

**City of Hood River
City Council Work Session
December 9, 2019**

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

Staff: City Manager Rachael Fuller, City Attorney Dan Kearns, Finance Director/ACM Will Norris, Planning Director Dustin Nilsen, Fire Chief Leonard Damian, Police Chief Neal Holste, City Recorder Jennifer Gray, Building Official Danielle Meyers

Absent:

I CALL TO ORDER – Cell Phone Reminder – 6:01 p.m.

Land Acknowledgement Statement and Pledge of Allegiance

II CITY COUNCIL VACANCY INTERVIEWS

On September 23, 2019 then-Councilor Kate McBride was appointed by Council to fill the vacancy in the position of Mayor. This action created a City Council vacancy. A Notice of Vacancy was published inviting applications to be submitted by interested, qualified candidates. The Council established the deadline of November 18, 2019 for application submittals. December 9, 2019 was advertised as the interview date.

Three applications were received. The City Recorder has verified the requirements for Gladys Rivera, Susan K. Johnson and Angel Reyes-Borton.

Interviews were conducted. Rivera was voted by Council to fill the vacancy. Voting ballots were added to the record.

III SWEAR IN NEW CITY COUNCILOR

Judge Cleaveland administered the oath of office to Rivera. Councilor Rivera took her seat on Council following the oath of office.

IV BUSINESS FROM THE AUDIENCE

V PRESENTATIONS

1. Children's Park Shelter, Staci McCarthy – postponed

VI PUBLIC HEARINGS

1. Expedited Land Divisions and Lot Coverage (Ordinance 2053), D. Nilsen

Mayor McBride opened the public hearing at 6:37 p.m. and read the hearing script.

Nilsen presented the staff report. PowerPoint was added to the record.

The proposed ordinance is part of the omnibus code changes proposed in 2018, which included ADUs and other updates intended to address changes in state law and inconsistencies in the Hood River zoning code. One of the components to the ordinance involves clarifications to maximum lot coverage regulations.

Hood River Municipal Code Section 17.04.120 restricts lot coverage for dwellings, certain accessory structures, as well as their associated parking pads and driveways.

Currently garage locations and certain architectural features allow lot coverage bonuses and a footnote in Section 17.04.120(A.1.a.3) allows a reduction in calculated areas of parking pads and driveways constructed of grasscrete, permeable materials, or paving stones.

Language within the section 17.04.120 is inconsistent as to when the reduction will apply resulting in ambiguity. Staff has proposed, and Planning Commission recommended, language revisions (included strikes and underlined form) to eliminate the internal language discrepancy.

The second component of the ordinance includes a new provision for Expediated Land Divisions.

The expedited land division process has existed in Oregon since 1995; however, the 2015 Oregon Legislature required that all land division applicants be notified of the expedited land division option and how to apply. Since this change was made at the state-level, Hood River has not amended its code to reflect the changes. The amendment to the Hood River Municipal Code would include the provision for Expedited Land Divisions within Chapter 16.08.010.

The expedited land division process provides an alternative to the standard procedures for certain land division requests that involve affordable housing or meet a minimum density percentage. An applicant may choose to use the expedited land division process if their land division request meets all of the applicable requirements specified in Oregon Revised Statute (ORS) 197.360. The steps in this procedure differ from the regular subdivision procedure, but still include a public review and opportunity for appeal.

The expedited land division process is intended to streamline the regular land use process that land divisions normally follow under state law, which allows up to 120 days for final city approval. In Hood River, however, the typical planning processing time for a land division application (subdivision, partition, or replat) that meets city standards and is complete when submitted, is less than the 120 days that state law allows.

Therefore, in many cases there is no difference in processing time between a regular land division and expedited land division. However, in certain cases such as duplex to townhome divisions where the development already exists, lot consolidations, and simple replats, the ministerial action may greatly expedite the approval process.

In order to maintain the level of opportunity for public review of subdivisions typical to the existing process, an additional code revision includes a site plan review be required for subdivisions of 4 or more lots. This requirement maintains the public quasi-judicial review of a new subdivision by requiring a site plan review as a land use decision.

