



OFFICIAL MINUTES OF THE TUALATIN CITY COUNCIL WORK SESSION MEETING FOR OCTOBER 24, 2022

Present: Mayor Frank Bubenik, Council President Nancy Grimes, Councilor Bridget Brooks, Councilor Maria Reyes, Councilor Christen Sacco

Absent: Councilor Valerie Pratt, Councilor Cyndy Hillier

Mayor Bubenik called the meeting to order at 5:45 p.m.

1. Introduction to Tualatin's Strategic Equitable Housing Funding Plan.

Assistant Community Development Director Steve Koper, EcoNorthwest Consultants Beth Goodman, Kryn Sausedo, and Mary Chase presented an update on the Tualatin Strategic Equitable Housing Fund Plan. Consultant Goodman recapped the project to date stating they have completed the Housing Needs Analysis and Housing Production Strategy. She reviewed Tualatin's key housing needs by tenure to cost burden and the disproportionate levels of groups of cost burden people. Consultant Goodman spoke to affordable housing costs by income stating half of Tualatin's residents are low income to extremely low income. She stated Tualatin can directly influence public policy, land, and infrastructure. Consultant Goodman stated strategic actions for this project include a Local Construction Excise Tax (CET), Urban Renewal revenue, Nonprofit Low Income Tax exemptions, Multiple Unit Property Tax exemptions, System Development Charge exemptions, homeownership assistance, and other tools including the Affordable Housing Trust Fund. She stated affordable housing often falls short of the funding necessary for new construction so these strategies help to fill that gap. Consultant Goodman stated they analyzed the Construction Excise Tax (CET) which could add revenue to the City through new local regulations. She stated a CET at 0.5-1% would bring in between \$50,000-\$200,000/per year in tax revenue on commercial and industrial development in Tualatin. She stated the city has already adopted a Nonprofit Low Income Tax Exemption which forgoes revenue to the City for targeted housing types to incentivize affordable housing. Consultant Goodman spoke to the Multiple Unit Property Tax exemption stating it would provide a partial property tax exemption for private developers of mixed-income housing helping those at or below 80% of area median income. She stated a System Development Charge exemption would reduce upfront development fees for developers who provide new affordable units, but the City would then need to backfill the forgone revenue potentially using a CET. Consultant Goodman stated Urban Renewal revenue will provide funding for capital projects to support housing. She stated they are still evaluating other funding tools such as homeownership assistance, other new taxes, targeted fee increases, and an Affordable Housing Trust Fund. Consultant Goodman stated strategic actions are looking to reduce financial and regulatory impediments, creation of financial and regulatory incentives, and providing resources to increase the availability and affordability of needed housing. She stated next steps include a public workshop, Planning Commission meetings, advisory committee meetings, and future Council updates.

Councilor Brooks asked if there are population numbers for Tualatin citizens who are seniors or have disabilities. Consultant Goodman stated 16% of Tualatin's population are over 60 and 10% of the population has one or more disabilities.

Councilor Brooks asked if there are any strategies around protecting mobile home parks and keeping them affordable. Consultant Goodman stated other local cities have made mobile home parks zones to protect that type of building. She stated non-profits have worked with mobile home parks to buy them so the residents can in turn buy the park back keeping it low cost.

Councilor Brooks asked what happens when the tax credits sunsets for affordable housing units and the risks associated with them becoming unaffordable after that. Consultant Goodman stated when low-income tax credits expires the state works with the owners to get them credits to reinvest in the housing so it stays affordable. She stated the Council will need to consider if the incentives they put in place are enough to keep the units affordable over the long range.

Council President Grimes asked how the city could get updated information on cost burden households since the pandemic. Consultant Goodman stated they could pull 2016-2020 census data and noted that she would not expect the data to change significantly.

Mayor Bubenik asked how any legislative changes will be incorporated into this document. Consultant Goodman stated they could make an addendum to the strategy based on what comes from the legislative session.

Mayor Bubenik asked what the final product will be for the Council to review. Consultant Goodman stated there will be a memorandum discussing all the tools available to the Council and how to implement them to make the housing market more equitable.

Councilor Reyes asked what a Multiple Unit Property Tax looks like and what type of development it would assist. Consultant Goodman stated the Multiple Unit Property Tax exemption would benefit those with a median family income from \$46,000-74,000.

Councilor Reyes asked what home repairs council be covered under the Affordable Housing Trust Fund. Consultant Goodman stated it could cover things like roof repair or foundation issues.

Councilor Brooks stated she has spoke to residents that are supportive of densified building but become concerned when transportation infrastructure is not solved. She wants to be sure this plan is strong when working in that direction. Consultant Goodman stated densification would mostly be seen in the downtown and urban renewal areas. She stated the transportation will be addressed in the Transportation System Plan (TSP). Director Koper stated updates to the TSP are forthcoming.

2. Council Meeting Agenda Review.

Councilor Brooks asked for the Tualatin Investment Policy to be pulled off consent for a briefing. Director Hudson stated there are no proposed changes to the current policy. He stated it is required to come to the Council annually for adoption. Councilor Brooks asked if the city is investing in green items. Director Hudson stated the Advisor looks at those options but is unsure if there is anything in the portfolio at this time. Councilor Brooks stated she is fine with it staying on consent.

Councilor Sacco stated she attended the WRWC meeting and the Pumpkin Regatta.

Councilor Brooks stated she attended the Pumpkin Regatta, the native plant sale for the Tualatin Sustainability Network, and the ribbon cutting for Live Hydration Spa. She wished everyone a Happy Diwali.

Councilor Reyes stated she attended many local events including the Pumpkin Regatta.

Council President Grimes stated she attended the Live Hydration Spa ribbon cutting and the Pumpkin Regatta.

Mayor Bubenik stated he attended the Pumpkin Regatta, the Washington County Coordinating Committee, the Clackamas County Commissioner meeting to present the CORA presentation for the Urban Renewal zone, the GPI Small Cities Consortium meeting, the IBACH CIO meeting, the Regional Tolling Advisory Committee meeting, and the Washington County Coordinating Committee meeting to prepare for the JPAC meeting.

Adjournment

Mayor Bubenik adjourned the meeting at 6:55 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor