detached single-family dwelling. An accessory dwelling unit is subordinate in size, location, and appearance to the primary detached single-family dwelling. An accessory dwelling unit generally

has its own outside entrance and always has a separate kitchen, bathroom and sleeping area. An accessory dwelling may be located within, attached to or detached from the primary single-family dwelling.

➤ Standards for an ADU

- The accessory dwelling unit may be established by:
  - Conversion of an attic, basement, or garage or any other portion of the primary dwelling;
  - Adding floor area to the primary dwelling, including a second story; or
  - Construction of a detached accessory dwelling unit on a lot with a primary single-family dwelling.
- Square footage of and ADU shall not exceed 40 percent of the primary dwelling exclusive of the garage, or 800 square feet, whichever is less. The Square footage minimum area shall not be less than 300 square feet.
- The accessory dwelling shall meet all applicable standards of this zone including, but not limited to, setbacks, height, and building codes in effect at the time of construction.
- The structure's appearance, including siding, roofing, materials, and color shall coincide with that used on the primary dwelling unit.
- One additional off-street parking space shall be provided (in addition to any off-street parking required for other uses on the same parcel or lot).
- The accessory dwelling unit must have independent services that include but are not limited to water, sewer, and electricity.
- Not more than one accessory dwelling unit shall be allowed per lot or parcel.
- The accessory dwelling unit shall contain a kitchen, bathroom, living, and sleeping area that are completely independent from the primary dwelling.
- The property owner shall reside on site within the primary dwelling unit.
- Manufactured homes, recreational vehicles, motor vehicles, travel trailers and all other forms of towable or manufactured structures shall not be used as an accessory dwelling unit.

**Car Camping / Tents / Tiny Homes**

- Car camping / Tents: No location within McMinnville is zoned to allow either activity
- Tiny Homes: Depends upon their construction as a small modular constructed home could be located in some of the City's residential zoned areas, but those that might be constructed to other standards (HUD, for example) would not be permitted.

Attachments

1. Minutes from Homelessness and Affordable Housing Work Session

2. Housing Resources
3. Gospel Rescue Expansion Overview
4. Affordable Housing Issue paper with Area Assessment

CITY OF McMinnville  
MINUTES OF WORK SESSION and REGULAR MEETING of the McMinnville City Council  
Held at the Kent L. Taylor Civic Hall on Gormley Plaza  
McMinnville, Oregon

Tuesday, September 22, 2015 at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors: Present

Remy Drabkin	Kellie Menke
Scott Hill	Alan Ruden
Kevin Jeffries	Larry Yoder

Also present were City Manager Martha Meeker, City Attorney Candace A. Haines, Police Chief Matt Scales, Planning Director Doug Montgomery, Parks and Recreation Director Jay Pearson, Library Director Jenny Berg, Community Development Director Mike Bisset, Housing Authority of Yamhill County Executive Director Elise Hui, YCAP Executive Director Jeff Sergeant, Habitat for Humanity Executive Director Gretchen Phelps, Compass Center Executive Director Howie Harkema, and a member of the news media, Don Iler of the *News Register*.

AGENDA ITEM

CALL TO ORDER: Mayor Olson called the meeting to order at 6:00 p.m. and welcomed all in attendance.

WORK SESSION: Mayor Olson explained that there were issues to be discussed related to homelessness in the City of McMinnville. He noted that Housing Authority of Yamhill County (HAYC) Executive Director Elise Hui, YCAP Executive Director Jeff Sergeant, Habitat for Humanity Executive Director Gretchen Phelps, and Compass Center Executive Director Howie Harkema were in attendance to add their expertise to the discussion.

City Manager Meeker introduced the topic and explained that the purpose of this session was to get together, talk among themselves, and hear from subject matter experts. She reviewed the educational opportunities the Council members had taken advantage of and that the Council was ready to move beyond the educational phase to talk about the objectives they wished to undertake.

The first topic of discussion centered on affordable housing and system development charge (SDC) relief for low income housing that is developed by both non-profit and for-profit organizations.

income housing subdivision because of reduced SDCs. YCAP Executive Director Sergeant pointed out that existing structures non-profit organizations purchase can also be used for low income affordable housing. He gave the example of a pre-existing 24-unit apartment building in Newberg that YCAP purchased for use as low income rentals.

Community Development Director Bisset recalled that there had been testimony from builders during the SDC public hearing. He stated that several of the builders had received SDC relief for building affordable housing in other communities. City Manager Meeker agreed and stated that the City of Bend just recently passed a SDC discount for single-family residences targeted to 80 percent of poverty level and a full discount to those individuals who were at 60 percent of poverty level.

