



City of McMinnville
Planning Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311

www.mcminnvilleoregon.gov

MINUTES

October 27, 2021
McMinnville Affordable Housing Committee
Regular Meeting

10:00 am
ZOOM Online Meeting
McMinnville, Oregon

Members Present: Chairs Remy Drabkin and Kellie Menke, Vickie Ybarguen, Mark Davis, Howie Harkema, Alexandra Hendgen, Steven Iversen, Lori Bergen, and Yuya Matsuda

Members Absent: Lindsey Manfrin, Marcus Straw, and Katie Curry

Staff Present: Heather Richards – Planning Director, Tom Schauer – Senior Planner, and Adam Tate – Associate Planner

1. Call to Order

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

Planning Director Heather Richards introduced new Associate Planner Adam Tate who shared some of his background with the Committee.

Chair Drabkin noted a quorum was now established.

2. Minutes

None

3. Agency Reports

A. Yamhill Community Action Partnership (YCAP)

Committee Member Hendgen provided updates on winter shelter planning, delivering rental assistance with \$2.8 million left for households in Yamhill County, the second round of rental assistance of about \$156 million, that the state is considering a third-party administrator based out of Seattle to deliver those dollars, working with the City in talking about a navigation center, and YCAP's Project Turnkey is working in partnership with Providence to transition from Covid-safe sheltering into a stable resource for the next three years.

Committee Member Ybarguen added Project Turnkey is a good extension from the hotel program and spoke of working on the details of how to transition from a hotel to a shelter, noting the program changes involved. Remodeling of the property with needed improvements and added safety features just started which she described and the majority of which should be complete by the end of the year.

They have also been working with their architects on Stratus Village to do some redesign to try to decrease costs and to try to create a neighborhood, not a complex, noting the unit mix will be changed from studios to one to three bedrooms.

People receiving vouchers are still having problems finding housing to rent which increases the intake staff's workload. They get admin fees from HUD based on how many vouchers are leased. All vouchers have been extended to the end of the year.

The Community Development Block Grant (CDBG) grant for mobile home health and safety repairs is closing out for McMinnville and starting in Newberg.

Questions and feedback were addressed from the Committee as follows:

- First Baptist Church is the McMinnville-specific agency partner in contract with YCAP to deliver nightly winter shelter.
- Oregon Housing and Community Services, a frequent partner of YCAP, is making the decision of the third party to distribute rental assistance funds. They are considering PVL and have already been utilizing them to backfill the large number of applications that rolled into the metro areas.
- The approximate percentage of vouchers unable to be used in the community, whether McMinnville or the County, is around 53 percent right now. Typically, about 78 percent lease-up rate.
- YCAP is also supporting the Housing Authority in their work for the emergency housing vouchers which presents the same challenge.
- With the emergency vouchers YCAP also has funding for a landlord liaison which YCAP will be doing the work on.
- A landlord cannot discriminate based on income which means they cannot discriminate if somebody has a voucher. The difficulty is that there are so few available units for anyone to rent; there are waitlists everywhere.
- They have recently adjusted their payment standards regarding finding a place that would meet a prospective tenant's income requirements where they would not be cost-burdened. If someone finds a unit above the payment standard, they could ask for reasonable accommodation.
- The rehab program still has the revolving loan fund, and people in McMinnville who have older homes that need repairs can apply for a loan through the Housing Authority. The program costs way less than building a new unit, and everyone should promote the program. The wait list on that is not very long, and they prioritize by severity.

B. HAYC

Item was not discussed.

C. Encompass Yamhill County

Committee Harkema reported that Encompass is still working on Sunday Sandwiches at the library from 1:00 p.m. to 3:00 p.m. every Sunday. Beginning next week, they will serve hot meals as well as sandwiches and fruit and vegetables due to a grant from National Alliance on Mental Illness (NAMI). The safe overnight car camping program is still working well. Encompass has given out gas vouchers quite often at Sunday Sandwiches and has been bringing mail for the people who were receiving it at Champion Team for them to pick up on a weekly basis. They are working on

coordinating the daytime-only warming centers throughout Yamhill County, working with Brian Young from Emergency Management.

D. Habitat for Humanity

Committee Member Curry was not present to give an update, but Chair Drabkin said Habitat's 26th annual fundraiser with Nick's Italian Cafe is coming up in early November which alone has raised enough funds to build a couple of Habitat houses.

4. Action / Discussion Items:

- A. Letter of Support for OHCS creation of a "Mid Urban" or "Big Rural" designation for Local Innovation and Fast Track Rental (LIFT) funds, and to include funding for the new category, with per-unit funding amounts to be based on the current Rural, not Urban amounts.

Chair Drabkin stated original Agenda Item C would be moved to the A position.

Committee Member Ybarguen explained that in the last funding cycle, they did not receive the requested Low Income Housing Tax Credits (LIHTC) funding for Stratus. The state is putting more funding into LIFT which is a better opportunity for them, designated into Urban and Rural categories. McMinnville qualifies in the Urban category due to population size, but that category is more designed for cities that get other subsidies from the city. They have made some headway in their advocacy for consideration under a new category. The state has talked about possibly Mid-Urban where McMinnville would compete more with cities of similar size. They also advocate the state use the funding levels for the Rural category because the Rural category has more funding than the Urban category. She discussed an example of how the scoring for the funding is done and how asking for more of the subsidy results in fewer points which makes it harder to get the funding.

She did not have the information at this time on how relative to the unit cost that LIFT will fund up to how it compares to the unit cost of Stratus thus far, but it was before the cost of building materials went up, noting LIFT funds are not designed to cover 100 percent of the cost. They still will be getting a loan on the property in addition to looking for other funding sources. Doing it this way, they are able to do it as one project instead of two, to build it out all at once which is less expensive overall.

