## City of Hood River

 **City Council Work Session**

 **October 26, 2020**

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, Senior Project Manager Wade Seaborn, City Recorder Jennifer Gray, GIS Analyst Jonathan Skloven-Gill, Senior Planner Kevin Liburdy

Absent:

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

Mayor McBride announced she would like to take 15 seconds of silence to remember who took care of this land years ago and how much we love it now because it was taken care of.

**II BUSINESS FROM THE AUDIENCE**

Lorraine Lyons, owner of 64oz, Hood River, OR – wanted to share her experience with parklets this summer and some of the feedback she received. She offered to be a part of the process if the parklets come back. She stated literally hundreds of people, locals and visitors have been so grateful to have the outdoor space where they felt safe. Employees have felt safe. It has been a lifesaver for their business. She thanked everyone for their support. She does not know the plans for this spring, but she is hopeful they will return. She believes there are things to do to make the parklets better and safer. It has been a game changer for downtown Hood River. There has been a lot of great suggestions from visitors regarding parklets and Oak Street. If a planning process can get started now for this spring, they can be better prepared with clear guidelines.

Tracey Tomashpol, Hood River, OR - Cascade & Rand Road – spoke about the costs and the contract the City signed of the Cascade & Rand Road project. She stated Mayor McBride, Councilor Zanmiller and Councilor Saunders had the opportunity and responsibly to review the contract the City signed on July 10, 2017. The HRMC states the City Council is designated to continue as the local contract review board of this City. They were apart of the 2017 City Council and were responsible for reviewing the contract and approving it. She asked what happened and what does the contract bind the City. The IGA limits federal funding to $750,000. Hood River signed up to be responsible for all remaining costs. She asked what questions were asked by Council about this contract signed in 2017. During the next budget review, the public might want to look closely at the revenues and expenses in the road fund to see whether the estimates being spent are reasonable, given the construction expenses for Cascade and Rand remain unknow at this time, but have no caps. Any new contracts for the 2nd and Oak Street signal project mirror a close review of contract conditions. Something Council members are obligated to do on behalf of the City. The current Councilors who have been loudest in protecting Cascade & Rand costs and asking ODOT engineers to plead for the state for money, were on Council that approved the contract. Why not admit they did not read the contract, did not ask the right questions, or got faulty advice. Council members should admit their accountable for the 2017 contact and stop being outraged at the State of Oregon for merely caring out their side of the contract.

Pamela Larsen, Hood River OR – she is a local independent educator who teaches tribal history. She wanted to speak to Council about the idea of “community dialog.” As a community member, she has noticed the nation become very polarized, politically and socially. Our county needs to be a place where diversity of voices can encourage. Many people right now do not feel safe to voice their opposing opinions. She has been reaching out to people in the community and has come up with the idea of a community dialog. The purpose would be to group community people together that have a very political and social perspective, to speak in a safe and respectful environment with a facilitator. No one is trying to change someone’s point of view and there is not a political agenda or platform. It is merely to inviting people to come together, not be judgmental and share views. She sees it as an opportunity to build some bridges between people in the area that are feeling bipolarized by the situation happening in the nation. She is proposing a pilot program this Saturday. It’s an invite only of moderate republicans and moderate democrats. Vicky Stripper from Riverside Church will be the facilitator. There will be a doctor there taking temperatures and speaking about State mandated COVID regulations. It will be held at Tucker Park at 10am-noon. It would be wonderful to have the County and City and law enforcement involved.

Claire Culbertson, Hood River, OR – “I’m very excited to see the Rand Rd project advancing. In reviewing the proposal submitted by the Leeland group, several issues come to mind that need to be addressed in the work going forward.

First: The proposal states that “stakeholder interviews may include neighbors, neighborhood association leaders, affordable housing advocates and housing developers.” Unfortunately, I didn’t see any mention of the end-users in this list. How do we ensure that people who need low-income housing will have their voices heard? The City’s 2019 update of the Housing Needs Analysis identifies several demographic groups whose input should be specifically sought. These include the increasing percentage of Hood River’s population that’s over 60 years old, and the increasing percentage that’s Hispanic or Latino. Expecting that these important potential end-users groups will be adequately represented among the “neighborhood and neighborhood associations” is unrealistic.

Second: In the proposal’s “scope of work” description, I didn’t see mention of factoring in actual data on where the need is. We have that data. The HNA update I just mentioned documents rapidly rising housing prices and rent costs in Hood River over the last several years. Since completion of the original Housing Needs Analysis in 2015, the “cost-burdened” segment of households (Those paying 30-50% of their income on housing costs) increased from 32% to 37% of all households. The largest increase in being “cost-burdened” was for renters, increasing from 40% to 48% of renters. The percentage of “severely cost-burdened” renters (those paying 50% or more of their income on housing costs) increased from 15% to 22%. This data show that Hood River’s housing is becoming less affordable to all households, but especially for renter households.