Ms. Meeker went on to discuss the idea of cottage houses (similar to Hillside Manor) and tiny homes. She pointed out that this would need to be a topic for discussion as it also relates to zoning. She noted that affordable housing is often located in multi-family zones and unfortunately, McMinnville does not have an abundance of land zoned for multi-family.

Public restrooms and showers were the next topic of discussion. The former location of a public restroom behind the 1893 building was discussed. It was also noted that there had been a public restroom where the parking structure on 5<sup>th</sup> and Evans Streets is now located. All agreed that having a public restroom in the downtown area would be beneficial. With regard to public showers, currently individuals have the ability to shower at the Community Center for a cost of \$2.00 or a voucher. Parks and Recreation Director Pearson advised that to date, there have been no problems associated with the homeless taking showers at his facility. He stated that if the Community Center is particularly busy when they come in, the individuals are asked to come back when the Center is less busy. He stated that the current voucher system works well - it is not necessarily an open door, but rather is for those who are in the greatest need. As a means to reduce vandalism in the shower areas, those who do use the showers are required to leave their identification card at the front desk. Children are not near the shower areas so there should be little to no liability related minors interacting with adults. Mayor Olson relayed his concern regarding minors and sex offenders. City Attorney Haines stated that it is up to those who are registered as sex offenders to make sure they are not in the vicinity of children.

Round table discussion regarding SDCs and the need to determine a policy for both non-profit and for-profit builders who are constructing affordable housing ensued. It was noted that the for-profit developers might require more management than non-profit housing developers.

The idea of the formation of a low-income housing advisory committee was discussed. It was noted that the advisory committee should be a mix of City staff, Council members, and outside interests. Topics for the Committee would be SDCs, rezoning lands within the current urban growth boundary, and short term solutions to address the upcoming winter. It was agreed that the "low hanging fruit" should be the committee's first priority.

Mayor Olson thanked everyone present for their participation in the timely and productive work session. He added that this would not be the final work session on this matter.

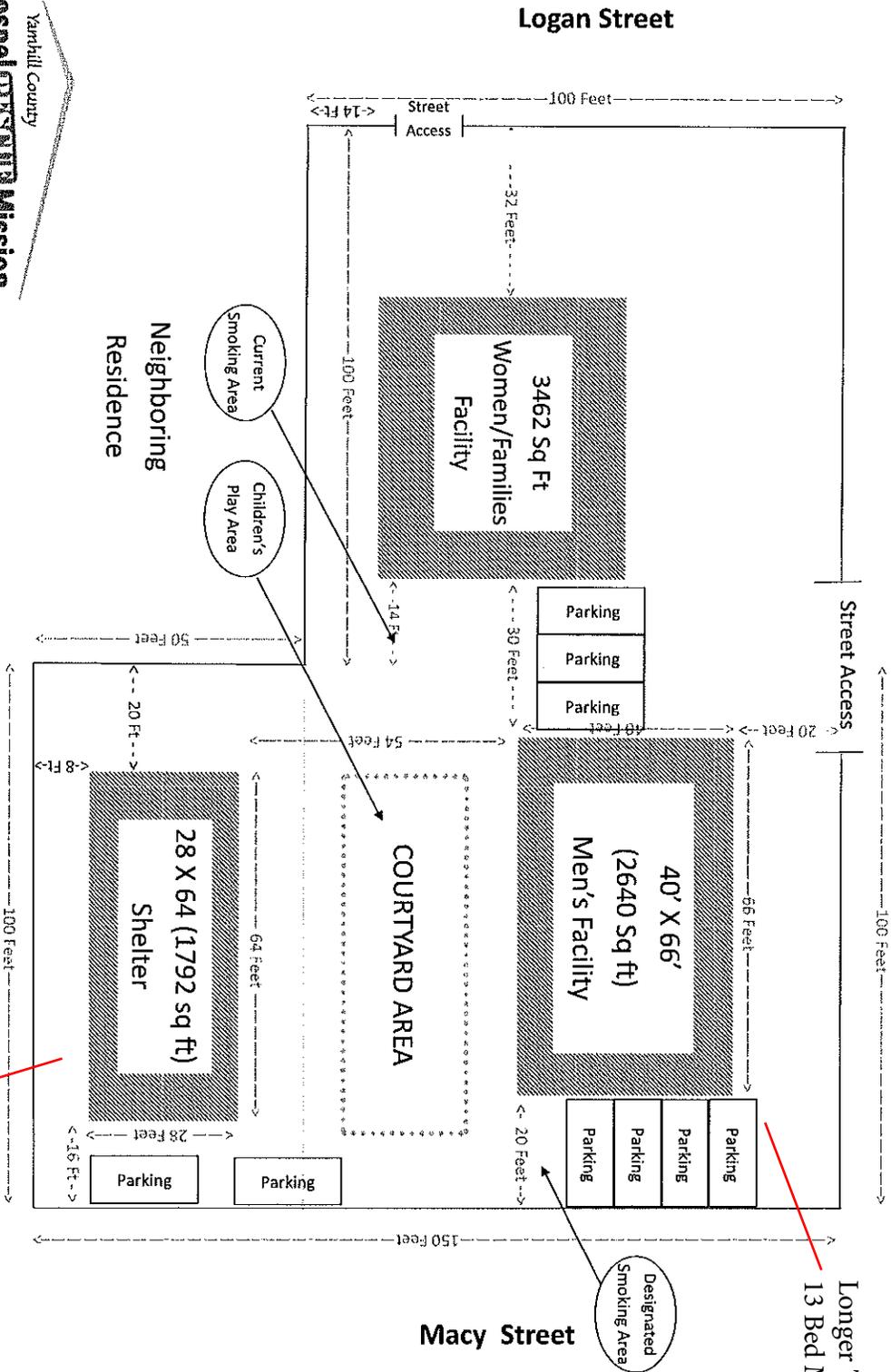
RECESS / RECONVENE: Mayor Olson closed the work session at 7:09 p.m. and announced a brief recess. City Councilor Drabkin excused herself from the balance of the evening's meeting. Mayor Olson reconvened the meeting at 7:18 p.m.

