

**City of Hood River
City Council Work Session
March 8, 2021**

Council: Mayor Kate McBride, Mark Zanmiller, Megan Saunders, Tim Counihan, Jessica Metta, Erick Haynie, Gladys Rivera

Staff: City Manager Rachael Fuller, Finance Director/ACM Will Norris, City Attorney Dan Kearns, Fire Chief Leonard Damian, Police Chief Neal Holste, Public Works Director Mark Janeck, City Engineer Wade Seaborn, City Recorder Jennifer Gray, GIS Analyst Jonathan Skloven-Gill, Administrative Services Officers Monica Morris

Absent:

I CALL TO ORDER – Cell Phone Reminder – 6:00 p.m.

Land Acknowledgement Statement and Pledge of Allegiance

II BUSINESS FROM THE AUDIENCE

Susan Crowley, Hood River OR – she asked when the public speaks to Council on Zoom, if the person speaking can have their face shown, rather than having the screen blacked out. It is nice to have face to face contact. Seeing others who are testing would be nice.

III PRESENTATIONS

Fuller presented introductions for Alisa Fowler and Kelly LaPoint.

1. Hood River Homeless Outreach, Alisa Fowler

Fowler presented a PowerPoint presentation. It has been added to the record. She shared her project with Gorge Outreach. She began contracting with the City of Hood River at the beginning of the 2020 winter warming shelter season. She meets weekly with Fuller, Police Chief Holste and Fire Chief Damian. They do that for a check-in on needs that are identified from their end as a first responder and to give feedback that she is seeing in the houseless community. The Hood River County mobile outreach program is a street outreach and case management program. The focus of this work is to direct a linkage to existing services and gathering information from people experiencing houselessness on barriers and helping them navigate through the resources that are available, while collecting information on some community needs. It is both doing paperwork, coordination and loading up her car with basic items for people to be comfortable as possible. She works together with the staff at warmer shelter site. She goes there once a week to meet with their participants, as well as going out to meet with people by referral and to camps where people are staying. Hood River shelter services served about 94 individuals in 2019-2020 year. She believes that is a under count. It does not count people who are staying in a RV with no utilities on someone's property, people who are doubled up, or might have somewhere to stay for a little while, then move on. All the people she works with through this contract meet the federal definition of homelessness. The objectives she is

working on with this program were built from the recommendations of the Hood River Homeless task Force. She wanted to meet as many as possible through this contract. She felt it would be most useful assisting individuals and families, to identify and address barriers to housing placement. For a lot of people during COVID that is basic things, such as helping them get appointments scheduled at the DMV. The mobile outreach also served as a referral source to the first responders. She did a lot of outreach to meet with other providers and learn what resources they had. Social service networks are constantly shifting, especially during COVID. She also had an opportunity to partner with community volunteers, such as Riverside Church. The final part of this project, once she wraps everything up, includes gathering feedback and identifying a little bit about their narrative about what is happening for them as they are experiencing houselessness in the community. She partnered with agencies that are doing more of the culturally specific services, such as The Next Door. She was able to attend different coordination groups and visit different sites along with the groups that are community advocates and tribal health authorities. The main things that were spoke about by the people who are receiving services were the impacts specially during COVID; showers and laundry facilities. There is now a group of volunteers that provide laundry service once a week. There is still not a lot of places open in the community to take showers. That was not the case pre-COVID. It has been a public health and comfort issue. Public transportation is also an issue for them. A lot of housing placement assistance and outcomes are still in process. Everyone she has contacted has been offered the opportunity to apply for housing vouchers. Not all have agreed, and some are already in process. She is hoping to have more outcomes soon. The flexibility of this program has helped. She was able to give gas vouchers to one family to help the kids go to school and get minor car repairs. She coordinated with first responders and gave hotel vouchers during the surprise winter weather event. Next steps are to put together final demographics and participant feedback. All the information will be submitted to the City, as a deliverable. She has started working with LaPoint as the Mid-Columbia Community Action Housing Stabilization Manager. There are a lot of opportunities coming up through MCCAC around all of the goals that she outlined, to make sure they have robust street outreach, centralized access to available resources and getting better data on who is experiences homelessness and what the needs are.

