

Work Session



Milwaukie City Council



City Hall Conference Room 10722 SE Main Street www.milwaukieoregon.gov

AGENDA

AUGUST 1, 2017

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1. 4:00 p.m. Vietnam Veterans Memorial at Scott Park

Staff: Mitch Nieman, Assistant to the City Manager, and

Scott Stauffer, City Recorder

2. 4:15 p.m. Council Goal: Housing Affordability – Update #1

Staff: Alma Flores, Community Development Director

3. 5:30 p.m. Adjourn

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Executive Sessions

The City Council may meet in Executive Session pursuant to ORS 192.660(2); all discussions are confidential and may not be disclosed; news media representatives may attend but may not disclose any information discussed. Executive Sessions may not be held for the purpose of taking final actions or making final decisions and are closed to the public.

Meeting Information

Times listed for each Agenda Item are approximate; actual times for each item may vary. Council may not take formal action in Study or Work Sessions. Please silence mobile devices during the meeting.



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MINUTES AUGUST 1, 2017

Mayor Mark Gamba called the Council meeting to order at 4:02 p.m.

Present: Council President Lisa Batey; Councilors Angel Falconer, Wilda Parks, Shane Abma

Community Development Director Alma Flores Planning Director Denny Egner Assistant to the City Manager Mitch Nieman

Senior Planner David Levitan

City Recorder Scott Stauffer

Vietnam Veterans Memorial at Scott Park

Mr. Nieman and Mr. Stauffer provided an update on the installation of a monument commemorating the 50th anniversary of the Vietnam War. They noted the project partners, the review process, and the installation and dedication timeline.

The group discussed possible impacts of the Ledding Library construction project on Scott Park and the Vietnam monument. It was noted that staff would contact the construction company to confirm the impact on the monument.

Council Goal: Housing Affordability Update #1

Ms. Flores introduced Ann Gray, Director of Lending at the Network for Oregon Affordable Housing (NOAH).

It was noted that Councilor Abma arrived at 4:15 p.m.

Ms. Gray provided an overview of NOAH including their Strategic Plan, programs, and financing options. Mayor Gamba and Ms. Gray discussed market rate lending and the conversion process into affordable housing.

It was noted that Council President Batey left the meeting at 4:28 p.m.

Ms. Gray continued to describe NOAH financing options.

It was noted that Council President Batey returned to the meeting at 4:37 p.m.

Councilor Abma and Ms. Gray discussed loan repayment affordability and financing, and how NOAH finances loans for accessory dwelling units (ADUs). The group discussed how ADUs could be financed and distributed to several sites by an organization or agency.

It was noted that Council President Batey left the meeting at 4:42 p.m. and returned to the meeting at 4:43 p.m.

The group continued to discuss NOAH's general funding model.

Ms. Flores explained how the City had partnered with Neighborhood Economic Development Corporation (NEDCO) on an equitable housing grant for the development of a cottage cluster project. She reviewed the membership of City's Housing Affordability Work Group (HAWG) and asked for Council recommendations for housing organizations to reach out to. Mayor Gamba suggested staff contact Northwest Housing Alternatives (NHA) and the group discussed other possible organizations.

Ms. Flores noted her involvement on the Clackamas County Housing Advisory Board and her other relevant partnerships with housing and social need groups. She discussed steps taken by staff to pursue Council's Housing Affordability Goal.

It was noted that Councilor Falconer left the meeting at 4:59 p.m. and returned to the meeting at 5:01 p.m.

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Ms. Flores continued to review steps staff had taken towards Council's Housing Affordability Goal. She discussed the City's opportunity sites, working groups, Metro's upcoming housing summit, and the feasibility of pursuing different types of housing.

It was noted that Councilor Falconer left the meeting at 5:06 p.m. and returned to the meeting at 5:07 p.m.

Ms. Flores reported on the City's work related to a Metro Equitable Housing Planning and Development Grant for a Cottage Cluster Feasibility Analysis. She noted the City's work with Clackamas County on the Hillside Manor site on 32nd Avenue. She explained the progress of the development team, Guardian Real Estate, involved with the redevelopment of the Bernard's Garage site.

Ms. Flores announced that Layla Aman had joined the City staff this week and discussed Ms. Aman's role in Community Development projects.