I ask that the City specify end-user groups, including older adults and Latinos, as specific stakeholder groups to be included in Leeland’s assessment process. And I ask that the City direct the Leeland group to specifically incorporate the Housing Needs Analysis update data in its planning.”

**III PUBLIC HEARINGS**

1. Public Hearing for Natures Miracle Zone Change upon the request of IBC File Number 2020-13, D. Nilsen

Mayor McBride opened the hearing and read the script and rules regarding the public hearing at 6:17 p.m.

Mayor McBride asked Councilors if they have any bias, ex-parte contact conflicts of interest to report.

Councilor Saunders noted she is employed by Farmers Irrigation District which is the district for this parcel. They reviewed this proposal before it went before Planning Commission. It was the same notice that was in the packet, so she did not learn about any other information. A zone change would in no way impacted Farmers operations, but a subdivision would have a minor financial impact on the budget. It would in no way impact her salary or compensation. There is no personal financial stake and there is no prejudgment.

There were no questions from the public on her disclosure.

Nilsen presented the staff report. Nilsen stated pages 4-7 in the meeting packet are the most significant aspects in the request, that Council is being asked to consider on this change from R-1 to R-2.

This matter comes to City Council through the Planning Commission to consider a zone change request from Integrity Building and Construction. The Planning Commission approved the subdivision request with conditions and recommended that Council approve the zone change. Planning Commission’s complete findings, recommendation, conditions of approval, along with application materials provided by the applicant and neighborhood comments are included within packet.

Background:

File # 2020-13 requests the approval of a zone change from R-1 to R-2 and an 18-lot subdivision to include grading, construction of street extensions of Montello and Prospect Avenues and 30th Street, and installation of public utilities and associated site improvements. The property, Tax Lot Description: 03N 10E 34A 200, is located at the northwest corner of 30th Street and Prospect and is approximately 3.14-acres in size.

On October 5th, 2020, the Planning Commission evaluated the request at the public hearing and has provided its approval of the subdivision along with its recommendations regarding the Zone Change to City Council. On October 6th, 2020 staff provided neighbors notice of the Council hearing. As described in the City Code, Council has the sole authority to allow and approve zone changes.

Approval Criteria:

The Hood River Zoning Code 17.08.040 outlines the criteria for zone change approvals. Its states that zone or plan changes may be approved if the change will not be unreasonably harmful or incompatible with existing uses and one or more of the following exist:

1. A mistake was made in the original zone or plan designation; or
2. There is a public need for the change, and this identified need will be served by changing the zone or plan designation for the subject property(ies); or
3. Conditions have changed within the affected area, and the proposed zone or plan change would therefore be more suitable than the existing zone or plan designation.

Planning Commission found that no mistakes were made in the original zoning of the property. The

justified need for the change as well as the conditions within the affected area are discussed in the following findings.

Staff noted and Planning Commission affirmed in its findings, the subject property is surrounded by residential zoned property with vacant R-1 property to the West, partially developable R-1 to the South, and subdivided and developed R-2 property to the North and East. As depicted in the zoning and parcel map below. The proposal represents a natural progression and extension of roads and subdivided residential lots that are consistent with the growth pattern and zoning of development immediately to the north and east.

In 2015 the City of Hood River updated its Housing Needs Analysis (HNA) 2015-2035 to comply with statewide planning policies that govern planning for housing and residential development, Goal 10 and OAR 660-008. The report provides Hood River with a factual basis to support future planning efforts related to housing and options for addressing unmet housing needs in Hood River. The focus of the HNA was an assessment of whether Hood River has enough land within the City’s Urban Growth Boundary (UGB) to accommodate expected population growth.

This City of Hood River has adopted a comprehensive Housing Strategy that addresses the key findings of the HNA and has incorporated this strategy as background information in the City’s Comprehensive Plan. The key conclusions from the HNA are:

• Hood River’s policies generally comply with Goal 10, except for regulation of

townhouse development;

• Hood River has limited opportunities for future expansion of the UGB;

• Hood River has a limited supply of residential land;

• Hood River has a very limited supply of land for multifamily development;

• Hood River will need to continue to encourage efficient use of land for single-family

development; and

• Hood River has an existing deficit of affordable housing.

The Housing Strategy includes policy recommendations that address the key findings mentioned above and the City Council has since provided direction to implement these strategies. The Hood River Housing Strategy is organized into three broad strategic areas: increasing residential land use efficiency, regulation of secondary housing and short-term rental housing, and development of affordable housing.

The proposal to change the zone from R-1 to R-2 and subdivide the land is generally consistent with increasing residential land efficiency as it creates opportunities to develop an number and increased diversity of housing product types, including duplex and attached single family dwellings, and divides the cost of extending infrastructure across dwellings planned and developed as a unit.