2. Mid-Columbia Community Action Council, Kenny LaPoint

LaPoint presented a PowerPoint presentation. It has been added to the record.

Mid-Columbia Community Action Council (MCCAC) is the Community Action Agency serving Hood River, Wasco, and Sherman Counties. Their core program areas include shelter, housing, utility bill payment and weatherization assistance. These services are provided to vulnerable, houseless, and low-income community members. Core program areas: shelter, housing assistance, utility bill payment assistance and home weatherization. MCCAC's core programs are delivered directly and through subcontracts with community partners.

The Dalles - MCCAC owns and operates 18 non-congregate emergency shelter units serving up to 36 of our most vulnerable, houseless community members. Hood River - MCCAC provides financial support to Hood River Shelter Services (HRSS) for the operation of 13 non-congregate emergency shelter units located at the Hood River Valley Christian Church. The City of the Dalles has agreed to put in water and sewer on the site, which was important because they recently purchased a shower/restroom trailer that is ADA compliant. They plan to place the trailer once it is delivered in June. Having showers is very critical need, since a lot of facilities have been closed due to COVID. They would like to get a trailer for Hood River County.

Hotel/motel vouchers are used to supplement the need for additional shelter beds, particularly during severe weather events, and to serve households for whom traditional shelter units may not be

adequate (ex: families with young children, medically fragile and domestic violence survivors). Hotel/Motel vouchers are provided through MCCAC and its subcontractors, including Gorge Ecumenical Ministries and St. Vincent DePaul of The Dalles.

LaPoint shared the Chief of Police for the City of The Dalles stated there has been a significant reduction in police calls. They are having better interactions with those who are experiencing homelessness. They also have been able to place a number of people in the shelters into a more permeant housing situation. The city is evaluating the long-term and considering whether or not they will allow the shelters to be operated year-round. The Dalles City Council will be discussing this on March 22. The shelters are scheduled to close on March 31, so they are eagerly waiting to see what will happen.

MCCAC helps people get back into housing as quickly as possible to make sure their homelessness is very brief. They provide homeless prevention resources and help people that have financial setbacks, so they can stay in their homes. They also help with street outreach.

LaPoint reviewed the 2020 demographic numbers. See PowerPoint page 8 for details.

MCCAC assists with utility bill payment assistance through their Energy Assistance Program and Localized Utility Assistance Program. MCCAC and the City of Hood River are currently working on water and sewer discount program for households for whom utilities are included as a part of their monthly home rental costs. The program would provide qualifying households with a utility stipend, to help cover those costs. MCCAC will conduct client intake and complete eligibility screening for the program. Weatherization programming is designed to assist low-income households in reducing their energy burden through in-home energy related improvements. This includes insulation, windows, doors, roof repair and air sealing of the home. Clients are selected from a prioritized list including seniors, persons with disabilities, families with children under the age of 18, those with high residential energy usage, and those with no current home heat.

LaPoint reviewed MCCAC areas of opportunity and ways the City can help MCCAC.

IV PUBLIC HEARINGS

1. Missing Middle Code Public Hearing (LEG 2020-37), D. Nilsen

Mayor McBride opened the public hearing at 7:00 p.m. and read the script and read the rules regarding public hearing conduct.

