

**City of Hood River
City Council Work Session
April 26, 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

Absent:

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

Land Acknowledgement Statement and Pledge of Allegiance

II BUSINESS FROM THE AUDIENCE

Megan Ramey, Hood River - resident and parent of a 5th grader.

"I am excited to share that since April 5th, Hood River has our first bike train for May Street School, and I would like to invite Council to join us for May Bike Month! WHAT IS A BIKE TRAIN? Functioning like a school bus with routes, stops and timetable, a bike train has two parent conductors, one at the front (engine) and one in the rear (caboose). Students can ride with or without their parents to the school to learn bicycle safety and safe routes. We depart from two locations, picking up students at noted stops. Following the end of school, students ride in their bike train to the stop nearest to their home.

The bike train has already produced fond stories and memories...we carry the kids' heavy backpacks, coach them in handling skills, make pit stops at Little Libraries, we have gotten to know our fellow May Street parents, heard all about Pokemon and horses and listened to music on the ride. Kinders ride the whole route and a few 4th and 5th graders have already graduated, now knowing the safe route, their parents are comfortable with their independence. The students get fresh air, outdoor social time and a normal routine in an otherwise Covid roller coaster world. Parents' time is freed from congested vehicle lines or to simply stay working.

I've shared the map and photo and attached the bilingual brochure. We are updating the timetable after a month of operating and I can see it really growing when the weather is warmer. Can you please join us as celebrity conductors and share in the joy for May Bike Month? Please reach out to me to coordinate."

Alison Fitts, Hood River – addressed Council regarding her concerns along with her neighbors about the OLCC license that Inn at the Gorge has on tonight's Consent Agenda, for Council's consideration for recommendation.

Mayor McBride stated this will be discussed during the regular meeting.

III PRESENTATIONS

1. Farmers Market, Hannah Ladwig

Ladwig presented to Council with an overview of Gorge Grown and Farmers Market.

Their mission is to build a resilience and inclusive food system that improves the health and wellbeing of the community. They try to increase the supply and demand of local food in the Gorge. Gorge Grown has many programs that help their mission, including the Mobile Farmers Market that will begin this May. It will going to ten communities throughout the Gorge. Ladwig gave a summary of the other programs they provide.

Ladwig thanked the City for all the support they gave Gorge Grown during 2020. With the waiver of parking lot fees, they were able to put those funds into the Snap Match Program. It became more important than ever due to raising needs during the pandemic. Allowing them to open a month early last year at the beginning of the pandemic was essential, as grocery stores were going bare. They had one of the most successful seasons and it would not have been possible without the City's support. She thanked the City for continuing to waive the parking lot fee, for this coming season. With that savings they will be able to increase their Snap Match Program from a \$10 match to a \$15 match. In 2020, they had around \$9,300 in benefits used at the market which was double of any other year they have had the market. They gave out around \$4,000 in the incentive. That was also a large increase. They had around 130 unique Snap customers and 210 customers that were new to Snap, or to the market. Because of the pandemic more people were eligible for Snap and more support was there, due to the pandemic EDT. They conducted a survey and 100% of Snap customers said the amount of fruit and vegetables they were consuming increased, as a result of the program. 100% of them said the number of times they visited the market increased because of the Snap Match Program. 2020 was their most successful season in many ways. With the guidance of Oregon Department of Agriculture, Oregon Health Authority and Oregon's Farmers Market Association, they developed a very robust safety plan. This plan has served as a model for other markets across the Northwest.

60% of customers were coming from Hood River and 38% were coming from surrounding communities. 83% of local farmers and food producers lost restaurant accounts last year, so direct sales to customers became even more important. 91% customers stated they felt more safe shopping at a farmers' market, then shopping at a groceries store. Attendance was down 23%, but the average customer was spending significantly more at the market. Gross sales increased by 16% from the year before. Vegetable's sales grew by 50% and meat sales increased by 80%. Gorge Grown is looking to build on the success in 2021. The market season starts this Saturday.

WORK SESSION

V OPEN WORK SESSION – 6:20 p.m.

VI AGENDA ADDITIONS OR CORRECTIONS

VII DISCUSSION ITEMS

1. Council Work Plan Project Scope - Affordable Housing Strategy, J. Kaden

Kaden presented a PowerPoint presentation. The PowerPoint has been added to the record.