## MCMINNVILLE HOUSING RESOURCES FOR HOMELESS AND LOW-INCOME

Agency	Deposits/ Screening Fees	Emergency	Short Term	Long Term		
<b>Blanchet Farm Shelter</b> www.blanchethouse.org			<b>Serves 22 men on average</b>		11750 NE Finn Hill Loop Rd Carlton, OR 97111 (503) 852-6626	Drug and alcohol free working farm shelter for adult males.
<b>Catholic Community Services</b> Rainbow Family Services www.ccsww.org			<b>Respite for youth in foster care</b>	<b>1 foster care home serving up to 5 youth</b>	McMinnville, OR	<ul style="list-style-type: none"> <li>Community Homes serve up to 5 youth in foster care to create stability.</li> <li>Rainbow Lodge provides respite for youth in foster care.</li> </ul>
<b>Community Homebuilders</b> www.communityhomebuilders.org				<b>Villa Del Sol – 24 units (farmworker) Homeownership</b>	1107 Northeast Baker St. McMinnville, OR 97128 (503) 434-5265	<ul style="list-style-type: none"> <li>Villa Del Sol – 24 unit farmworker housing project – applicants must be below 80% of AMI.</li> <li>Whisper Meadows - New 22 unit housing project for 2016; between Kingwood and American Dr on Cumulus</li> <li>Mutual Self Help Homeownership Program is for low to moderate income families determined to own their own homes. Approved applicants join a group of 8-12 families that work together to build each others homes in a rural community.</li> </ul>
<b>CWISH (Community Winter Inclement Shelter Help)</b>		X			McMinnville 2-1-1	Emergency shelter open at various churches during inclement weather
<b>Grand Ronde Tribal Housing Authority</b> www.grtha.org/				<b>20 vouchers through HAYC Home repair program DPA program</b>	28450 Tye Rd Grand Ronde, OR 97347 (503) 879-2401	For Grand Ronde Tribal Housing Members - Medical adaptation grant, home repair grant, down payment assistant Grant, Housing, Indian Health.
<b>Habitat for Humanity</b> https://machabitat.org				<b>Homeownership</b>	1024 SE First Street McMinnville, OR 97128 (503) 472-9637	<ul style="list-style-type: none"> <li>43 units in various areas of McMinnville</li> <li>Aspire Development – 34 units currently under construction; 2012 NE Tilbury</li> <li>Habitat homes are built utilizing volunteer labor and donated materials. Habitat families contribute a minimum of 500 hours of “Sweat Equity” and are able to purchase the home at cost with an interest free mortgage. Applicants must be below 80% of AMI.</li> </ul>
<b>HAYC (Housing Authority of Yamhill County)</b> www.hayc.org			<b>1 Transitional Housing unit with 5 beds for men and children</b>	<b>1343 Section 8 vouchers with Fast Track Program</b>  <b>15 properties - 583 Rental Units</b>  <b>Homeownership programs</b>	135 NE Dunn Place McMinnville, OR 97128 (503) 883-4300	<p>Longer term housing assistance. - Section 8, affordable rental housing, homeownership programs, homeowner rehab program</p> <p>Lease 1 Transitional Housing Unit to YCHHS for men in recovery with children.</p>