Nilsen presented an overview of the draft code in its current status. The purpose of tonight's night's meeting is to initiate the public hearing and hear testimony from the public, as well as give the opportunity for Council to ask questions on the draft, prior to any legislative action. Nilsen's PowerPoint presentation was added to the record. From the last meeting, developing code language for missing middle housing, duplexes, triplexes, and cottages is a part of the Council 2021 Workplan. The purpose of the project: establish a clear process in a regulatory framework that allows greater diversity of these needed housing types, that would be implemented in a stand-alone code. For uses that were permitted outright in each of the residential zones to establish and to be reviewed under clear and objective standards through expedited review processes. Nilsen explained in the meeting packet, there is legislative findings related to HRMC 17.08, which outlines the criteria for legislative changes, which is a part of the record now. For the audience, Nilsen provided a summary

background regarding middle housing and how the City got to where it is, regarding this issue. He explained there have now been 11 Planning Commission and City Council public meeting, this one being number 12. As drafted, the code included in the packet outlines the expedited process, development standards, includes provisions for land divisions, building heights, parking, density, architecture, landscaping, pedestrian access, low impact development, stormwater management, tree preservation, building site orientations, site access, housing conversions and a certain number of development size restrictions.

Nilsen added due to notice requirements, staff is recommending after Council takes public testimony this evening, to leave the record open to allow further testimony on March 15, prior to taking any action.

Mayor McBride opened the public testimony portion of the hearing.

David Windsor, Plant Manager at Cardinal IG – he is responsible for 380 employees: their wellbeing and financial success. It is the goal of many employees to afford some type of living situation. 75% of his employee live in Hood River County and 25% live in Wasco County. The common theme he sees; people growing up, move out of the house and they do not have anywhere to go. That is a detriment to the community. It is a desirable place to live, and people want to stay here but they cannot afford it. He is in favor of any type of affordable housing activity. He believes middle housing make a lot of sense. There is a lot of available lots that can increase housing and allow people to create the lives they want to live, versus moving away. The cost of housing has also been a large detriment to recruit effective talent. If anything, it has chased people out of the community to move to other Cardinal facilities. where the cost of living is less.

Silvan Shawe – Thrive Hood River, she is speaking on behalf of Carlos Alvarez. He has another volunteer committee this evening. He is an essential working in town and is essential to the community. It is people like him that make this community, a community. Shawe read his statement and it will be added to the record. He has lives here over 21 years. He considers this town the so-called promise land because of its people and beauty. However, he has always through the cost of living and the opportunity to purchase an affordable home is almost impossible. He asked that Council take into consideration not everyone who lives in Hood River, can buy a large home. He asked that Council pass the code that will create housing for those who live here and are in a real need to stay in this beautiful town.

Ben Mitchell, Hood River, OR – he thanked Council for taking up this critical need. He has lived in Hood River nearly all his adult life. He loves his job and this area. He has made many connections here both personal and professional. More and more he does not feel like this is a welcoming place for him or any individual in the working or middle class, specifically his generation (millennials). With his combined income with his partner of \$100,000 a year, owning a home still seems like a pipe dream due to the absurd rise in prices of homes. The character of the City is not about the buildings, it's about the people and how they care for others. Hood River is a family and inclusive place, where people are nice, and neighbors look out for one another. Is this a marketing gimmick or is this an idea they truly want to live up to? If so, are they living up to it and pushing working families out? He would argue they are not. This change to the housing code is a significant step in the right direction, to addressing Hood River's housing crisis. He hopes the City can make real progress on this issue and see the results someday soon.

Brian Towey, Hood River, OR – he is disappointed in the public notice issue and he believes this meeting should have been rescheduled. He has been a proponent of cottage code for a long time.

This is long overdue. This covers this and more. Everyone understands housing here is not affordable and it should be addressed. He believes the code still needs some changes. The immediate concern is the effect of these radical changes on City Goal No. 3. This shows up and likely impacts the drastic reduction in parking requirements. He asked that Council require at least one parking space per dwelling. His second concern is this is not going to resolve in much housing for residence. There are good developers who want to do this, but we all know what has happened with their well intention developments in the past. He believes there are code provisions that are great but there are things that need to be considered, so they will not be getting more secondary homes. The code should be reserved for affordable attainable homes for local residences. This code is only appropriate where infrastructure can support it, that is not certainly everywhere. The Planning Commission acknowledged this code will not result in workforce housing, affordable housing, or housing for low-income seniors. The market rate housing should have parking. These types of homes should be preserved for developments like Rand Road and land trust programs, until they understand how this will work in a small town like ours and prioritize truly diverse housing for all locals and seniors.