The proposed development extends the current street blocks in grid and block configuration, with shorter block lengths along with rear alley access. These features are hallmarks of “Smart Growth” principals adopted by the Congress for New Urbanism, Urban Lands Institute, Form Based Codes

Institute, recommended by the EPA, and encourage efficient use of land for development.

The hearing body shall consider factors pertinent to the preservation and promotion of

the public health, safety, and welfare, including, but not limited to:

1. The character of the area involved;

2. It’s peculiar suitability for particular uses;

3. Conservation of property values; and

4. The direction of building development.

The code requires the City to consider the above standards pertinent to the preservation and promotion of the public health, safety, and welfare. The character of the area is predominantly single-family residential uses developed under R- 2 density standards. Larger vacant property owned by the Hood River School District and private ownership are used by residents for recreation. Building and development has generally been more active and intense from the east as a natural extension from the City Center with less dense development leapfrogging into the urban growth boundary approximately ¼ mile to the west. As development has occurred in the area, property values have continued to grow over time, generally increasing as land has been subdivided and developed into individual housing units. Given the surrounding properties development, no identified environmental or natural issues, and local grid street network the area is suitable for residential development.

Mayor McBride called on the applicant’s testimony.

Mike Kelter addressed Council. Sean Wagner has nothing to add.

Mayo McBride called on members of the public signed up to speak.

Opposed:

Linda Maddox, Hood River, OR – she is opposed to the zone change. She does not believe the applicant has made the case for any of the reason for a zone change. She believes there is a flaw in the transportation analysis; there will be 36 homes, not 18 which will generate more traffic trips. She lives near this area. She believes it would look much better if there is a variety in the design of units that are built. She added single family homes would give more space between neighbors and it would improve the design. If this does get approved, she would like the City to require a variety in designs and single home duplexes.

Mary King, Hood River, OR – she lives directly down slope from this area. She would like Council to review her concerns about this rezone that were submitted in the record to the Planning Commission, page 8 of the meeting packet. Her concerns are protection of neighboring properties, safety for pedestrians and bicyclists, and mitigation of wildlife impact. Knowing it is unlikely the City Council will deny the rezone, she requested Council to amend conditions of approval to provide certainty to the surrounding property owners, that their homes will be protected from damage and harm from drainage control.

Megan Barton, Hood River, OR – she shares a driveway with King. She also spoke at the Planning Commission meeting about concerns about the proposed drainage. There was confusion on how that would look. Her husband reached out to the developer and spoke with Kelter to get more information. After their discussion, there was still some unknowns associated with that issue. They still have concerns. She explained they have a sub-pump on her property. Once some of the vegetation is removed, there could be some egress water coming into the area. Will that be her responsibility? She feels there are somethings that are out of their hands with the concerns they have. It would be helpful to have more information before agreeing to move forward.

Mayor McBride stated it is time for a rebuttal from the applicant.

Kelter stated he agrees with Maddox’s statement about the importance of diversity in design. He agrees diversity in design for this project is needed and is planned for this project. In regard to her statement about a single family and multifamily mix use design is what the City needs in its housing needs. If Council does not approve the R-2 rezone, they would not be able to build multifamily mix use with single family housing.

Kelter stated he has spoken to King several times. At this stage, it is a vague concept because they only get to see preliminary engineering. And because of the preliminary engineering, the detail in what they gather is hard to interpret. He believes they can assure the neighbors through the engineering standards of Hood River and the State of Oregon, the zero impact they will have on their property should give them security. He believes that is why during the Planning Commission phase, they voted to have them notify neighbors when the official engineer complete packet is submitted. They should be comforted they do not need to hire an engineer; the City has an engineer on behalf of the citizens. As a developer they are not doing anything that does not meet the standards. The same would be true if someone else developed this land.

Wagner added about Maddox’s comment on 36 town houses, as of this morning that is not the plan. Kelter confirmed Wagner’s statement. Kelter stated that does not mean there will not be any townhouses. The north lots on the property will not work for townhouses or duplexes. He estimated they would only be able to 4-6 built. He is estimating the price for these homes will be around $500,000.

Nilsen stated there is a unanimous recommendation from the Planning Commission for the rezone. The concerns that were raised this evening, those are reserved and required to be reviewed by engineering after this stage. What is being reviewed now is the criteria called for an adequate public facility analysis. Within the report itself and within the subdivision, includes a number of findings from our engineering team that reviewed this. Planning Commission also heard this request and added a condition of approval stating that at the time of submission, the applicant would be required to notify the neighbors they have submitted final engineering plans. This is typically outside of what the process entails, but this is a matter of providing some additional transparency to the neighbors. That is included in the recommended conditions of approval.

