



City of Oregon City

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Meeting Minutes - Final

City Commission

Dan Holladay, Mayor
Rocky Smith, Jr., Commission President
Brian Shaw, Carol Pauli, Renate Mengelberg

Tuesday, May 10, 2016

5:30 PM

Commission Chambers

REVISED - Joint Work Session with the Planning Commission

1. Convene Joint Work Session and Roll Call

Mayor Holladay called the meeting to order at 5:30 PM.

Present: 12 - Commissioner Brian Shaw, Commissioner Rocky Smith, Commissioner Carol Pauli, Mayor Dan Holladay, Commissioner Renate Mengelberg, Commissioner Charles Kidwell, Commissioner Zachary Henkin, Commissioner Damon Mabee, Commissioner Robert Mahoney, Commissioner Tom Geil, Commissioner Paul Espe and Commissioner Denyse McGriff

Staffers: 11 - City Manager Tony Konkol, City Attorney Jennifer Bragar, Eric Underwood, Library Director Maureen Cole, Human Resources Director Jim Loeffler, Finance Director Wyatt Parno, Assistant City Recorder Jaime Reed, Police Chief and Public Safety Director James Band, Laura Terway, Pete Walter and Assistant Planner John Stutesman

2. Discussion Items:

2a. Equitable (Affordable) Housing

Tony Konkol, City Manager, said the Commission requested a discussion regarding where Oregon City was at in terms of affordable housing. He had conversations with staff and Clackamas County regarding this issue. This was a night to hear the information and to discuss a Metro grant.

John Stutesman, Planner, said one of the most important issues was what the City's role was concerning housing and what they could and should do about it.

Emily Lieb, Senior Project Manager with Metro, managed Metro's Equitable Housing Initiative. She discussed regional housing data and analysis. Rents were rising faster than incomes and there was a shortage of affordable rentals. Rents were rising everywhere in the region with the most dramatic increases in Portland. Where could a household making less than half of median income afford to rent? In Oregon City, 5.6% of units were affordable to households making less than half of median income. Where can a household making median income afford to buy a home? Most of the region was relatively affordable. She then discussed the equitable housing framework and report. The framework strategies were to increase and diversify market-rate housing, leverage growth for affordability, maximize and optimize resources, and mitigate displacement and stabilize communities. An Equitable Housing Summit was held on February 1, 2016 and she explained themes that came out of the summit. One outcome was an Equitable Housing Grant that would support 5-8 local planning

projects to eliminate barriers to equitable housing development. The types of projects were site identification and analysis work as well as policy evaluation and implementation. Letters of interest should be submitted by June 8, 2016, with an application deadline of August 12, 2016, and the grants would be awarded in November 2016. She anticipated grant projects could begin in February 2017. Metro was also launching an Equitable Housing Lunch and Learn series. She also explained the Regional Snapshots program.

Richard Swift, Director of Health and Human Services for Clackamas County, discussed some of the statistics regarding housing and homelessness in Oregon City. Renters were experiencing an income increase of 39% across the last four years and rents had increased 70%. The County could not afford the maintenance of Clackamas Heights and Oregon City View Manor, lower income housing units, and were looking at options. They wanted to include Oregon City in the conversation. The County was also interested in siting a permanent shelter and opportunities for moving people from supported housing to housing they paid for themselves.

Chuck Robins, Director of Housing and Community Development for Clackamas County, said Oregon City had 266 public housing units of the 545 units in Clackamas County. He discussed the housing terms document and what affordable housing, subsidized housing, and area median income meant. The easiest component in housing was building housing and the hardest components were finding property and making sure the residents had the services they needed in order to be successful.

Brenda Durbin, Director of Social Services for Clackamas County, explained many of the County's programs for those who were homeless or at risk for homelessness and support services people needed to maintain their housing. At any given time they were able to help 87 households. Of those 87, currently 23 were residing in Oregon City. There was a seven unit transitional housing building that the County operated. Her office helped people through case management and assistance in paying their rent, and there was a coordinated housing access line that networked with non-profits to help people short term. They also ran a housing rights and resources program to make sure fair housing laws were being followed and a rent roll program which was a renter's rights and education program. They also helped fund a variety of different programs such as emergency shelters and winter warming shelters.

There was discussion regarding development of new housing and inclusionary zoning, where a certain percentage of the units would be affordable to a certain income limit, integrating efforts for redevelopment so low income families had access to services, mixed income developments, potential foreclosed properties that could be repurposed for this use, and need for partnerships with Metro, the County, and the City.

Mr. Robins discussed the Housing Authority's development objectives. The current public housing was old and to maintain them would cost \$2.3 million per year. They received less than \$900,000 per year from HUD. There was a huge gap and they were looking into selling the property in Oregon City as Holcomb was not the best place since no services were nearby. If they were getting rid of a public housing unit, four affordable housing units needed to be built that were affordable to people at the 60% of the median income and include units affordable at 30%. They wanted to build public housing throughout the County. The County would have to sit down with the City to discuss what new development would look like in Holcomb.

Mr. Swift said they were fully prepared to work with the City staff on a joint application for the Metro grant.