Greg Crafts, Hood River, OR – he thanked Council for their work on this issue. It has been missing and needed in Hood River for years. He is commenting on this because he wants it to succeed and get used as often as possible, by the building community. Parking would look best if it were behind the homes but requiring this in all situations might make the ordinance a lot less used. It also has drawbacks of imperviable surface, while creating less open space for the habitants of the homes. He knows situations where it would make sense to have two parking spots in front of lot and two in the back from the valley, but the code as written would prevent this. He is concerned about the requirement of having buildings 10 feet apart. He believes the requirement for fire code is 6 feet. He is afraid this will push developers to create attached units which in turn will be bigger and bulkier buildings that will not look as good in the neighborhoods as detached cottages. He feels there needs to be a plan to make sure code will work with building, public works, and the fire department. He has been in situations when a plan was ok for the project, but the building department interpret a fire code for a lot line had to be three feet, from the exterior walls in detached housing situations. Unfortunately, this cost him not only time but a lot from the development which raised the prices for everyone else. Furthermore, with access from alleys there could be fire department problems, if the units are too far from the main street. He thanked Council for listening and working on this important project.

Jennifer Pauletto, Hood River, OR – she thanked Council for addressing one of many housing related issues that affect the Hood River community. The building code should reflect the needs of residence. Addressing the missing middle housing helps. She has worked most of her adult life in the Gorge. As a professional working in social services, she has never once thought she on her own, or with her partner could ever own a home. She knows others who have the same experience. She currently manages and directs service staff and programing for a local non-profit. For the last four years in this position, she has never been fully staffed. Most who work for the agency note housing in the Gorge is the primary reason they have to turn down a position or leave the area. The agency she works for losses talented staff because they know other communities will allow for building a family. Staff who have grown up here, committed to returning after college to bring their new knowledge and passion have given up doing so because living here is unattainable. She has thought of leaving the community frequently, but she has made her life here and she wants to be a part of positive change, even if she does not benefit from it. If they are addressing the character of the community, they need to note they continue to loss members of the community due to housing prices. Non-profits cannot hire and sustain staff and vital services cannot be provided to community members without those who do selfless work of social services. The community is losing people in

many different professions due to housing costs.

Tina McNerthney, Hood River OR – she thanked staff and Council for exploring policy changes to address the City's housing crisis. In the past year Hood River County homes have appreciated 25% given market conditions. Code changes alone will not result in workforce housing opportunities. Significant subsidy, creative strategies (limited appreciation), homeownership, land banking will likely be required or perhaps a prohibition on second homeowners. She addressed two elements of the proposed housing code, parking ration and fourplexes.

Eddy Patricelli, Big Winds – this is an issue that is very dear to him and his employees. The biggest barrier at their business is attracting and retaining employees. Right now, no matter how generous they are with their salaries they cannot offer employees a path to homeownership. Offering salaries that cover rent in Hood River is challenging. Their hires need to be skilled, educated, and talented. They find it easy to attract people who want to come to Hood River, but housing drives them away. Watching housing rise and continue to rise is a big reason people leave. He moved here five years ago. He thought he would be able to buy a house here after selling his Florida home. He is still renting. It is difficult for employees who want to share this area but feel in some ways the people they are servicing, are the people who are displacing them.