Purpose: The cost of housing in Hood River is a burden to families and individuals and makes it difficult to recruit and retain workers. Additionally, the market is not producing housing that is affordable to families earning at or below the median family income (MFI). Despite deliberate and consistent action by the City Council over many years, the gap between what families earn and what they can afford in housing continues to grow. The City's 2021 Work Plan includes the development of an Affordable Housing Production Strategy to identify public policy tools and strategies the City can use to encourage the production of housing for individuals earning up to 120% of MFI (MFI ≈ \$76,800) and a plan to implement those strategies.

The purpose of this discussion is to outline staff's understanding of the project deliverables and outcomes, identify the issues the project seeks to address, and to gain additional clarity from Council before moving forward.

Background: The City's Housing Needs Analysis (2015) identified housing affordability challenges, quantified Hood River's development capacity, and noted a limited supply of land zoned for multi-family housing. An accompanying Housing Strategy (2015) recommended strategies and policy changes to increase land use efficiency, regulate secondary and short-term rental housing, and develop affordable housing with a broad goal of helping the City manage land within the urban growth boundary to meet current and future housing development capacity while maintaining quality of life in Hood River and protecting public interests such as housing affordability, health, safety, and municipal revenues. In 2019, the City updated key data points from this strategy, which confirmed that the needs remain. Strategy 3 of the 2015 Housing Strategy included recommended actions and policy changes intended to encourage development of market-rate and government-subsidized affordable housing in Hood River.

Since then, the City has adopted or made progress on many significant policy initiatives to address housing including the following 2015 recommendations:

- Developed short-term rental licensing program (Ordinance 2026)
- Updated townhouse code to streamline approval process (Ordinance 2036)
- Adopted 1% construction excise tax (CET) dedicated to affordable housing (Ord. 2042)
- Updated ADU code to incentivize development (Ordinance 2050)
- Purchased land at 780 Rand Rd. with goal of developing affordable housing (2020)
- Developed Middle Housing code (Ordinance 2061)

Meanwhile, Hood River's population continues to grow, construction of new housing has not kept pace with demand, and housing has become more unaffordable. Hood River, like other communities in the northwest, continues to see a gap in housing affordable to those making 120% of MFI or less and the trend is likely to continue without additional community action to produce housing for this population. ECONorthwest documented this trend in an updated report on housing in Hood River.

The data tells us that between 2011-2019, median housing prices in Hood River rose approximately 41%, or \$148,000, while median household income rose only 27%, or \$16,000. In addition, the percentage of housing stock affordable to families earning up to

100% median family income (MFI) dropped from 40% to 15% during that time. Currently, only about 23% of Hood River's workforce lives in the city limits. (Hood River Economics of Housing Market FAQ, June 2020) Earlier this year, ECONorthwest confirmed that that increased housing production at all price points and regulatory and land use efficiency changes are vital, but insufficient to increase the number of affordable housing units needed. The community needs to be more proactive to ensure affordable housing units are constructed and remain affordable long-term and strong partnerships are required.

This story is true across Oregon and not unique to Hood River. To help communities meet housing needs, the Oregon legislature adopted House Bill 2003 in 2019. As an outcome of the legislation, the State of Oregon now requires cities with a population of more than 10,000 people to conduct a housing needs assessment and develop and adopt a housing strategy that includes a list of specific actions and policies the city will undertake to promote development that addresses all identified housing needs (ORS 197.290(2) and OAR 660-008). While not required to do so, Hood River can benefit from the state's guidance to develop a similar toolbox of policies it can leverage to incentivize production of affordable housing. This will require strong partnership with community partners and developers who build affordable housing.

Discussion: Hood River's 2021 workplan project will position the city ahead of any future requirement for small cities to implement HB 2003. The deliverable of the project is an affordable housing strategy that, if implemented, would encourage the production of housing for those earning 120% MFI or less. Adoption of a strategy and implementation plan will provide clear guidance to developers, builders, non-profits, and other housing producers, as well as staff, about the specific policies, tools and actions the city will use to encourage the development of affordable housing.

The strategy may include financial incentives, financial resources, tax exemptions, actions to reduce infrastructure impediments, and acquisition tools. The strategy is not intended to include policy tools for market-rate housing production, the actual construction of affordable housing units, identification of land for acquisition, zoning or municipal code amendments, or permitting changes.