Kearns explained expedited land divisions have been on the books for a while. A lot of applications that come before every jurisdiction, could qualify. Under State Law, it's the demand of the applicant. If they qualify under State Law, they can demand the local government process the application as an expedited land division. The first determination that staff will need to make is, does it qualify? There are a number of things to consider. Residential use can have an associated recreational use. It can't be a mixed-use type of development. It cannot have Goal 5, or any goal protected natural resources designation. It does require the applicant to meet the minimum street right-of-way cognitively standards, established in the land use regulations. There are alternatives that will result in a development that either has a density requirement 80%, will be sold or rented to households with incomes below 120% of the median family income for the County. It is simply stated in absolute terms. There needs to be an ability to verify and enforce. It can be reinforced through the platting process; they will know how many lots will be created. This one can change overtime, so there needs to be a mechanism for ensuring that.

Councilor Zannmiller asked over the past two years, how many applications have staff seen that would take advantage of this. He would like to get a sense of scale.

Nilsen stated they receive about 20 a year, because of the partitions. Example, applicant builds a duplex and they want to turn it into two units. That type of partition is going to be the primary beneficiary. There is no real development happening at that point, it is simply a land division that is invisible to everyone but for ownership. All of those are administrative unless there is some type of variance or waiver, which they do not normally see. Everyone is eligible now, so any of the owners could come forward and say expedited land division exists and they want it. Nilsen can't point to the code. He wants to have the opportunity to explain how it fits within the City's regulations.

Mayor McBride opened the public testimony for or against the ordinance.

Arthur Babitz, Planning Commission Chair – he wanted to address the lot coverage because there seems to be confusion. The Planning Commission went through the same discussion as City Council. What staff had pointed out to the Planning Commission was the reason it was on the agenda; staff spent a lot of time trying to figure out how to interpret the ambiguous code. Their request was to simply make it less ambiguous. Planning Commission plans to come back to this and there will be a more policy heavy analysis of this. Right now, they are trying to make it easier for staff to implement the existing code without the need to have a conference, every time someone asks another question.

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

Councilor Saunders had two minor edits on Page 26, Chapter 16.08.010 (c.) Nilsen will make the corrections. See below.

c. An expedited land division partition, consolidation, or subdivision as described in Oregon Revised Statute (ORS) 197.360, **is** not a land use decision or a limited land use decision under ORS197.015 and may be processed as a ministerial application*.

*Associated land use decisions such as conditional uses, site plans, and variances cannot be concurrently reviewed as an expedited land division.

Mayor McBride stated the purpose for this is clean up of the code.

Motion: I move it approve the first reading of Ordinance 2053 on tonight's agenda, with the two edits made by Councilor Saunders.
First: Metta
Second: Saunders
Discussion: None
Vote: Motion passed
Ayes: McBride, Zanmiller, Saunders, Counihan, Metta, Haynie, Rivera
Nays: None
Abstentions: None
Excused: None

Mayor McBride adjourned the hearing at 7:17 p.m.

2. Fiscal Year 2019-20 Quarterly Supplemental Budget
(Resolution No. 2019-17), W. Norris (10 mins.)

Mayor McBride opened the public hearing at 7:17p.m. and read the hearing script.

Norris presented the staff report.

On June 10th, 2019, the Hood River City Council adopted the appropriations resolution governing the City's Adopted Budget for Fiscal Year (FY) 2019-20. Routinely mid-year changes in revenue or operating conditions require appropriation adjustments. ORS 294.471 allows the governing body of a municipal corporation to adopt a Supplemental Budget by ordinance or resolution. The City of Hood River has customarily grouped necessary adjustments as needed into quarterly supplemental budgets. This allows all adjustments to be considered in context of one another and their cumulative impact on the City finances.

Discussion:

The attached Supplemental Budget, Resolution 2019-17, makes the following adjustments:

GENERAL FUND

Replacement Power Cot \$ 18,000

One of the Emergency Medical Services Department power cots was damaged during the decontamination process after use at the recent plane crash at the Hood River Airport. Water penetrated the power cot's electronics and caused malfunctions. The malfunctioning cot was 12 years old and past it anticipated useful life of 10 years. Additional appropriations are necessary for the cot's replacement.

Appropriations will come from budgeted FY2019-20 General Fund Contingency.