Mandy Whaley, Hood River, OR – she and her family moved her a year ago. They have a commitment to the community. They are just planting their roots, but she would like to grow. Her concern is the sustainability. She wants to be a small business owner. She is a certified behavior analyst. We are all in a large crisis of behavioral services. There are so many kids and adults here that need behavioral support. It is not an industry that is without cost. It takes direct care staff that can only make \$22/hour. She cannot keep staff paying this amount. She worries about that and sustaining a business when people cannot afford to live here. She spoke about the difficulties of training and retaining staff and the costs associated with it. If she cannot retain staff, kids with autism will not have access to services. She is seeing talented people having to leave the area because they cannot afford to live here. It breaks her heart to know her kids will never be able their own independence here. This is generationally not a sustainable situation. If she cannot buy a home or give her kids a home. How are they going to enjoy this wonderful place they called home as they move into adulthood? She knows townhomes work. She lives in one. She is the only long-term resident on her block. She pays \$1000 less a month in rent than anyone. Her landlord appreciates she works with the autistic community. She is lucky but she is afraid it is luck that she cannot sustain. She asked Council to support the proposed draft.

Paula Chakowski, Hood River, OR – she has lived in Hood River since 2009 and works as a nurse at the emergency department. She was fortunate to buy a fixer upper home five years ago, which she cannot afford to live in and rents it long-term. She rents a less expensive apartment that is out of town. A lot of nurses she works with have been waiting for affordable homes for years. She knows a lot of people who live in homes built by Mike Kitts and Greg Crafts. She believes what the Planning staff has been working on is getting closer, but it is not enough of a cap. There is hard working educated people that are needed in Hood River, to keep this community rolling in the way we have all learned to love it. It is not going to happen, if we keep pricing everyone out.

Mayor McBride closed the public testimony portion of the public hearing for the evening. Public testimony it will continue March 15.

Nilsen answered clarifying questions by Council. There were no Council deliberations. Deliberations will happen during the March 15 public hearing.

Motion: I move to continue the public hearing at 7:00pm on March 15, keeping open the record for unlimited public comment on this proposal during that entire period and allow more public testimony at the hearing on March 15.

First: Saunders

Second: Rivera

Discussion: None

Vote: Motion passed (roll called)
Ayes: McBride, Zanmiller, Saunders, Counihan, Metta, Haynie, Rivera
Nays: None
Abstentions: None
Excused: None

WORK SESSION

V OPEN WORK SESSION – 8:13 p.m.

VI AGENDA ADDITIONS OR CORRECTIONS

VII DISCUSSION ITEMS

1. Utility Rate Setting Meeting #2 – Stormwater Rates and SDC's, W. Norris

This second of three utility rate presentations focuses on stormwater rates and system development charges (SDCs). The City first set a stormwater SDC in 2007 through Resolution 2007-21. The City financially separated its stormwater operations costs from the Sewer Fund in FY2013-14. A standalone stormwater charge was adopted at this time that was based on water meter size.

FCS Group will present a stormwater analysis and recommendations to the City Council. Major topics of tonight's presentation include:

1. Charge Non-Residential accounts based on impervious surface area.
The existing stormwater rate is based on water meter size. While there is a small positive correlation between meter size and building footprint, impervious surface area is a more accurate measure of a property's impact on the stormwater system. This change is only recommended for non-residential accounts because measuring the surface area for every home is impractical.

2. Calculating maximum allowable SDCs.
The City updated its stormwater capital facilities plan in 2018 after a multi-year evaluation. FCS has calculated the full-cost recovery SDCs based on this facilities plan. The City Council may, but is not required to, charge the maximum allowable SDCs. Staff will recommend a phased in approach prior to the required public notice of proposed Stormwater SDC change.

Gabbard presented a PowerPoint presentation. The PowerPoint was added to the record. Overview of the presentation; overview of SDC methodology, calculations of stormwater SDC, overview of rate setting process, stormwater rate study results (revenue requirement, rate design, credit analysis), next steps and questions/discussion.