<b>HAYC and Yamhill County Behavioral Health</b>			<b>8 units</b>	<b>Members suffering from mental illness</b>		<ul style="list-style-type: none"> <li><b>New 8 unit facility at 433 NE 17<sup>th</sup> St</b></li> </ul>
<b>Helping Hands Reentry Outreach Center</b> www.helpinghandsreentry.org		<b>40 beds</b>			McMinnville, OR 97128 (503) 560-9368	<ul style="list-style-type: none"> <li>15 bed facility in McMinnville for Women and Children</li> <li><b>25 bed Men's facility in Newberg</b></li> <li>Emergency housing for women and children in crisis. Additional housing in Newberg for men.</li> </ul>
<b>Henderson House</b> www.hendersonhouse.org		<b>5 bedrooms with max of 15 adults and children</b>			610 SE First St McMinnville, OR 97128 (503) 472-1503	Temporary shelter for abused women and children.
<b>Hope on the Hill</b> http://www.hopeonthehill.org/		<b>Funding dependent</b>			700 NW Hill Road McMinnville, OR 97128 (503) 472-8476	Kathy's Hope is for women and families impacted by breast cancer and what can be paid for is fairly open ended including housing needs.
<b>McMinnville Cooperative Ministries</b> www.mac-coop.org	<b>Funding dependent</b>	<b>Funding dependent</b>			544 NE Second Street McMinnville, OR 97128 (503) 472-5622	Assistance with electric/water bills, rent assistance, deposits, and non-narcotic prescriptions. Must reside in Yamhill County. Does not serve Newberg residents.
<b>Mid-Valley Advancements</b> www.midvalleyrehab.com				<b>Various levels of supportive housing – 30+ residents</b>	319 NE 5 <sup>th</sup> St McMinnville, OR 97128 (503) 472-2248	Provides employment, community inclusion, residential support and transportation to adults with developmental disabilities and other disabilities.
<b>Oxford Houses</b> www.oxfordhouse.org/pdf/or			<b>Morgan Lane II - 9 beds for men</b>  <b>DeAngelo - 8 beds for men</b>  <b>Linfield - 9 beds for women/children</b>		Morgan Lane II (503)435-4944  DeAngelo (503) 883-9585  Linfield – (503) 883-9310	Transitional housing – concept in recovery from drug and alcohol addiction. Democratically run self-supporting and drug-free home.
<b>Salvation Army</b> salvationarmy.org		<b>Funding dependent</b>			1950 SW 2 <sup>nd</sup> St PO Box 765 McMinnville, OR 97128 (503) 472-1009	Limited funding for deposits and emergency rental assistance. Food pantry open Tuesday-Thursday, 1-4 p.m.