Councilor Abma asked how opportunity sites are promoted. **Ms. Flores** explained the City assists in the promotional process and to encourage interested parties in developing publicly and privately owned sites.

Mayor Gamba adjourned the Work Session at 5:14 p.m.

Respectfully submitted,

Amy Aschenbrenner, Administrative Specialist II



Memorandum

To: City Council

From: Alma Flores, Community Development Director

CC: Ann Ober, City Manager

Date: July 27, 2017

Re: Community Development Department Projects - City Council Update for

August 1, 2017

Community Development/Economic Development

- North Milwaukie Industrial Area Plan
- Milwaukie Station Food Cart Pod
- Coho Point at Kellogg Creek RFQ Process
- Vertical Housing Development Zone
- Development Project Manager
- Parking and Construction Projects--Community Outreach
- Downtown Wayfinding Implementation
- Construction Excise Tax discussions

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- Private Development
- Permitting and Inspections
- Traffic Control Requests
- 42nd Avenue SSMP and ADA Ramps
- Washington Street Storm and Main Street Water Quality
- 2016 Sidewalk and ADA Ramp Enhancement
- 99E Hwy / McLoughlin Blvd Utility Relocation
- Kellogg Creek Bridge Replacement
- Kronberg Park Multi-Use Trail

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- Visioning
- Comprehensive Plan Update: Advisory Committee
- Land Use and Development Review
- Design and Landmarks Committee

Building

July review to come.

Community Development/Economic Development

North Milwaukie Industrial Area (NMIA) Plan

 A <u>draft Framework Plan and Implementation Strategy</u> is available on the website. On July 18, 2017, City Council adopted a resolution directing preparation of plan and code amendments to implement the NMIA Plan. Please visit <u>www.northmilwaukie.com</u> for project documents.

Milwaukie Station Food Cart Pod

- Construction is now complete at the Milwaukie Station Food Cart Pod at 11301 SE 21st Ave! Carts have begun moving on to the site for a soft opening and are open for business Monday through Sunday from 11 a.m. to 8 p.m.
- The Grand Opening is Friday, August 4th from 11 a.m. to 8 p.m. with a ribbon cutting with Mayor Gamba at 5:30 p.m. The Grand Opening will include music and food specials.
- The city is working on a covered area for protection from the elements to be put in place sometime in the fall.
- Additional information about Milwaukie Station and remaining available spaces can be found at www.milwaukieoregon.gov/foodcarts.

Coho Point at Kellogg Creek RFQ

 The Request for Qualifications for the Coho Point at Kellogg Creek opportunity site was released and closed on May 25, 2017. The City received 9 proposals for consideration. A resolution to approve the next phase of the proposals will be before council on August 15, 2017.

Vertical Housing Development Zone (VHDZ)

 The City is pursuing designation of its downtown, central Milwaukie, and Tacoma Station area for a VHDZ which would provide a tax incentive for vertical development in zones that allow for mixed use development near transit.

Development Project Manager Hired

• A new staff member will join the Community Development team on July 31. Leila Aman will assist the community development director with development opportunity sites downtown, private development projects, main street revitalization, urban renewal programming, and other projects in the city.

Parking and Construction Projects Outreach

 Staff is working on a policy memo that would outline the city's community outreach and engagement process for city and private construction projects in the downtown. The outreach approach could be tailored to address outreach in the neighborhoods outside of downtown, but given the pipeline of construction projects coming online in downtown, a proactive approach is being developed for the downtown.

Downtown Wayfinding – Implementation

• The RFQ seeking a firm to fabricate the Phase 1 signage has been posted on the City's bid page. Proposals are due on August 4th. The City Manager signed the contract agreement with Metro for use of grant funds for the implementation of Phase 1 of the Downtown Wayfinding Plan.

Construction Excise Tax

Senate Bill 1533 was passed in 2016 that allows city's and county's to charge an
additional tax on residential and commercial/industrial development in order to
fund affordable housing development initiatives. City council will be reviewing
how this tax could be implemented in the city and determine the program

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Private Development

Public Improvement Projects

- Mission Park Subdivision 14 lot subdivision near 52nd on the South side of King Rd. Construction plans are currently being reviewed.
- Eagle & 21st development Eagle street is being extended east to provide access to 3 new houses fronting Eagle Street and 21st Avenue.
 Construction plans are currently being reviewed.
- Front Street development Front street is being extended east from Stanley avenue to provide access to 2 new houses fronting Front Street.
 Construction plans are currently being reviewed.
- 21st & Washington Development Traffic impact analysis phase.
 Application will be submitted soon.
- o Improvements have begun for 5445 SE King Road partition.