RESTRICTED REVENUE FUND

Assistance to Fire Fighters Grant \$ 617,232

After several years of successive applications, the Hood River Fire Department successfully obtained federal grant monies to replace the City's aging air packets. Spearheaded by Chief

Damian, the City took a regional approach to this most recent grant application by including surrounding fire districts of Wy'East, Cascade Locks, West Side, and Parkdale Fire Departments/Districts in a single consolidated request to the Department of Homeland Security. This new regional approach is likely a significant factor in this year's application being approved.

Appropriations for air pack replacements will come from federal grant monies as well as a 10% match charged to participating regional fire agencies. The City's proportionate 10% match will come from existing Fire Department General Fund appropriations.

Permitting Enhancement Project \$ 50,000

The 2019 City of Hood River Annual Work Plan includes a project to, "Reduce barriers to development of housing through improvements in the development review process". The proposed Permitting Enhancement Project will utilize consulting assistance to streamline processes and better utilize existing technology in order to simplify the City's development review process. The full project is anticipated to cost \$80,000 but will extend over two fiscal years.

Appropriations will come from budgeted FY2019-20 Building Department Contingency.

INTERNAL SERVICE FUND

Increase IT Manager Hours & Adjust for PERS Changes \$ 31,000

On June 25th, 2018, the City Council adopted a Five-year Information Technology Plan via Resolution 2018-12 and subsequently hired part-time IT Manager to implement it. Since adoption, the City has made considerable progress replacing old hardware, improving network security, and creating needed IT policies. The City also launched a new website and obtained a ".gov" domain.

Several business critical and high visibility IT Plan projects are approaching. This includes replacement of network servers and switching infrastructure, media improvements to the City Council Chambers, and Phase II website enhancements. The City's IT Manager has agreed to increase hours per week from 20 to 30 in order to better support and accelerate these projects. The Supplemental Budget includes appropriations for these additional hours, associated benefits, as well as new PERS charges required by recent legislation that now apply to all employees regardless of their retirement status.

Appropriations will come from budgeted FY2019-20 Administration Department Contingency in the Internal Service Fund.

Electronic Time Keeping \$ 3,900

The City has historically processed payroll relying on handwritten paper timecards. Moving to electronic time keeping is anticipated to save a 10 hours of staff time per month and provide improved tracking, reporting, and calculation accuracy. Activating this module in the City's existing Caselle financial system requires a one-time charge of \$3,900 and approximately \$60 per month thereafter.

Appropriations will come from budgeted FY2019-20 Administration Department Contingency.

RESERVES FUND

Rand Road Land Purchase \$1,600,000

October 28th, 2019, the City Council authorized financing for the potential purchase of 780 Rand Road via Resolution 2019-14 for future affordable housing development and other public purposes. This Supplemental Budget incorporates the loan proceeds and makes appropriations for land acquisition, due diligence, and related transaction costs. This Supplemental Budget does not create an obligation to purchase the property. It does create the legal appropriations necessary to facilitate the potential future transaction if the City Council chooses.

Appropriations come from an authorized, but not yet executed private placement loan. Repayment of the loan will occur in subsequent budget years. Potential sources of repayment include eligible Construction Excise Tax revenues, City Affordable Housing Reserves, General Fund monies and regional infrastructure funding from the State of Oregon.

UTILITY ENTERPRISE FUNDS

Public Works Management Analyst \$ 52,315

This Supplemental Budget proposes the addition of a management analyst in the Public Works department to further strategic projects. Initial assignments will include development of the low impact development program and energy resilience and efficiency projects in city operations. The City has advertised for the position and received several highly qualified and competitive applications.

Requested appropriations fund the position's anticipated salary and benefits for the last half of FY2019-20 and come from budgeted Contingency. However, expenses are anticipated to be substantially offset by savings from the vacant Public Works Director position. Charges are distributed between the Water, Sewer, and Stormwater Funds. The position's full-time cost will be included in the FY2020-21 Proposed Budget.

Caselle Backflow Module \$ 6,300

State law (OAR 333-061-0070) and Hood River Municipal Code (12.08.180) require the City to administer a backflow control program to protect the public water system from pollution and contamination. The City has contracted with Backflow Management Inc. (BMI) to manage the City's database of backflow assemblies and to mail annual testing reminders. The City can perform this work in-house by utilizing available functionality of its Caselle financial system. Eliminating the contract with BMI will save approximately \$9,000 per year but requires a onetime \$6,300 cost for the Caselle Backflow Module with an additional \$121 per month thereafter.