<b>St. Vincent de Paul Social Services</b> www.svdpmcminnville.org		Funding dependent			435 SE Baker St McMinnville, OR 97128 (503) 472-6216	Assistance with 72 hour eviction notices and limit on funding to \$250.00. SVDP pays the last \$250.00 as they have had landlords keep the money and evict the client because they could not come up with the balance. They also have the landlord sign that they will not evict the client for 30 days to help the client have some stability for at least another month. They require the client to bring in the receipt from the landlord with the balance up to SVDP's \$250.00 part. A client can only be helped once a year for two years then not again for two years.  Limited funds so cannot help more than 5 clients a month with rent as they also assist with electric medical water, and other needs for our clients.
<b>YCAP – Yamhill Community Action Partnership</b> www.yamhillcap.org	Funding dependent	3 homes (11 family units)	Short term rental assistance	ROLS program  Weatherization program	1317 NE Dustin Court McMinnville, OR 97128 (503) 472-0457	Small amount of funds available for security deposits and to prevent evictions. Operates 3 homes for homeless (11 family units). Small number of "Tenant-Based Assistance" vouchers. Stabilization housing programs for individuals and families including veterans and victims of domestic violence for up to 2 years. ROLS program is for mentally ill clients and provides long-term rental assistance. Weatherization program - provides free weatherization services to income eligible residents (homeowners and renters) of Yamhill County.
<b>YCAP Youth Outreach</b> www.yamhillcap.org/youth-outreach		Safe Shelter - 14 beds around county	TLP - 8 beds between McMinnville and Newberg		719 E First St Newberg, OR 97132 (503) 538-8023	Safe Shelter program - Provides emergency shelter for homeless and runaway youth, ages 11-17, for up to 21 days. Transitional Living Program (TLP) - Provides transitional housing opportunity in both McMinnville (males) and Newberg (females) for runaway and homeless youth ages 18-21, for up to 18 months.
<b>YCGRM (Yamhill Co. Gospel Rescue Mission)</b> www.ycgrm.org		17 beds, working on expansion			1340 NE Logan McMinnville, OR 97128 (503) 472-9766	<ul style="list-style-type: none"> <li>17 existing beds for men, women and children</li> <li>35 bed emergency shelter – construction expected in 2016</li> <li>13 bed Men's facility – Fundraising underway</li> <li>Year round shelter open 24/7. Must call for intake.</li> </ul>
<b>YCHHS (Yamhill County Health and Human Services)</b> http://hhs.co.yamhill.or.us/hhs-cd/transitional-treatment-recovery-services		1 family stabilization house – can house either 2 women, 2 men, or a family with children	2 homes – 10 beds for women and children in TTRS program		627 NE Evans Street McMinnville, OR 97128 (503) 434-7523	In concert with Oregon's Strengthening, Preserving and Reunifying Families (SPRF) Program, the goal of Yamhill County Health and Human Services (YCHHS) Transitional Treatment Recovery Services (TTRS) is to provide safe clean and sober housing, along with intensive A&D treatment and other supportive and family stabilization services in a structured, supervised environment for parents and their children. This program is designed to promote the return of children to their parent's care sooner, or eliminate the need to place the children in foster care, by providing support and guidance to participants and their families in transition to a self-sufficient lifestyle.



Longer Term:  
13 Bed Men's Shelter

Macy Street

Logan Street



\*1 inch = 20 Feet

Shrubs/Trees

Neighboring Residence

Near Term:

- Day shelter open until 9:00 PM
- Will act as inclement wx shelter with 35 beds

13th Street



## SDC Exemption for Affordable Housing Projects

### **Background:**

McMinnville has provided relief from system development charges and building permit fees in the past for affordable housing. The issue is whether the City should provide an exemption across the board and if so, at what levels.

### **Discussion of the Issue and Alternatives:**

System development charges (SDCs) are fees that are collected when new development occurs in the city and are used to fund a portion of new streets, sanitary sewers, parks and water. Currently, the City of McMinnville charges for a single family home are \$2,287 for Streets, \$2,870 for Sewer and \$2,118 for Water. As for multi-family residential, a representative 100 unit multifamily apartment would be assessed \$119,845.

Systems Development Charges may not be waived for projects. However, several cities in Oregon do allow for certain classes of housing to be exempted from having to pay Systems Development Charges. Affordable Housing is one such class.

While generally, smaller cities do routinely exempt SDC and permit fees, there are examples to look at in larger metropolitan areas.

**Portland:** For the City of Portland, the SDC relief is intended to reduce the development costs for residential units that are made affordable to homeowners and low-income renter households by exempting developers from paying SDC fees levied by the City of Portland. These requirements are:

- Rental: 60% or below MFI (Median Family Income).
- Homeownership: 100% or below MFI adjusted by family size.
- If the project has units that do not qualify for the exemption or a commercial component, the exemption will be based on a percentage of the total SDC fee.
- Water Bureau: Single family projects will only qualify for a 5/8ths-inch water meter exemption.

**Salem:** For the City of Salem the exemption applies to any public use or development which is or by agreement will be undertaken by the City of Salem, the Housing Authority of the City of Salem, or the Urban Renewal Agency of the City of Salem and any housing unit which is located in a housing project of one or more housing units, if the project receives federal housing funds administered by the city and is affordable to families at or below the city's 80% median income level as defined by the US Department of Housing and Urban Development.