Permitting and Inspections – July 2017

- Right-of-Way Inspections Completed: 14
- Right-of-Way Permits
 - o Issued: 1
 - o In Review: 3
- Franchise Permits
 - o Issued: 0
 - o In Review: 10

Traffic Control Requests

Received: 30 Completed: 11 Under Review: 19

Project Updates

42nd Avenue SSMP and ADA ramps.

• The project is now out to bid with a closing date of July 27, 2017. Construction scheduled to commence during the early fall of 2017.

Washington Street Storm and Main Street Water Quality

• Waiting for signed Personal Services Agreement from consultant.

Kellogg Creek Bridge Replacement

- The City is proceeding with the proposed new alignment of the bridge which is to the west of the existing bridge.
- Contractor is now finalizing the 60% design.
- Construction is expected to commence on October 2017.

Kronbera Multi-Use Trail

• Kick off meeting with OTAK is scheduled for Wednesday, August 2.

<u>Plannina</u>

Visioning

 The City Council will review the final draft of the Vision Statement and Action Plan at their August 1st meeting. Adoption is scheduled for the September 5th

Comprehensive Plan Update

 On July 11th, the Council discussed the makeup of a plan advisory committee for the Comprehensive Plan update. A worksession on the plan update process is scheduled for the August 1st meeting.

Land Use and Development Review¹

• City Council Review

 S-2017-002 (master file) – On July 18th, the City Council approved a zone change from Residential R-7 to R-5 and removal of the property from the Historic Resources inventory list for an approved a 19-lot subdivision at 4217-4219 SE Railroad Ave (sub-files CPA-2017-001 and ZA-2017-002).

<u>Planning Commission Review</u>

- S-2016-002 (master file) The application for a 4-lot subdivision at 4543 SE Logus Rd had a public hearing with the Planning Commission on July 25th. The hearing was continued to August 22nd to allow more discussion about pedestrian access in the proposed new public right-of-way connecting Melody Lane and Logus Road.
- DR-2017-001; VR-2017-007 The application for a 5-story mixed-use development on the former Bernard's Garage site at 2036 SE Washington St has been deemed complete and is in the referral period. The Design and Landmarks Committee will review the application on August 7th. The public hearing with the Planning Commission has been tentatively scheduled for August 22nd.
- PD-2017-001 (master file) On July 25th, the Planning Commission recommend approval of the proposed 92-unit Planned Development subdivision on the Turning Point Church site at 13333 SE Rusk Rd. A public hearing with City Council as the final decision-maker is scheduled for September 5th.
- CSU-2017-004 The application is for a new Community Service Use (school) to be located in the existing Church of God facility located at 10670 SE 52nd Ave. This is a Type III application and has been deemed complete. Referrals were sent out on July 14th. The application is tentatively scheduled for public hearing by the Planning Commission on August 22nd.
- WG-2017-003; NR-2017-002 The application is for the Kellogg Bridge Replacement project and associated bank improvements and repair in Riverfront Park. The application requires a Type III Willamette Greenway review and a Type III Natural Resources review. The applications have been deemed complete; referrals were sent out on July 14th. The applications are tentatively scheduled for public hearing by the Planning Commission on August 22nd.
- CU-2017-001 The application is to bring an existing vacation rental into compliance. Vacation rentals are a conditional use in the R-10 zone.
 Referrals were sent on June 20th.

¹ Only those land use applications requiring public notice are listed here.