Paul Edgar, resident of Oregon City, discussed the need for homeless veteran housing. They had looked into tiny houses and an encampment area. For 20 units that were 200 square feet each, it would cost \$8,500 per unit. This type of development could be put on two acres. He would like to see how the Code could be changed to allow something like this.

Mr. Konkol said staff would come back to the Commission with a proposal for the Metro grant.

2b.**Marijuana Regulations**

Pete Walter, Planner, gave a presentation on drafting reasonable regulations for time, place, and manner for marijuana businesses. Currently the City had a ban on marijuana businesses and had placed the issue on the November 2016 ballot. In the event that the ban measure did not pass, the City was going through the process of putting in place regulations. Staff had prepared surveys and held a series of public outreach events. Currently the City's business license ordinance did not allow licenses to any business not in compliance with local, state, or federal law and marijuana was still not allowed under federal law. The City had a 10% tax on the sale of recreational marijuana and 5% tax on medical marijuana. The State also had a 25% tax for this year, and he explained how the tax would be allocated. He then discussed how the surveys were designed and the results of the surveys. Some of the questions on the surveys were where the marijuana businesses should go, hours of operation, and what other types of regulations for time, place, and manner there should be. State law required a separation of a 1,000 feet for marijuana retail businesses from primary and secondary private and public schools. The City could establish buffers from child care facilities and parks. Staff needed to research further the impact of local job creation for the production and processing of marijuana. There were concerns that the marijuana businesses would displace traditional businesses in the employment zones. It was not clear whether marijuana facilities would be eligible for tax exemption in enterprise zones. He then discussed the mapping that was done that showed more restrictive buffers for retail marijuana businesses. The City could also adopt reasonable regulations on medical marijuana grow operations. Another survey was going on the City's website to discuss the draft regulations further.

Mr. Konkol clarified currently there was a ban on marijuana businesses that would be decided whether or not to remain at the November 2016 election. The business license ordinance would have to be discussed at some point. Another policy issue was the City's tax on marijuana, and how State law put a cap on it at 3%. The question was whether the City's tax was grandfathered in or not. Some of these issues would be discussed further at the City Commission's June Work Session.

Jim Band, Police Chief, was concerned about producers and processing sites and where they would be located. Some businesses might skirt around getting registered and getting business licenses in order to make some quick money. There were substantial growers in residential areas in Oregon City. He was also concerned about theft.

Mario Mamone, marijuana business owner in Clackamas County, had his business on McLoughlin Boulevard. He never had an issue since opening in 2011. He had a permit to have a dispensary and employed 14 people and was looking to hire more. His gross revenue was over a million dollars per year. It was a legitimate business. There were more rules and safety measures for his business than any other business in Oregon City. He encouraged the Commission to visit his facility. These were businesses just like other businesses, they were in it for the business opportunity,

and he thought they would be a valuable asset to Oregon City. Studies had shown that crime was reduced when marijuana facilities came in. The perception that these businesses were crime related was false. There were opportunities to control, monitor, and allow these businesses to be effective members of the community.

Commissioner McGriff supported buffers around parks and schools.

Mr. Konkol said if the ban passed in November, recreational marijuana businesses would be illegal in the City. People could still personally grow it.

William Gifford, resident of Oregon City, thought there were distinctions between types of businesses and a business controlled by State regulations was different. There was distribution of liquor in the City and many people drank, but there was only one liquor store in town. If citizens voted to allow retail marijuana, he suspected there would be only one store and would probably be next to the liquor store. He did not think the stores would be popping up all over town.

Mayor Holladay thought if they also put a buffer around parks, it started to look like they were trying to exclude these businesses. If the voters said they wanted to have it, then they needed to produce reasonable restrictions, not unreasonable restrictions.

Joe Russo said when things were overregulated, it could work against the City. If the voters did not pass the ban, there needed to be convenient locations that worked for people.

Mr. Mamone said people had to show their drivers licenses twice, once when they came into the facility and again during the sales transaction. The reception area was separated from the display area. When people looked in the main windows, it was only the reception area that was seen.

3. City Manager's Report

Mayor Holladay was appointed to the Governor's Task Force on reopening the Willamette Falls Locks. He gave a presentation that was given to the Task Force by Metro on things that would need to happen before the Locks could be reopened. He explained the duties of the Task Force, what would happen if the Corps retained ownership, and what would happen if the Locks were transferred. The Corps did not want to keep the Locks, and if they did keep the Locks, they would not maintain them. A final Disposition Study would need to be done, which was a three year process and he explained what would be studied. Transfer was not the only alternative, and he discussed other options. An existing agency might take responsibility or a partnership between multiple agencies or a newly formed agency. He also discussed funding options including a taxing district. The Locks had been designated a national historic landmark and they needed to be preserved. There were many agencies working towards the goal of finding a way to reopen the Locks.

Commissioner Pauli said there was a Locks Working Group in addition to the Task Force.

4. Communications

There were no communications.

5. Adjournment

Mayor Holladay adjourned the meeting at 7:44 PM.

Respectfully submitted,

Kattie Riggs, City Recorder