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MINUTES

August 26, 2020
McMinnville Affordable Housing Task Force
Regular Meeting

10:00 am
ZOOM Online Meeting
McMinnville, Oregon

Members Present: Chairs Remy Drabkin and Kellie Menke, Howard Aster, Jon Johnson, Lindsey Manfrin, and Mark Davis

Members Absent: Ethan MacKay, Alan Ruden, Mary Stern, Marcus Straw, and Alexandra Hendgen

Staff Present: Tom Schauer – Senior Planner, Claudia Martinez – Code Compliance, and Nic Miles – Code Compliance

Others Present Andria Shinn, Lori Bergen, Yuya Matsuda, Vickie Ybarguen, and Joyce Morrow

1. Call to Order

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

2. Minutes

None

3. Action / Discussion Items:

- Update: Parking

Senior Planner Schauer said the Task Force wanted to evaluate parking associated with affordable housing, whether current parking requirements were creating barriers and how they related to equity issues in housing. DLCD was working on rulemaking to implement HB 2001 and one of the things coming out of that was a potential provision for a maximum parking standard that would preempt local governments from adopting standards that exceeded those requirements. For any middle housing types, only one parking space per unit would be required. There was a lot of concern about the implications and staff would like feedback from the Task Force on this requirement as Planning Director Richards would be giving testimony on the topic to DLCD in September. While there was an intention to have a maximum parking standard from the state to address affordability, that kind of cap could also lead to inequities in households that might have greater needs for parking than the maximum standard especially in smaller and midsize cities where alternate transportation modes were not available.

Task Force Member Aster thought the parking standard should be 1.5 parking spaces per unit.

Vickie Ybarguen, Housing Authority, was concerned about how close these units would be to public transit because if there was no public transit nearby, lack of parking would be a disadvantage.

Task Force Member Davis wanted to make sure developers had the flexibility to decide how much parking they thought they would need. He was comfortable with one parking space per unit as long as developers could provide more than that if they wanted.

Task Force Member Menke thought they needed more parking in McMinnville.

There was consensus to have staff testify that it should be a local decision and the standard should allow more than one parking space per unit.

- Update: Equity & Inclusion Discussion
 - Upcoming Work

Senior Planner Schauer said staff was looking to hire an intern to research what other communities discovered regarding barriers to their affordable housing programs and policies and evaluation of best practices to help remove those barriers.

- Presentation: Rental Inspection Program

Code Compliance Officer Martinez presented. She discussed the purpose of the program which was to address the issue of substandard rental properties, promote greater compliance with health and safety standards, and preserve the quality of McMinnville neighborhoods and available housing. City Council directed staff to bring back a code that would adopt the IPMC as minimum standard of maintenance for residential structures. This would allow for a complaint based rental maintenance program. There was some discussion about a proactive rental inspection program with a database and registration structure and Council asked staff to bring back some more information about the proactive rental inspection programs. McMinnville had about 5,000 rental housing units. The rental inspection program would include standards that covered ten areas: heating, plumbing, security, electrical, appliances, smoke detection, structural integrity, weatherproofing, carbon monoxide alarms, and rats. The program would establish a minimum standard of habitability for residential units in McMinnville. If a tenant had a problem, they needed to work with the landlord to resolve it and must have proof that this effort occurred. If the tenant could not resolve the issue, they would call code compliance who would conduct an inspection and enforce compliance with the landlord to the minimum standards. Since this would be a complaint basis only, current code compliance staffing had capacity with new efficiency systems to absorb the anticipated workload.

Code Compliance Officer Martinez discussed the structure of the program and proactive versus reactive. The advantages of a proactive program were preserving safe and healthy rental housing, taking the burden off of tenants, protecting the most vulnerable tenants as language barriers or disabilities might be barriers to complaints, and preserving neighborhood property values. A proactive program required property owners to register their rental properties or to obtain a certificate or license, required period inspections of all rental properties, usually every few years, and if a property failed inspection, enforcement measures would be initiated. She explained the scope of the inspections and strategies for success. The challenges to implementation were: discovery of uninhabitable and illegal housing units, tenant side code violations, rent increases, and displacement of marginalized households. Other cities that had this program operated it as a full cost recovery program with low fee structures. She then gave the example of Gresham's proactive rental housing inspection program which had become a model for other communities. It focused on health hazards, fire and life safety, and protection from the elements. It used the IPMC as a basis minimum standard and was a hybrid of complaint and proactive. They had a rental licensing program, used tax assessor's records to identify any non-owner-occupied residences

where the owner's address differed from the property address, inspected random statistical sampling every year, and responded to complaints. They also had an inspection process and documentation. She discussed the top ten violations for 2018 for complaint and mandatory inspections which included unmaintained surfaces, improper number of smoke detectors, exposed electrical wiring, hot water heater discharge pipe, egress door inoperable/disrepair, handrail inoperable/disrepair, electrical outlets inoperable, mold, electrical cover plate broken or missing, and inoperable smoke detectors.

Code Compliance Officer Martinez reviewed the questions she asked Gresham's program staff. This program helped many property owners learn the requirements and ensure compliance with applicable laws. Tenants were assisted because they were able to contact the City if a landlord was unresponsive to their maintenance requests. The program worked to ensure safe, habitable housing in Gresham. Suggestions to cities looking to adopt this program were: focusing on fire, life, and safety issues when conducting inspections and not cosmetic issues. It would help ensure safe, habitable rentals and create more buy-in from property owners/managers because they knew inspectors weren't going to cite/fine them for scuffed paint or something like that. The registration was managed by Gresham's business licensing staff. A lot of work was done at the beginning of the program to get rentals registered with the City. Staff periodically ran reports that showed if a residential owner had a different address from the property. In that case, a letter was generated that asked if the property was a rental and if so, they were instructed to register the rental. The reason Gresham had success with their program was that they strove to remain neutral between tenants and property owners/landlords. They found neutrality to be important in gaining trust and program buy-in. Staff recommended to work towards developing a program similar to Gresham's. The program would be a hybrid of proactive and complaint based, but with random sampling that was not administratively labor intensive. Staff would work with rental property owners over the next year on the development of a program and implementation of a registration/licensing program would be in 2022.

Task Force Member Aster was concerned about the unintended consequences of this program, such as higher rents to cover the fees to the property owners as well as cost of repairs. There might be fewer apartments built because of the fee and current rental properties might be sold and no longer be affordable housing.

Task Force Member Manfrin agreed they needed to look deeper at the unintended consequences. Those who lived in sub-par housing conditions were individuals who felt like they had no other option and were scared to do anything because they were worried about getting kicked out. They needed to find some way to shore that up and determine if the unintended consequences were worth it.

Task Force Member Aster said something should be done for the substandard housing, however he was concerned about a program this large that would inspect all rentals and charge a fee. A lot of the financing companies were already doing inspections. It would raise rents and decrease affordable housing.

Code Compliance Officer Martinez said they would not be looking at cosmetic issues, but would be looking at health and safety items. They would be working with property owners to form the program. They would want to make the fee minimal. The purpose was to protect renters who were too afraid to submit a complaint. They would not inspect all units, but it would be a random inspection every couple of years or they could focus on problem properties and inspect them every couple of years.

Chair Drabkin said the City Council gave staff direction to move forward with this program. One of the questions asked by Council was how necessary the program was for McMinnville and the necessity of moving it from a complaint based to proactive program. What they heard was that it was necessary as there was a greater level of substandard housing in McMinnville right now than was generally known. It was not a question to the Task Force whether or not the program moved forward but to have a member of the Task Force be a part of the development of the program.

Ms. Ybarguen agreed they needed to do something about the substandard housing. She was also concerned about the unintended consequences, especially for people who only owned one rental unit and possibly could not afford to do the repairs and renters being displaced. For the Section 8 program, they did inspections of properties to make sure they were not substandard, but in those inspections they did have struggles getting into the units for the inspections. They would not allow the subsidy if they could not inspect the units.

Chair Drabkin thought someone from the Housing Authority should be on the committee working on this program.

There was discussion regarding the other members of the committee. It was suggested that Task Force Member Ruden join the committee as well.

- Update: Praise Project

Andria Shinn, Executive Director of Operation Generation, gave an update on the Praise Project. They saw that affordable housing was a need and wanted to dedicate half of McMinnville Praise Church's city block to subsidized housing. They were looking into state grants and had talked with a lot of organizations that had done similar projects. They were currently developing the plan and how to make it beneficial to the people who would use it. They were looking at putting a couple buildings on the property, one on each end of the half block with a recreational space in between. Each building would have 14 apartment units and senior access on the bottom floor. There would also be a resource office, community center, and community kitchen.

There was discussion regarding the location of the project and how a new 501(c)(3) would be formed to own the building and be the landlord and there would be a long-term lease with the church for the property. There was further discussion regarding bringing the project back for more feedback and also getting feedback from the Housing Authority and Mr. Aster.

- Update: Housing Authority Project

Ms. Ybarguen said they had received approval from the Council to allow multi-family residential on the property they were looking at for their project on Norton Lane. They were looking at partnerships with other agencies to provide services to the clients who would live in this facility. There was a need for one bedroom units and setting aside some units for transitional housing.

- CDBG Housing Rehabilitation Grant (Darcy Reynolds, HAYC)

This item was postponed.

- Update: Homelessness Programs (YCAP, Howie Harkema)

This item was postponed.

4. Citizens Comments

None

5. Task Force Member Comments/Updates

None

6. Staff Comments/Updates

None

7. Adjournment

Chair Drabkin adjourned the meeting at 11:18 a.m.