• <u>Planning Director Review</u>:

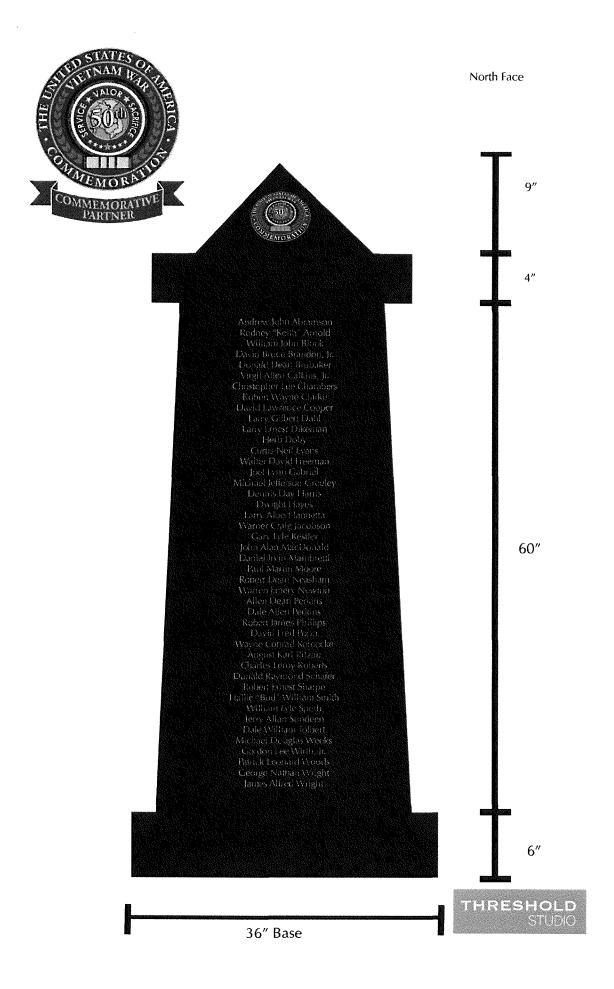
- ADU-2017-003 This is a Type II ADU application for 4327 SE Mason Ln. Referrals and public notice were sent on July 12th.
- VR-2017-008 The application is for a variance to the rear yard setback for an addition to the existing house. The application is Type II and asking for a 15-ft rear yard setback versus a 20-ft setback. Referrals and public notice were sent on June 23rd.
- VR-2017-009 The application is for a Type II variance to allow a fence in the front yard that varies between 66" – 72" in height, which exceeds the allowed 42". The application is in completeness review.
- DEV-2017-013, NR-2017-004 The application is for an industrial tools warehouse, sales, repair and management offices in a single 12,300-sq-ft building. The application is currently under completeness review.