Kearns added this is a zone change application for a subdivision. A subdivision just creates lots, it does not dictate what are on those lots. They do not have a way of dictating duplexes versus single family homes. The traffic analysis at this time is based on just the number of lots being used as single-family homes. The traffic analysis looks at the capacity of effected intersections. There is a condition that requires they verify there is actual capacity for the number of units that would be constructed. The suggestion that the City should require a certain type of design, the City cannot do that. It is not allowed under State law to require design review or requirements. The testimony on stormwater, this is reviewed and must meet the requirements of the City. The Planning Commission looks to the City Engineer to verify the proposal meets or can meet the stormwater requirements.

Mayor McBride closed the public portion of the hearing at 6:56p.m.

Mayor McBride closed the oral argument and public testimony portion of the public hearing and Council entered into deliberations.

*There was discussion regarding neighboring drainage concerns.*

*There was discussion when Councilor Rivera asked about the opportunity/possibility for affordable housing at this location if there was an opportunity for the City to collaborate with Kelter. Kelter spoke about the City development requirements that drive up the cost on those types of projects.*

*Councilor Zanmiller stated there is a list 10 significant trees or tree clusters that are in the packet. He asked if the plan protect them. He asked about traffic effects when additional homes are added.*

Councilor Metta stated she is comfortable with the rezone.

Mayor McBride stated she is comfortable with the rezone.

Councilor Megan stated she believes the conditions have been met and is in favor of the rezone.

Councilor Zanmiller stated he is supportive of the zone change.

Councilor Rivera stated she is frustrated but they are being asked specifically for it to be rezoned from R-1 to R-2. She has raised her concerns, but she feels comfortable with the rezone from R-1 to R-2.

Councilor Counihan stated he is comfortable with the zone change. He is interested in having future discussion about potential policy changes that help get more affordable housing development.

Councilor Haynie believes the applicant has met the applicable standards. The applicant has done their job. In regard to Maddox and King’s comments, he would like the minutes to reflect there will not be 36 units. He also likes King’s point of having stronger language under the conditions of approval. He will be voting in favor of the zone change.

Councilor Metta stated along the lines of carrots, she believes the Rand Road development will an opportunity for the City to look at what incentives could look like for future development.

**Motion:** I move to approve File 2020-13 adopting Planning Commission Findings, Recommendation, and Conditions.

 First: Saunders

 **Second:** Counihan

 **Discussion:** None

 **Vote:** Motion passed (roll called)

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

Nays:  None

             Abstentions:  None

             Excused:  None

Mayor McBride adjourned the public hearing at 7:56 p.m.

Break 7:57p.m.

**WORK SESSION**

**IV OPEN WORK SESSION** – 8:03 p.m.

**V AGENDA ADDITIONS OR CORRECTIONS**

**VI DISCUSSION ITEMS**

1. Extension of Certain Provisions for COVID Assistance, W. Norris, D. Nilsen

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

Public Purpose: The purpose of this item is to review City-sponsored COVID19 support and to gather Council feedback on these initiatives and longer term adaptations that are going to be necessary to respond to the pandemic until they see some level of resolution.

Background: Over the past eight months the City has partnered with local stakeholders and agencies to support the community during the COVID -19 pandemic. Some of this response focused on the business community and customers including a pilot program that allowed uses of public property and flexibility in licensing and entitlements. Many of these responses were focused on temporary and seasonal uses, which allowed businesses and the community take advantage of the summer weather and visitor traffic to socially distance and use outside spaces, such as parks and the public right of way for parklets and loading zones and private property to accommodate satellite facilities such as outdoor patios and food carts.

In addition to business support, the City also provided support to individuals, primarily through suspending city-wide late payment fees, interest, and penalties under a local State of Emergency declaration. This included suspending water shut offs for non-payment.

The City Council authorized direct financial support using Federal CARES Act dollars for homeless services, child daycare, Chamber of Commerce support, and utility payment grants to individuals. As of last week, 100% of available funds have been distributed locally. It is too early to report on the outcome of this funding. However, the League of Oregon Cities reports that state-wide, Oregon cities have only expended 35% of the total CARES Act dollars allocated. This means the City of Hood River should be ready should unspent dollars from other cities become available for redistribution.

Discussion: The purpose of this agenda item is to review the programs employed as an immediate reaction to the pandemic and to gather City Council feedback to inform medium-term adaptations necessary to operate until the COVID19 pandemic is substantially resolved.

Support for Businesses and Organizations

The City fast tracked approval of temporary right-of-way permits for restaurants to use on-street parking spaces for outdoor seating. These parklets must now be removed to allow for winter snow plowing. The City has received requests to discuss the future use of parklets, loading zones, food cart permitting and licensing. At the meeting, staff will review considerations for these items as well as next steps for addressing them at the meeting.