Anticipated outcomes of the Affordable Housing Production Strategy are:

- Production of affordable housing (120% and below) by community partners
- Guaranteed long-term affordability when public subsidies are used
- Greater percentage of Hood River's workforce living in Hood River
- Reduced percentage of cost-burdened households
- Strengthened public-private partnerships to achieve affordable housing goals
- Increased community understanding of the housing issues in Hood River
- Increased community support for investments in affordable housing

One component of the project is the creation of a task force to provide important community input and connection and to assist Council in understanding perspectives in the community. The task force will be comprised of local technical experts (policy or finance or both), consumers of workforce housing, employers (e.g. hospitality sector, large employer), and housing partners (e.g. community land trust, housing authority). Staff recommends that one Councilor serve as a liaison on the task force to listen to the task force and communicate back with the Council.

Next Steps: Next steps include developing a request for proposals to hire a housing consultant and creating an affordable housing task force, develop a public engagement plan, not only for the task force but to engage the broader community and kick off the task meetings in the summer and fall.

Staff would like to hear from Council whether there are any additional deliverables, outcomes, or issues to be considered in this project or additional clarity on the outcomes.

Councilor Counihan suggested reaching out to Portland State University in their Urban Study's Program. Maybe they will be willing to provide some input or have a student participate.

Councilor Metta appreciates the project states what it does and doesn't include. It is important to outline. She also appreciates it includes an implementation plan; it is not just a document that sits on a shelf. She is interested in seeing consideration of what tools can be used to protect the affordable housing they already have, in addition to how to encourage more. One that she is particularly interested in the is manufactured home parks and RV parks that are used for housing. Those are important pieces of the community. They have seen where manufactured homes were lost to higher end housing. She would like some type of protection considered. She would also like to see how Urban Renewal can be used as a tool for the westside of the community, where the cost of infrastructure is becoming a barrier to development.

Councilor Rivera would advocate for a community member to be a part of the task force, to give their input on their experience with housing. She also thinks it is important to invite a County Commissioner to be a part of the task force. It would be an opportunity to pool City and County resources and money together, to make an impact to infrastructure and workforce housing.

Councilor Zanmiller recommends the task force include not just an observer City Councilor but a participant City Councilor. He asked why they would not include reduced regulatory impediments as part of what they are looking at? If all the data comes back and says this rule(s) are having negative effects, why would that not be on the table?

Kaden stated she is not sure if a task force will be formalized until there is a consultant in place. If Council is comfortable with identifying a Councilor to sit on the task force, that can be done tonight.

Councilor Saunders volunteered to be on the task force.

Motion: I move to appoint Councilor Saunders to serve as a liaison to the Housing Production Strategy task force.
First: Rivera
Second: Metta
Discussion: None
Vote: Motion passed (roll called)
Ayes: McBride, Zanmiller, Saunders, Counihan, Metta, Haynie, Rivera
Nays: None
Abstentions: None
Excused: None

VIII ADJOURN WORK SESSION – 7:03 p.m.

REGULAR COUNCIL MEETING

I OPEN REGULAR COUNCIL MEETING – 7:03 p.m.

II AGENDA ADDITIONS OR CORRECTIONS

III CONSENT AGENDA

Mayor McBride stated they will separate Consent Agenda items to be consider separately.

1. Council Meeting Minutes – March 29, 2021

Motion: To approve the Council Meeting Minutes of March 29, 2021.
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

2. OLCC Permit Application Approval
- Inn at the Gorge – Full On-Premises, Other Public Location

There was discussion regarding the concerns that were brought to Council by several neighbors of Inn at the Gorge, about their OLCC liquor license application. Fuller, Nilsen and Chief Holste provided information and answered questions asked by Council.

Mayor McBride took a vote on the recommendation for the OLCC permit. There were five votes not in favor of the recommendation.

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

3. Letter of support HB 3221 - Green Tariffs, Energy Council

Councilor Saunders disclosed she has a potential conflict of interest. Based on her employer who would be one of the local districts, that could operate under this. They also operate two small hydro powerplants, that could come into play.

Motion: I move to approve the letter of support for HB 3221 Green Tariff energy Council.
First: Rivera
Second: Zanmiller
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

1. Executive Recruitment Services, R. Fuller

The purpose of this item is to authorize the City Manager to enter into a professional services agreement with an executive search firm to assist the Mayor and City Council during the recruitment and hiring of a new city manager.

The City Manager serves as the Chief Administrative Officer for the City and is responsible for the direction and supervision of all activities of city departments, the execution of the budget and implementation of policy as established by the City Council. Earlier this year, the City Manager announced her decision to resign from the position, effective July 2, 2021. At the request of the City Council, the City issued a request for proposals from executive search firms to assist the City Council in filling the vacancy. On Monday, April 26, the City Council held a special meeting and interviewed two firms.

This is a Council discussion item with the purpose of choosing a search firm to assist with the recruitment of a new city manager. It is expected that the process would take 3-6 months following execution of the contract.

Staff recommends that the City Council authorize the City Manager to draft and sign a personal services agreement with one of the firms for executive search services.

Council thanked both firms for interviewing. They both did a great job interviewing and have provided great service to the City in the past. Council discussed their reasons for their top choice.

Motion: I move to authorize the City Manager to draft and sign a personal services agreement with Jensen Strategies for executive search services.
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

V CITY RECORDER

1. Reading of Ordinance 2061 Missing Middle Housing for the second time by title only

Motion: To read Ordinance 2061 for the second time by title only
First: Saunders
Second: Rivera
Discussion: None

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

Gray read the ordinance by title only. The Mayor announced that Ordinance 2061 had passed its second reading and would become law in 30 days.

2. Reading of Ordinance 2062 Transportation System Plan for the first time

Motion: To read Ordinance 2062 for the first time in its entirety.
First: Metta
Second: Haynie
Discussion: None
Vote: Motion passed (roll called)
Ayes: McBride, Zanmiller, Saunders, Counihan, Metta, Haynie, Rivera
Nays: None
Abstentions: None
Excused: None

Liburdy read the ordinance in its entirety. The Mayor announced that Ordinance 2062 had passed its first reading and would be read for the second and final time at the next regular meeting on May 10, 2021.

VI MAYOR

1. Bike Month Proclamation

Mayor McBride proclaimed May 2021 as Bike Month and read the proclamation in its entirety. Mayor McBride asked staff to post information on Bike Month on the City's website.

VII COUNCIL CALL

Mayor McBride gave an update on the Bridge Replacement Project working group. She was interviewed by Columbia Gorge News. The article might be in the paper this week or next. They asked about housing and infrastructure. They also interviewed the Mayor of White Salmon on the same subject. The homeless working group met last week. They are working on trying to make a bigger coalition. There are numerous homeless coalitions right now. They feel if they become one voice regarding the homeless in the area, they will have a chance to receive funds.

Councilor Metta invited everyone to attend the Regions Comprehensive Economic Strategies meeting. She will send the link to anyone interested in attending.

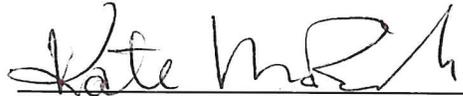
Councilor Saunders stated COVID numbers are increasing. She reminded everyone to continue to social distance, wear a mask and get the vaccine.

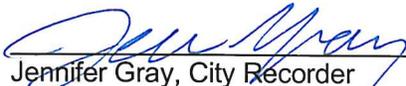
Councilor Haynie spoke briefly about being the sole Councilor to vote nay on the Middle Housing Code. He does wish this well. He explained the reason he could not get to a yes vote. His preference would have been a more graduated approach, not to have a

blanket approach across the City. He would have liked to have more public involvement. He felt this gave false hope. To him this plan wasn't built on the idea of creating more affordable housing. It was not designed around that concept, but it was sold on that concept. He is not sure the market is going to deliver the results, that it was sold on. This was difficult for him. He does not like being alone and he respects everyone's views. He personally could not get to a yes vote. He is wishing the best for the ordinance.

Mayor McBride reminded Council there is a City Budget meeting Wednesday at 6pm.

VIII ADJOURN – Adjourned by unanimous consent at 8:08 p.m.


Kate McBride, Mayor


Jennifer Gray, City Recorder

Approved by City Council on 5-10-2021