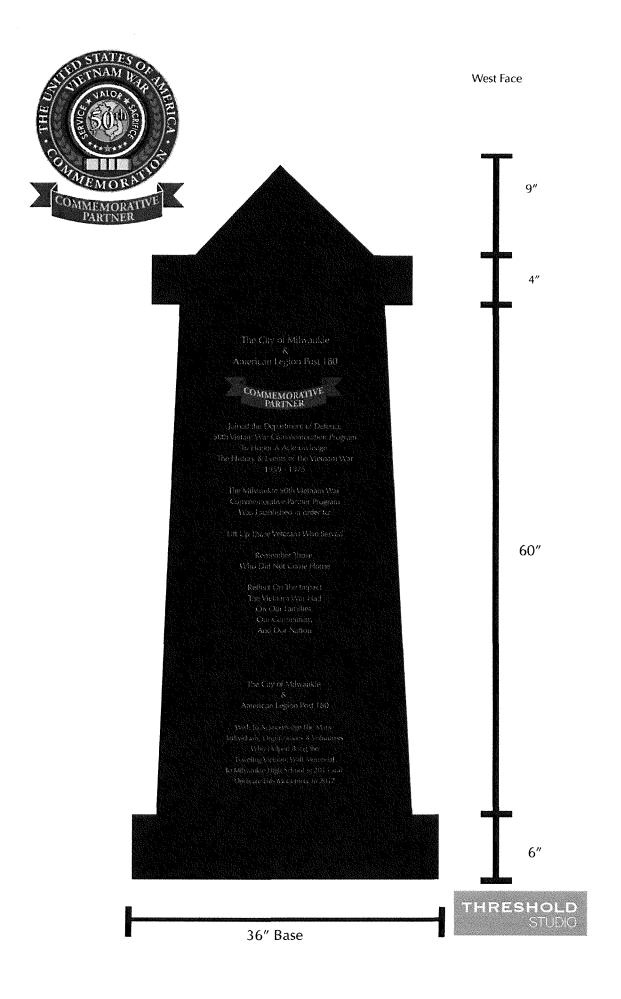
Design and Landmarks Committee

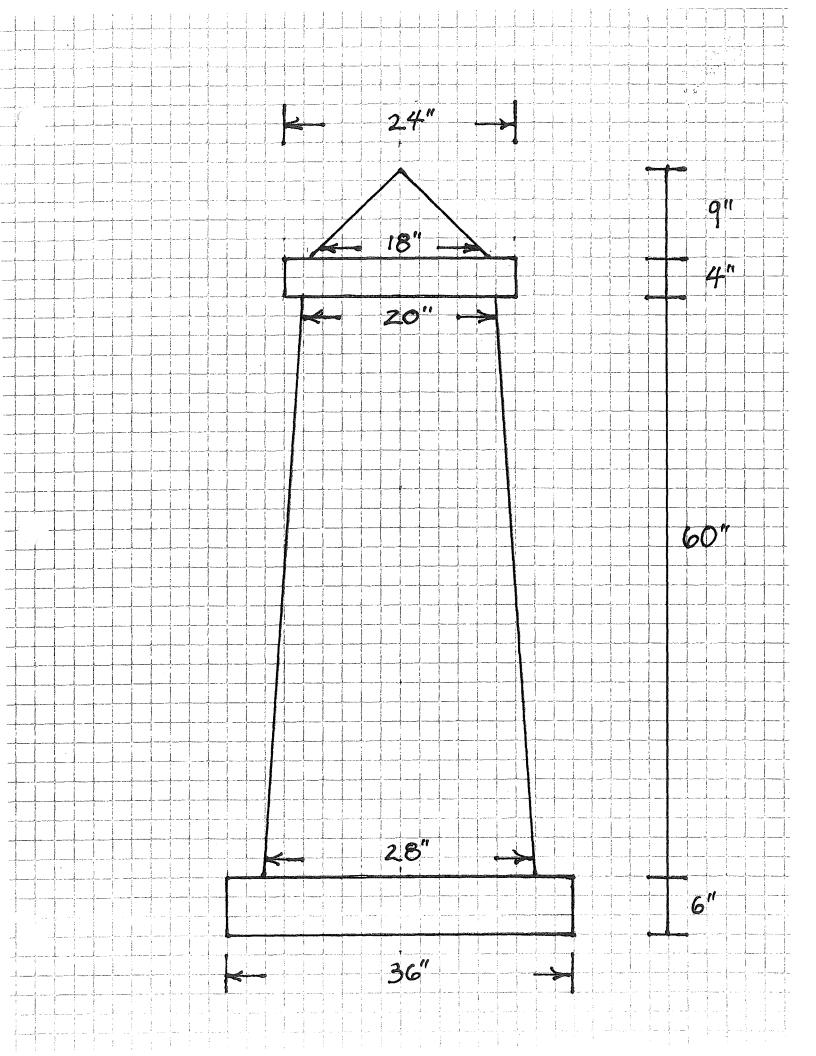
 The Design and Landmarks Committee met on July 10th and continued their review of design guidelines. The Committee will be reviewing the proposed mixed use development project proposed for the Bernard Garage site in downtown Milwaukie and the proposed Kellogg Creek Bridge Replacement project on August 7th. They are charged with making a recommendation to the Planning Commission.