Support for Individuals

The initial emergency declaration, extended multiple times, expired on September 30th, 2020 as the City transitions to the COVID19 environment as the new operating context. The financial policies enacted under the emergency declaration extend for another 60-days through December 1st. Going forward, payment plan fees have been administratively waived through 2020. Based on Council input, staff intends to draft an Ordinance for City Council consideration to modify HRMC 12.02.190, which requires discontinuation of water services after two months of non-payment. The intent is to provide greater flexibility for the duration of COVID19 pandemic and in future crisis situations.

Next steps include:

• Participation in a working group of food and beverage providers sponsored by the Chamber of Commerce to discuss support needs this winter and throughout the COVID recovery. Staff would update Council on the input and needs.

• Creation of a working group to evaluate the parklet program and recommend changes or modifications based on the pilot for Council consideration.

• Consideration by Council to extend the licensing permit for food cart operators to 18-months from current six months.

• Consideration by Council to allow the use of parking spaces for pick-up and drop-off through the winter months.

• Continued availability of City parks for for-profit activities, such as exercise classes and youth activities.

• City Council consideration of an ordinance to modify HRMC 12.02.190, which requires discontinuation of water service after two months of non-payment.

Other long-term approaches could also be addressed in preparation for the 2021 work plan, such as establishing new food cart regulations, food cart pod regulations and other changes to the transient merchant code.

Norris explained the City passed 100% of the CARES Act Funding for utility assistance to individuals, making $300 individual grants, homelessness assistance to the warming shelter through Unite Way, childcare assistance through Childcare Partners out of CGCC and also direct support to the Chamber of Commerce. The City just sent out the last of the checks last week, so they have fully expended. It too early to report back on the outcomes of that funding. It is not too early to think about metrics and if they were to get more allocation of CARES funding. From our understanding, the League of Oregon Cities have only spent about 35% of their CARES Act money. It is possible as an entity that has shown we can put the money to work, that maybe they could get a larger portion of it. The other aspect of the financial response has been through the emergency declaration that suspended all penalties and interest fees related to nonpayment on any city bills. All those financial aspect in the emergency declaration will continue on for an additional 60 days after the expiration of the declaration on September 30, 2020. Everyone will have a grace period until December. Notices have been sent out to those who have accumulated balances and to property owners whose tenants have accumulated balances. They will continue to waive any payment plan fees for the rest of 2020, to encourage people not to allow them to go to collections and instead, make contact with the City to set up a payment plan if needed.

Norris stated one other item as they settle into a more normal operating environment but still cognizant of COVID-19, and it’s continuing impacts is bringing forward an ordinance to the City Council to consider providing staff with more discretion on when to perform water shut offs. Right now, the municipal code states the City shall cut off and discontinue service after two months of nonpayment. Staff would like to bring Council something that would provide a little more flexibility.

Nilsen reviewed the next steps listed above.

*• Participation in a working group of food and beverage providers sponsored by the Chamber of Commerce to discuss support needs this winter and throughout the COVID recovery. Staff would update Council on the input and needs.*

*• Creation of a working group to evaluate the parklet program and recommend changes or modifications based on the pilot for Council consideration.*

*• Consideration by Council to extend the licensing permit for food cart operators to 18-months from current six months.*

*• Consideration by Council to allow the use of parking spaces for pick-up and drop-off through the winter months.*

*• Continued availability of City parks for for-profit activities, such as exercise classes and youth activities.*

*• City Council consideration of an ordinance to modify HRMC 12.02.190, which requires discontinuation of water service after two months of non-payment.*

Mayor McBride asked Council members if there are any items they do not agree with or that should be changed or removed. There were no changes.

Councilor Saunders stated she likes the list and asked when they look at the flexibility, if they can also include the penalty and interest fees. She is hoping the utility assistance will help with that but given this will be a long-term economic hardship for many it would be good to include that as well.

Councilor Zanmiller he would like a helpful business aide plan added to the list. He lists the list and likes the 6-month rotation of food carts, in a healthy time. Having them stay in place right now make sense. For the non-shutoffs, he would be supportive for extending nonpayment through the winter. If this gives the City Manager the tools to do it case by case, he is supportive. He is supportive of parklets and is willing to be a part of a working group.

Councilor Metta likes the list and appreciates staff bringing it to Council. About additional CARES Act money, she remembers shortchanging the City a little bit. She wants to make sure the City is covering what is needed.

Councilor Rivera also likes the list of ideas and is willing to participate in a working group.

Councilor Haynie stated the list is great. He supports the parklets continuing to operate as much as possible.

Fuller noted the safety and building issues with parklets operating during winter months. This is something that can get be looked at when a working group is formed. They ca get a better understanding from both the community and Council on what improvement, would be preferred.

Mayor McBride likes the list and the comments made by members of Council. She asked staff to move forward and bring them back to Council.

**VII ADJOURN WORK SESSION** – 8:22 p.m.

**REGULAR COUNCIL MEETING**

**I OPEN REGULAR COUNCIL MEETING** – 8:22 p.m.

**II AGENDA ADDITIONS OR CORRECTIONS**

**III CONSENT AGENDA**

1. Council Meeting Minutes – September 28, 2020, October 13, 2020

2. OLCC Permit Application Approval

 - The Pines, 415 Oak Street

* - Slopeswell, 1021 12th Street
* 3. Purchase of Ford F-350, M. Janeck

4. Purchase of Pelican Street Sweeper Purchase, M. Janeck

Councilor Metta asked to separate the OLCC permit for Slopeswell, to allow her to vote on the other Consent Agenda items.

 **Motion:** To approve the Consent Agenda items without the OLCC application for Slopeswell.

 First: Metta

 **Second:** Saunders

 **Discussion:** None

 **Vote:** Motion passed (roll called)

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

Nays:  None

             Abstentions:  None

             Excused:  None

 **Motion:** To approve the OLCC permit for Slopeswell.

 First: Saunders

 **Second:** Rivera

 **Discussion:** Councilor Haynie stated he has played music there in the past, but he does not believe that impacts his discretion.

 **Vote:** Motion passed (roll called)

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

Nays:  None

             Abstentions:  Metta

             Excused:  None

**IV REGULAR BUSINESS ITEMS**

1. Contract with Leland Consulting, Rand Road Development

Project, K. Liburdy

Public Purpose: Creating opportunities for an inclusive and diverse housing inventory is an identified goal on the City’s 2020 Work Plan. In early 2020 the City Council purchased approximately 7 acres of land located at 780 Rand Road to help meet the City’s housing needs and achieve other goals. Leland Consulting Group will prepare a strategy for development of the site as well as a Request for Qualifications or similar solicitation method to be issued to the development community for disposition and development of the site. The attached contract with Leland Consulting Group addresses the process, timeline and deliverables for preparation of the development strategy and subsequent solicitation.

Background: 780 Rand Rd. totals approximately seven acres located on the west side of Rand Rd., north of Sherman Ave. and south of Cascade Ave. Most of the property is zoned Urban Low Density Residential (R-1) and a small portion, approximately 0.87 acre, is zoned Urban High Density Residential (R-3). Subject to provision of adequate public facilities, including improvement of a segment of the Westside Community Trail, most of the property appears to be developable for a variety of needed housing types. It is near commercial uses and employers along Cascade Ave. and on Wasco Loop.

Following Council authorization in January of 2020, staff executed a purchase and sale agreement for the property including a purchase price of $1.2M (the property was listed for sale at $1.6M). The City accepted $410,000 in state funds to facilitate the purchase and, in doing so, signed a new contract with Business Oregon that requires development of at least 50 housing units on the site for households earning at or below 120% of area median income.

The City budgeted $50,000 in 2020 to contract with a consultant to prepare a strategy for development of the site as well as to prepare a solicitation to the development community. In July, staff issued a Request for Proposals for Housing Development Advisory Services. In August, the City received proposals from eight consulting teams. The proposals were reviewed by a committee consisting of staff and members of the local development community and, in late September, two of the consulting teams were interviewed.

Leland Consulting Group, in partnership with Urbsworks and DDV Consulting Services, was unanimously selected to prepare the strategy for development including

recommending the optimal type and scale of housing to be pursued on the parcel; whether ownership, rental or a combination should be developed; what levels of income or sales price/rental rate restrictions could best be produced; and effective methods for achieving City goals related to housing and community development. The consultant team also will work with the City to prepare a request for proposals or other solicitation method to be issued to the development- and partner community for disposition and development of the site.

Next steps: Upon execution of the contract with Leland Consulting Group, Urbsworks and DDV Consulting Services, staff will work with Leland Consulting to prepare the development strategy and development solicitation. The first phase includes property due diligence and financial modeling with the goal of creating a financially feasible development solicitation. As outlined in the attached contract, there will be a two-phase public engagement strategy. The first phase will include stakeholder interviews including with housing developers and advocates, neighbors and other community groups to build a financially and logistically feasible foundation for the project. Once this is established, a community effort will include a survey, webpage and other opportunities for engagement. Included in these phases, will be opportunities for City Council to share perspectives and goals for the property.

Staff Recommendation: Staff recommends that Council authorize the City Manager to execute the personal services contract with Leland Consulting Group, Urbsworks and DDV Consulting Services and to make any non-material changes to the contract prior to execution.

There was Council discussion and Q&A. Council spoke about the importance of public input and involvement.

Fuller noted staff and Council will have to work through this process together. Council represents the public as the owner of this property. Council is the final decision maker about what happens on the property. Staff would not be doing their job if they were not incorporating Council during this process. Staff does need to get started, so they know the questions to ask Council. That is what the consultant will be helping with. If there is ever a time Council feels they do not have information or have input on the process, staff is happy to report back at any time.

Mayor McBride stated they need to know the constrains of the property; that should be done first. There is a wetland and parts of the property are steep. Once that is done, they will know how much land is left. She would like to see two items, as much housing as they can build at 60-80% AMI and she wants to see park space next to that density. She is not sure if that is finically feasible, but that is where she would like to start.

Councilor Rivera agreed with Mayor McBride. She would also like to see multi-generation. She asked if there could be a phone call-in option for the public to participate in surveys to help gather input and not just have it be web base. She sees the web base only option as being a barrier. Local agencies such as The Next Door could possibly help.

Councilor Counihan would like to see renewable energy and solar project incorporated into this project.

Councilor Zanmiller asked if this is the time to give staff Council the items they would like to see happen on this property.

Fuller stated staff is hoping to get some baseline information with the consultant and come back to Council to have a robust discussion. If there some must haves, Council should let staff know.

Mayor McBride stated there will other times for Council to give staff their input.

 **Motion:** I move to authorize the City Manager to execute a personal services contract with Leland Consulting Group to prepare a strategy and development solicitation for development of the site at 780 Rand Rd., to include changes to the contract recommended by the City Attorney, and to make any non-material changes to the contract prior to execution.

 First: Rivera

 **Second:** Metta

 **Discussion:** None

 **Vote:** Motion passed (roll called)

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

Nays:  None

             Abstentions:  None

 2. Fee Resolution 2020-18, In Lieu Parking Fee, D. Nilsen

Background: A key finding of the 2019 Downtown Parking Study was that the existing fee-in-lieu option lacked coordination with economic factors that are essential to translating fee-in-lieu payments, into actual new parking capacity to serve parking demand for developments that would pay the fee.

The study also found that the City’s current fee-in-lieu program has become a barrier to new development, as has the difficulty in building new parking supply in the downtown, whether by the public or private sector. The cost to build new parking is extremely high and generally requires multiple sources of funding to be financially sustainable.

The City’s parking consultant recommended a new interim fee-in-lieu that preserves the fee-in-lieu process and payment for the City until such time as (a) the fee-in-lieu is modified and coupled with other funding sources for new capacity or (b) eliminated as a funding option for new capacity.

The interim fee-in-lieu option outlined in the consultant’s recommendation is intended to remove the barrier and allow new development to proceed forward; letting the market and realities of financing determine feasibility.

To accompany amendment Downtown Parking rates and revisions to the In-Lieu Parking methodology, based on recommendations from Rick Williams Consulting and the Hood River Planning Commission, staff has prepared Resolution 2020-18, which sets the In-Lieu Parking fee at $3,000 per space for residential and commercial development.

A revised resolution has been provided that includes alternatives to limit the fee amendment to the Central Business District and retains the existing fee amounts for the Heights and Waterfront Business Districts.

Staff Recommendation: Staff recommends Council approves resolution 2020-18 amending the in-lieu parking rates based on recommendations prepared by Rick Williams Consulting.

Brian Towey, Hood River, OR – addressed Council

Kirk Zack, Hood River, OR – addressed Council

Nilsen gave the staff report. Upon hearing concernS from Council at the last Council meeting, staff has provided alternatives within Resolution 2020-18 to choose from.

Alternative 1:

The In-Lieu Parking Fee for residential and commercial development in the Central Business District, Waterfront Business District, and Heights Business District pursuant to HRMC 17.24.010 is $3,000 per required parking space.

Alternative 2:

The In-Lieu Parking Fee for residential and commercial development in the Central Business District, pursuant to HRMC 17.24.010 is $3,000 per required parking space.

The In-Lieu Parking Fee for the first 2/3 (the first 67%) of the required parking for residential construction in the Waterfront Business District and Heights Business District pursuant to HRMC 17.24.010 is $22,692 per required parking space.

The in-Lieu Parking Fee for the final 1/3 (the final 33%) of the required parking for residential construction in the Waterfront Business District and Heights Business District pursuant to HRMC 17.24.010 is $2,201 per required parking space.

The In-Lieu Parking Fee commercial development in the Waterfront Business District and Heights Business District pursuant to HRMC 17.24.010 is $1,259 per required parking space.

Alternative 3:

The In-Lieu Parking Fee for the first 2/3 (the first 67%) of the required parking for residential construction in the Central Business District, Waterfront Business District and Heights Business District pursuant to HRMC 17.24.010 is $22,692 per required parking space.