Gabbard reviewed characteristic of SDC's. SDC's are a onetime charge. They are not ongoing rates. There are five services where you are allowed to charge SDC's: water, wastewater, stormwater, transportation, and parks. SDC's are for capital only, in both their calculation and in their use. They include both existing and future (planned) infrastructure cost components. SDC's are for system facilities, not local facilities. There are two main components of an SDC: Reimbursement Fee plus Improvement Fee equals the System Development Charge. Gabbard reviewed the growth in the denominator of calculating SDC's; slide 8 and 9. Reimbursement fee cost basis slide 10 and improvement fee cost basis slide 11. Improvement fee cost basis calculation shown on slide 12. There are 18 total projects with an aggregate cost of \$7.3 million. Staff went through the projects and assigned an edibility percentage to each project in aggregate, that comes to \$34.86%. Total eligible projects \$2,535,000. See slide 13 for full calculation details. Total SDC per EDU \$2,607.52. Gabbard explained just because they calculated a maximum defensible SDC, the City is not obligated to charge the maximum defensible. This number should be viewed as a ceiling. The City is free to charge anything up to that amount.

Zimelman reviewed revenue requirement information. Key assumptions on slide 16. Growth in customer accounts: 1.40%. Interfund loans from equipment fund and revenue bonds. Review of capital funding forecast on slide 17. Revenue requirement forecast on slide 18. They are assuming 14% annual rate increases recommended from FY's 2021-22 through 2024-25 and 3% annual rate increases recommended from FYs 2025-26 through 2028-29. Existing rate's structure. Imbalance between revenue and impervious area. Single family generates almost 80% of revenue; only 45% of impervious area. Recommended EDU rate approach. Rate expressed in \$ per equivalent dwelling unit. Single family development parcel = 1 EDU: uniform rate regardless of impervious area. Other developed parcels (multi family, commercial, industrial, etc.): total impervious area divided 2,490 impervious square feet = EDU's, minimum of 1 EDU. City staff measured impervious area of all single-family parcels. EDU set to average impervious area of single-family parcels: 2,490 i.s.f. EDU rate structure basics. Better aligned cost recovery with impervious area. Rate expressed in \$ per EDU. Single family parcels = 1 EDU regardless of impervious area. Other developed parcels = 1 EDU per 2,490 i.s.f. See slide 26 for sample graphics for single family and commercial calculations. Balance between revenue and impervious area. EDU rate structure aligns cost recovery with estimated impervious area. Calculating the rate per EDU: FY 2021-22 revenue requirement: \$657,562, FY2021-22 projected EDU's 7,144. Annual rate per EDU: \$92.05. Monthly rate per EDU: \$7.67.

Gabbard stated the larger commercial customers are going to get hit hard with the rate increase and the shift to an impervious surface base rate. One way to help that or make it go down is with a potential rate credit that can be offered to nonresidential customers, who mitigate their runoff above and beyond the city's minimum standards. See slide 31-33 for maximum credit methodology and calculations.

Next steps:

Presentation of affordability analysis next week, March 15. Schedule public hearing on stormwater SDC at least 90 days in advance. Issue notice to interested parties of possible change in stormwater SDC.

Council spent time asking questions to Gabbard for further clarification on information presented.

VIII ADJOURN WORK SESSION – 8:53 p.m.

REGULAR COUNCIL MEETING

I OPEN REGULAR COUNCIL MEETING – 8:53 p.m.

II AGENDA ADDITIONS OR CORRECTIONS

III CONSENT AGENDA

1. Council Meeting Minutes – February 22, 2021

Motion: To approve the Consent Agenda.

First: Saunders

Second: Metta

Discussion: None

Vote: Motion passed (roll called)

Ayes: McBride, Zanmiller, Saunders, Counihan, Metta, Haynie, Rivera

Nays: None

Abstentions: None

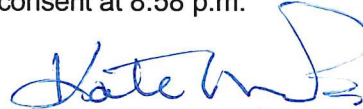
Excused: None

IV REGULAR BUSINESS ITEMS

V MAYOR

VI COUNCIL CALL

VII ADJOURN – Adjourned by unanimous consent at 8:58 p.m.



Kate McBride, Mayor



Jennifer Gray, City Recorder

Approved by City Council on

April 12, 2021