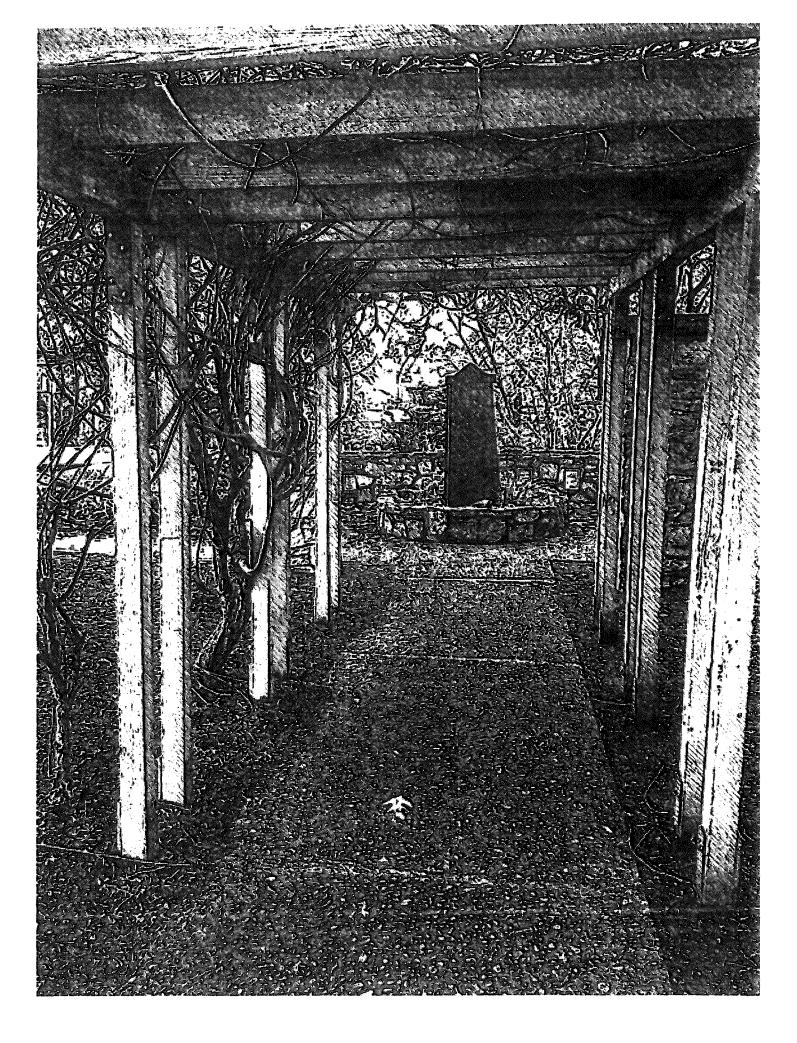
Building

July 2017 review to come.

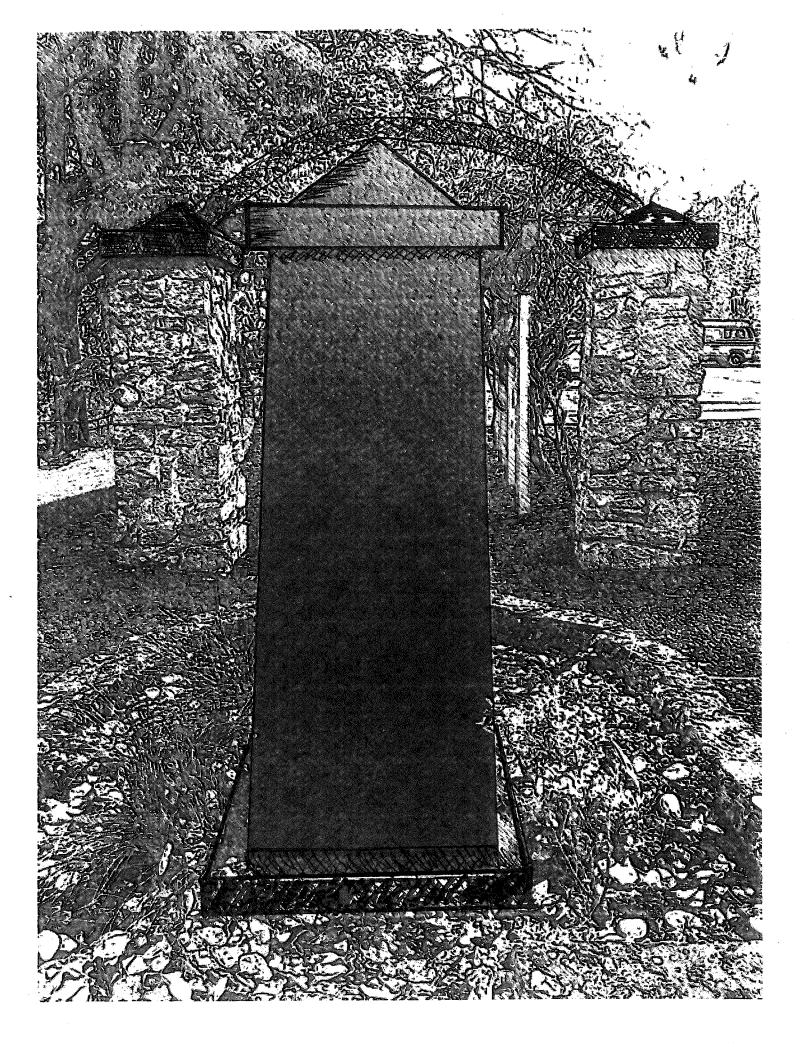














To: Mayor and City Council Date: July 20, 2017 for August 1, 2017

Through: Ann Ober, City Manager

Reviewed:

From: Alma Flores, Community Development Director

Subject: Council Goal: Housing Affordability--Update #1

ACTION REQUESTED

Listen to an update on actions taken toward addressing Council's Housing Affordability Goal and a presentation from Ann Gray, Director of Lending for the Network for Oregon Affordable Housing (NOAH).