The in-Lieu Parking Fee for the final 1/3 (the final 33%) of the required parking for residential construction in the Waterfront Business District and Heights Business District pursuant to HRMC 17.24.010 is $2,201 per required parking space.

The In-Lieu Parking Fee commercial development in the Central Business District, Waterfront Business District and Heights Business District pursuant to HRMC 17.24.010 is $1,259 per required parking space.

Councilor Metta state she is going to recuse herself from this discussion since her husband is part-owner of Slopeswell in the Heights. There might be a fee in lieu question coming to the City for the business.

Council discussed and expressed their thoughts on the three resolution alternatives.

**Motion:** Motion to approve Resolution 2020-18 amending Resolution 2017-18 to change the in lieu parking fee to $3,000 per residential and commercial space for only the Central Business District and maintain the current methodology in the other two business districts. (Alternative 2)

 First: Zanmiller

 **Second:** Saunders

 **Discussion:** Councilor Counihan asked questions for further explanation on Alternative 2.

 **Vote:** Motion failed

Ayes:  Zanmiller, Saunders, Rivera

Nays:  Haynie, Counihan, McBride

             Abstentions:  Metta

 **Motion:** I move to approve Resolution 2020-18 amending Resolution 2017-18 to change the in lieu parking fee to $3,000 per residential and commercial parking space in all three business districts. (Alternative 1)

 First: Counihan

 **Second:** Saunders

 **Discussion:** None

 **Vote:** Motion passed (roll called)

Ayes:  McBride, Counihan, Zanmiller, Saunders, Rivera

Nays:  Haynie

             Abstentions:  Metta

**V REPORT OF OFFICERS**

 A. Department Heads

1. Planning Commission Appointment Process, D. Nilsen

The City is currently seeking applications for volunteers to serve on the Planning Commission and in anticipation of the selection process, staff has prepared the overview of the Councils current recruitment and selection process. The overview calls out changes from the 2019 pilot process based on issued raised by Council representatives and staff discussion with past applicants.

Councilor Saunders stated in the coversheet under reappointments, it states that at Councils discretion they could reappoint without advertising. She looked at the past meeting minutes and it stated Council said they would always advertise, that needs to be updated.

Mayor McBride had a suggested language change for Reappointments:

At its discretion Council may choose to reappoint serving members but will openly recruit and interview new candidates and incumbent members for positions and vacancies.

Councilor Rivera does not feel they are being very intentional about the people they are advertising too. She asked if they are working with community partners to help advertise these opportunities? She wants to make sure they are being very intentional moving forward.

Fuller stated staff is open to recommendations on outreach. One of the best ways is for Councilors to ask people they know who are interested in city government. The Planning Commission is a great way to get started.

Councilor Saunders stated when they were researching for this pilot project, and best practices they learned from other communities about recruitment was personal asks and personal touch. It is incumbent of Councilors to reach out and help with recruitment.

Councilor Counihan added when they get to the voting process for a Planning Commissioner, Council should be provided with the entire roster of candidates, not just the recommend candidate.

Nilsen confirmed that specific clarification has been updated to the process.

 B. City Recorder

1. Reading – Ordinance

 Motion: To read Ordinance 2056 for the second time by title only.

 First: Saunders

 **Second:** Zanmiller

 **Discussion:** None

 **Vote:** Motion passed (roll called)

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

Nays:  None

             Abstentions:  None

             Excused:  None

Gray read the ordinance by title only. The Mayor announced that Ordinance 2056 had passed its second reading and would become law in 30 days.

**VI REPORT OF COMMITTEES**

1. Visitor Advisory Committee – Metta and Saunders

Councilor Saunders stated VAC has been redoing their budget to readjust to significantly lower revenues coming into the Chamber and VAC, which is now being combined into one. They are doing a good job considering the challenges.

**VII MAYOR**

1. Letter of Support - Gateway Community Payment in lieu of taxes

Mayor McBride received a request to send the letter in the packet regarding payment in lieu. Council was supportive of the letter.

Mayor McBride gave a report on the new location of the warming shelter. She will be participating in a virtual public meeting tomorrow, that will include different community agencies to give information and be available for Q&A.

**VIII COUNCIL CALL**

1. Age Friendly Community

Councilor Counihan stated he was approached by Aging in the Gorge Alliance asking for a letter of support. Council was in favor of signing the letter that is included the meeting packet.

Mayor McBride questioned what the asks is from the group. She is unsure how much time the City would have to give to this working group at this time. Councilor Counihan stated he would be willing to help be the liaison between Aging in the Gorge Alliance and the City.

**IX ADJOURN** – Adjourned by unanimous consent at 10:02 p.m.

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 Kate McBride, Mayor

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Jennifer Gray, City Recorder

*Approved by City Council on November 23, 2020*