She reported they met with Representative Noble, but he was unable to attend the meeting with the mayor and city manager, Tom Schauer, herself, and Chair Menke. Representative Nobel is very supportive of leveraging his role to advocate for McMinnville for this Big Rural classification and will submit letters and make phone calls.

It was suggested the Committee submit a letter to Margaret Salazar and whoever else they have identified at OHCS, to show significant local support in addition to Representative Noble's efforts. The state is very much considering making changes, which is progress from the past.

Committee Member moved that the Committee ask Committee Member Ybarguen to draft a letter to be signed by Chairs Drabkin and Menke to advocate for what the Committee has just discussed here. The motion was seconded by Committee Member and passed unanimously.

- B. City Council Work Session re: CET

Senior Planner Schauer reviewed the Committee's recommendations for the proposed Construction Excise Tax (CET) from their workgroups at the May and June meetings in preparation for the presentation for the November 17th City Council meeting in addition to some history and outreach Staff had done on the subject and updated information on what costs and revenues would be associated with a CET.

The Committee discussed what to include in their presentation to Council and especially what the call to action should be:

- State law says 50 percent of non-residential CET funds need to go to "fund programs related to housing," and the other 50 percent is not prescribed by the statute. Chair Menke confirmed she suggests 100 percent of the non-residential CET go to fund affordable housing.
- Should AHC have a proposed plan for years one through five of how they would request the funds be utilized? Other communities do not pigeon-hole the funds in advance of understanding what the need is year after year. Projects apply for the funds. AHC could state the type of projects they would like to see funded and add they would like flexibility in terms of how the funding is used year over year.
- The information from other communities should include what they are doing, what worked, and what did not. Their presentations should inform on how much money they received, what they spent it on, and what seemed to be effective uses of the money.
- Because the timeframe is so tight, AHC should introduce the program and the reason the three communities were invited. Each community will have 10 minutes to speak. Then there will be a discussion about what the Committee has been discussing as an overall program. Council would discuss and provide feedback. Based on the feedback/direction, AHC would come back with a program for adoption.
- Provide some detail to head off questions. There is some wiggle room as to the percentage of the tax on residential and non-residential building permits.
- Some affordable housing projects are exempt from the CET under state law. Some communities have adopted thresholds that exempt small improvements to homes.
- The goal is for Council to say they would like to put a consideration of an ordinance adopting a CET on the future agenda and here are the general parameters of what the ordinance should look like. They can review what the Committee recommended and possibly say it is the right rate to put out in a draft ordinance. Then the ordinance is drafted for their consideration.
- McMinnville could approach as a sliding scale the CET tax up to the maximum allowed down to zero based on the value of the home that it is being applied to.
- Staff confirmed they have reached out to the communities. Based on today's conversation, AHC should give them some directed questions.
- Staff did not know how long the timeline would be after the work session for Council to vote on the item. They could potentially place the consideration of the CET on the agenda at any time available.
- Committee Member Davis thought the systems development charge (SDC) is likely to be increased also, which will get a lot of pushback from developers who often show up at Council which has had an impact in the past. It was noted changing SDC methodology is a big task and would not likely happen for two or three years.
- AHC needs to show CET is not an attack on the local builders but will spur some development and could help the local builders and to stress that since McMinnville will be requiring affordable housing for annexations, these CET funds will help those developers build the affordable housing. It is important to illustrate how the CET collection can help builders.

- The written Staff report that will go to Council in advance will look at the three cities invited and then others and provide examples of how other cities are using the funds and the type of projects they are building. It will highlight examples/opportunities.
- It was suggested when Staff writes its report to send it around to the Committee members for feedback.
- Planning Director Richards should do the presentation and acknowledge members of AHC that are on the Zoom call. She will give introductory comments, introduce the cities, summarize the Staff report, and open the discussion. She thought the Staff report should use less bureaucratic type of language and more illustrative language.

Committee Member moved that the Committee support a construction excise tax for the City of McMinnville and urge the City Council to adopt it. The motion was seconded by Committee Member Bergen.

Staff confirmed Council would not be asked to adopt anything at the work session. They are going to ask Council for direction, how to move forward with the proposal, if at all. Based on their direction, Staff will put together a more detailed package which will go through the Affordable Housing Committee (AHC) and then to Council. If the motion passes, at the work session Staff will say this is a recommendation of the AHC.

The motion passed unanimously. It was noted there was a quorum.

C. Work Update

Senior Planner Schauer provided an update on three items on the Council agenda last night: two ordinances and a resolution on the American Rescue Plan Act (ARPA) funds. They continued the decision on ARPA funds and did not discuss any specific provisions.

The two items recommended by AHC, Stratus Village and the navigation center, both continue to be identified as high priority with a range of funding that is consistent with what the Committee recommended.

In July Staff came to AHC with a proposal for a bundle of amendments to the provisions regarding housing in the zoning ordinance which would expand where housing can be built and support temporary RV use during construction. The bundle went to Planning Commission for a work session and their recommendation to Council, and Council adopted it. They will go into effect in 30 days.

Council also adopted the annexation provisions Staff took them through. As properties inside the Urban Growth Boundary annex into the city, they need to go through a planning process and show how they will meet the needs and area plans for the area including how they will address housing needs.

5. Citizens Comments

None

6. Task Force Member Comments/Updates

None

7. Staff Comments/Updates

A. Upcoming tem expirations/re-application

Staff reminded the Committee that a few members' terms end December 31st. He emailed those members information about reapplying.

8. Adjournment

Senior Planner Schauer adjourned the meeting at 11:16 a.m.