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

<u>June 6, 2017</u>: City Council discussion of the Housing Affordability Goal and Council's desired approach and strategy for achieving and implementing this goal.

<u>April 23, 2017</u>: The City Council held a goal setting session and voted unanimously to bring forth actions toward achieving a housing affordability goal for the residents of Milwaukie.

<u>April 18, 2017</u>: The City Council adopted resolutions to extend the declared housing emergency for a period of six months, and to maintain the 90-day no cause eviction provisions in MMC 5.60.

<u>March 7, 2017</u>: The City Council held a work session to discuss whether to extend the housing emergency for an additional six months from the scheduled expiration date of April 19, 2017 and to maintain the 90-day no cause eviction provisions in MMC 5.60.

April 19, 2016: The City Council declared a housing emergency (Resolution 46-2016) in response to metropolitan area growth and rents that increased 12 percent in 2015. In addition to declaring an emergency, the Council approved a 90-day No-Cause Eviction notification requirement (Ordinance 2118) for rental management entities and homeowners renting units within the city. These actions were taken to assist renters during a period of high rents across all housing types.

ANALYSIS

The Community Development Director has taken a few steps toward the development of the Housing Affordability Strategic Plan including invitations to several housing experts and members of the community to participate in a Housing Affordability Working Group (HAWG) made up of the following people:

Betty Dominguez, Director of Policy and Equity for Home Forward

Bridget Dazey, Executive Director for Clackamas Workforce Partnership

Kim Travis, Housing Integrator for the State of Oregon's Housing and Community Services department. Kim also serves on the Milwaukie Planning Commission.

Vahid Brown, Housing Policy Coordinator for Clackamas County's Health, Housing & Human Services department

Chuck Robbins, Housing and Community Development Director for Clackamas County's Health, Housing & Human Services department

Mary-Rain O'Meara, Housing Development Coordinator for Clackamas County Health and Human Services

David Levitan, Senior Planner, City of Milwaukie

Denny Egner, Planning Director, City of Milwaukie

Ann Ober, City Manager, City of Milwaukie

Steve Bartol, Chief of Police, City of Milwaukie

Alma Flores, Community Development Director, City of Milwaukie

The HAWG will provide policy assistance and technical expertise toward the development of the Strategy which will incorporate the City's Vision actions, actions identified under the Housing Needs Analysis' Strategy, and the Economic Development Strategy to start.

Other recent actions related to advancing Housing Affordability taken outside of the development of the HAWG and the Strategy include:

- Membership on the Clackamas County Housing Advisory Board; gave a presentation to the board on the Council Goal, the City's Housing Needs Analysis, Vertical Housing Development Zone process, and strategic outline
- Networking with several affordable housing providers/funders—Catholic Charities,
 The Network for Oregon Affordable Housing (NOAH), and Northwest Housing
 Alternatives.
- Outreach to Trimet about the Island Station site.
- Presentation to Council on the development of Construction Excise Tax on new development for the purposes of creating an Affordable Housing Fund per the enabling legislation—SB 1533
- Research on Cross Laminated Timber building code requirements to ensure that we are aware of the process in advance of future development
- Ongoing work with several development teams toward the construction of affordable units at key privately-owned opportunity sites-- the Murphy and McFarland Sites
- Moved the RFQ process for the Coho Point at Kellogg Creek to the next decision point for future development of a mixed-use development.
- Signed onto Metro's Build Small Coalition, formerly known as the Space Efficient
 Housing Work Group. It was launched by Oregon DEQ in 2011 in response to
 statewide research demonstrating the environmental benefits of smaller homes. Over
 time, much of the discussion and policy efforts surrounding space efficient housing
 has shifted from a focus on environmental benefits to an interest in the potential for
 smaller housing to provide more affordable housing choices in high-demand
 neighborhoods.
- Managed and approved the contract with Metro for the Equitable Housing Planning and Development grant for Cottage Cluster Feasibility Analysis; participating in quarterly meetings of the Equitable Housing Grants Roundtables at Metro.