**Eugene:** The City of Eugene exempts SDC's for housing for low-income persons, subject to the following limitations:

- Commencing with the 1998 fiscal year, and continuing each fiscal year thereafter, the city manager or designee may waive a base amount annually of system development charges for housing for low-income persons.
- Each fiscal year that there is a change in the rates for the system development charges for residential development, the base amount for that fiscal year shall be adjusted in an amount proportionate to that change.
- If any portion of the authorized base amount remains unallocated at the end of a fiscal year, that portion shall be added to the authorized base amount for the next fiscal year.
- In the event the property for which an exemption is granted ceases to be utilized for housing for low-income persons or is sold or transferred for use other than housing for low-income persons within five years from the date the certificate of exemption is recorded, the person to whom the exemption was granted shall be required to pay to the city the amount of the exempted systems development charges, plus interest at the statutory rate for interest on a judgment from the date the certificate was recorded.
- Upon issuance of the certificate of occupancy, the city shall record the certificate of exemption documenting the date and amount of the exemption with the Lane County Recorder's office.
- A transfer from an owner to whom an exemption was granted to the initial lessee under a lease to purchase agreement shall not be deemed a transfer of ownership for purposes of this subsection.
- The exemption authorized herein does not include an exemption from the regional wastewater systems development charge.
- "Low-income persons" means:
  - With regard to rental housing, persons with an income at or below 60 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development; and;
  - With regard to home ownership housing and lease to purchase home ownership housing, persons with an income at or below 80 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.

Eugene's amount that was exempted for this upcoming program year is \$1.4 million and will be done via an RFP process.

## Affordable housing fee waiver information

- Phone surveys by Community Development Dept staff (Oct 2015)

CITY	POPULATION	OFFER SDC / PERMIT DISCOUNTS OR WAIVERS FOR AFFORDABLE HOUSING?	IF YES, WHAT?	OFFER ANY OTHER AFFORDABLE HOUSING INCENTIVES OR PROGRAMS?
Portland	605,510	SDC: Yes Permits: Yes	Permit: Average waiver is 50%; can waive up to 100%. SDC: 100%	No
Eugene	160,766	SDC: Yes Permits: No	Local SDC waivers (not wastewater) for approved low income projects. Large residential developers and habitat use the program. Fee waivers are covered by \$150,000 annual transfer from General Fund.	No
Salem	159,267	SDC: Yes Permits: No	SDC waivers to non-profits approved to receive HUD funding through the City. Waiver is approved each year.	No
Gresham	106,455	No	N/A	No
Hillsboro	95,318	No	N/A	No
Beaverton	93,399	No formal program for waivers / discounts.	The City will sometimes provide assistance, but in those cases the General Fund would pay the discounted / waived fees.	No
Bend	79,985	SDC: Yes Permits: No	There is a SDC exemption program (all SDC's except parks). Developers put together a RFP and take to the Council for approval. The Council determines what the waiver/discount will be. The City covers the waiver / discount amount (\$1.1-M available this year).	Density bonus; cottage code; Local affordable housing fund (Bend only)
Medford	76,650	No	N/A	No
Springfield	60,071	No	N/A	No
Corvallis	56,535	No	N/A	No
Albany	51,270	SDC: No Permits: Yes	For permits, the school district construction excise fee is waived.	HUD block grants
Tigard	49,140	No	N/A	No
Lake Oswego	37,105	No	N/A	No
Keizer	36,985	No	N/A	No
Grants Pass	36,398	No	N/A	No
Oregon City	33,760	No	N/A	No

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McMinnville	32,705	SDC: Yes Permits: Yes	60% discount of SDC's and building permit fees	
Tualatin	26,925	No	N/A	No
Redmond	26,770	SDC: Yes Permits: No	The SDC credit is City acquired residential properties that have been demolished. There were nine credits to start the program. Waive 50% of SDC's for non-profit. Deed restriction placed on property.	No
West Linn	25,546	No	N/A	No
Woodburn	24,455	No	N/A	No
Newberg	22,765	SDC: Yes Permits: No	One (1) complete SDC waiver per year to non-profit	Offer discount of SDC fees if residential construction is classified as efficiency dwelling (studio / 1 bedroom <600 sf)
Forest Grove	22,715	No	N/A	For Habitat, payment of some fees can be postponed until Certificate of Occupancy
Roseburg	22,510	No	N/A	No
Wilsonville	21,980	No	N/A	No
Klamath Falls	21,500	No	N/A	No
Milwaukie	20,491	SDC: No Permits: Yes	30% structural permit fee reduction	
Ashland	20,340	SDC: Yes Permits: No	SDC deferrals or waivers on new construction that provides affordable housing.	Mixed use parking credits; CDBG funds; density bonuses; Affordable housing trust fund.
Sherwood	18,955	No	N/A	No
Happy Valley	16,484	No	N/A	Provide a density bonus for affordable housing developments.
Canby	16,010	No	N/A	No