• Worked with Clackamas County staff in support of the submittal of a grant application to Metro under their CPDG program for the development of the Hillside Manor Master Plan for the 15-acre property on 32nd. The Hillside Master Plan will provide a comprehensive redevelopment strategy for a public housing community owned and operated by the Housing Authority of Clackamas County. Located in Milwaukie, OR, Hillside is home to 302 vulnerable low income residents who would face tremendous hardship finding housing in the private market. Notification of the grant will be known in the Fall.

Presentation from Ann Gray, Director of Lending, for NOAH

The Network for Oregon Affordable Housing (NOAH) The Network for Oregon Affordable Housing (NOAH) is a mission-driven lender working to solve Oregon's housing affordability crisis and strengthen communities through flexible financing, strategic partnerships, and creative solutions. Through the leadership of the Oregon Bankers Association, NOAH was established in 1990 as a statewide nonprofit corporation to increase the supply of affordable housing. NOAH is a federally certified Community Development Financial Institution (CDFI) with a 26-year history of delivering financial and programmatic solutions that enhance livability through an array of financial tools, including pre-development, bridge and permanent loans, as well as technical assistance to borrowers.

Ann Gray: Ann Gray joined NOAH's staff in 2016 with over ten years of experience in affordable housing finance and development, having held various positions at PNC Real Estate, as well as Gerding Edlen Development. She is experienced in acquisitions, asset management, business development and underwriting. Immediately prior to joining NOAH, Ann managed a team of tax credit underwriters for PNC Real Estate.

BUDGET IMPACTS

None.

WORKLOAD IMPACTS

The Community Development Director is managing this work within her regular schedule.

COORDINATION, CONCURRENCE, OR DISSENT

Not applicable

STAFF RECOMMENDATION

None

ALTERNATIVES

None

ATTACHMENTS

None.



Network for Oregon Affordable Housing





NOAH OVERVIEW

- NOAH was established by the leadership of the Oregon Bankers Association in 1990 as a statewide nonprofit corporation to increase the supply of affordable housing.
- NOAH is a federally certified Community Development Financial Institution (CDFI) with a 26-year history of delivering financial and programmatic solutions that enhance livability.
- NOAH provides an array of financial tools, including predevelopment, bridge and permanent loans, as well as technical assistance to borrowers





NOAH ACCOMPLISHMENTS

- NOAH has funded over \$316 million in loans for over 260 properties and more than 9,800 units, leveraging more than \$1.28 billion in total project capital
- NOAH has lent to projects in 68 Oregon communities.
- NOAH has a staff of 10 and a Board of Directors of 13.





Strategic Plan: 2016-2020

- Scale up lending operations by expanding the amount of capital available for permanent loans and bonds.
- Take a leadership role in addressing the housing affordability crisis, income inequality and under-invested communities. Create and test new loan products to address current and emergent needs.
- Advance an equity agenda by expanding our lending in under-represented and under-served communities and improving NOAH's corporate practices for supporting diversity in internal operations.
- Invest in internal capacity to enhance NOAH's effectiveness and efficiency to impact policy, deploy new products, enter new markets, and increase earned revenue to support key staff positions.





NOAH PROGRAMS

- Oregon Housing Preservation Program
 - Program coordination—statewide steering committee
 - Preservation advocacy, Project tracking, resource development
 - Acquisition and perm financing. NOAH has provided \$35.8 million to acquire 18 federally assisted projects at risk of loss.
- Manufactured Housing
 - Program coordination statewide steering committee, peer learning collaborative
 - Acquisition and perm financing for parks
- MPower
 - Have financed retrofit of 2,321 units saving estimated 5 million kWh
 - Creating new solar loan program





NOAH FINANCING

- Acquisition and Preservation (Oregon Housing Acquisition Fund)
 - Land
 - Preservation
 - MHP
 - Market rate conversion
- Permanent
 - Refinance, rehab and new construction projects
 - MHPs
 - Adding tax-exempt bonds
- Predevelopment
 - Predevelopment costs
 - Highly accessible land loan





Thank you