Appropriations come from budgeted FY2019-20 Water Fund Contingency

Norris added there was an error in the publication in the Hood River News. The publication only had part of the Rand Road land purchase. The resource side, not the appropriation side. The summary accurately stated what the intent of the supplemental budget was for. He wanted to note that for the record.

There was no testimony for or against the ordinance.

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

Motion: I move that City Council approve Resolution 2019-17, to make appropriations and adjust the adopted budget for Fiscal Year 2019-20.
First: Saunders
Second: Counihan
Discussion: None
Vote: Motion passed
Ayes: McBride, Zanmiller, Saunders, Counihan, Metta, Haynie, Rivera
Nays: None
Abstentions: None
Excused: None

Mayor McBride adjourned the public hearing at 7:27 p.m.

WORK SESSION

VII OPEN WORK SESSION – 7:27 p.m.

VIII AGENDA ADDITIONS OR CORRECTIONS

IX DISCUSSION ITEMS

1. Key Housing Indicators, D. Nilsen and Eco NW

Updating key housing indicators related to housing affordability, supply and population growth was a project on the City Council's 2019 work plan.

EcoNW prepared the Housing Market and Demographic Changes in Hood River 2015 - 2019 report. Beth Goodman from EcoNW presented the report to City Council. The report includes data regarding the original assumptions of the Housing Needs Analysis, population trends, housing costs, commuting patterns, and local growth trends observed since the approval of the Housing Needs Analysis in 2015. The PowerPoint presentation was added to the record and the report was included in the meeting packet. See report for data details.

Goodman added the City is in the scenic area. The land supply is partially influenced by the Urban Growth Boundary. There is agriculture land that has to be counted as vacant and potentially developable, according to Goal 10. There is continued development of second homes. There is a slow-down in development of short-term rentals. With the limited land supply and the City continuing to get some development of housing that is not housing for year-round residents, there are things in the Hood River Housing Strategy that can be done. Goodman suggested looking at allowing smaller lots in zones and allowing cottage cluster housing. Consider allowing more duplex, triplex and quadplex housing in certain areas where single family housing is allowed. That is the missing middle housing. The City has not seen many multi-family housing developments. Goodman suggested looking at land to rezone for R-3; there is really limited supply of land for multi-family housing; the City is not getting it in the commercial zone. She also suggested looking at a property tax abatement program, such as a multi-unit tax exemption.

Goodman spoke about the difficulties of expanding the Urban Growth Boundaries (UGB). She has worked with many cities around the State. Hood River is surrounded by high quality agriculture farmland and the National Science Area. The City of The Dalles has been trying to expand for years. It will be a difficult road ahead for the City, do what you can do now to avoid the need for a

UGB expansion in the future.

Goodman suggested Council look at the creative way Newport, Oregon is doing System Development Charges.

The hardest thing to do is increase the supply of low-income affordable housing. The City can partner with the Land Trust, Mid-Columbia Housing Authority and look at tax abatement programs.

Nilsen asked Council how they would like staff to handle the data.

Council agreed to share the information with the public, community partners and place it on the City's website.

2. Upcoming Changes to Building Code, D. Meyers

Meyers presented the staff report and the PowerPoint was added to the record.

The Building Department enforces the building code adopted by the State of Oregon in addition to local municipal codes. The local municipal code enforced by the Building Department is Title 15, Building and Construction. As of January 1, 2020, the State of Oregon is adopting the 2019 Oregon Structural Specialty Code (OSSC). As a result, this code will be adopted by the jurisdictions across the state. The OSSC, at a high level, describes the requirements for structural design, architectural design, fire life safety, energy, existing and historic buildings and Americans with Disabilities Act (ADA) compliance and also includes supplemental codes such as residential, mechanical, plumbing and electrical codes. These codes will all be updated at different levels as a result of the adoption of the new 2019 OSSC.

Unlike recent updates to the OSSC, the 2019 OSSC brings about a series of major scope changes within Chapter 1 - Administration. The Building Codes Division (BCD) at the State will focus solely on inhabited structures relying on local jurisdictions to adopt ordinances related to removed items. The BCD supports jurisdictions adopting local ordinances to regulate those items that have been traditionally covered by State Code.

Since the code updates for January 1, 2020 were released for review in October, staff has had the opportunity to meet with other building officials and representatives from the BCD at code update classes, Oregon Building Officials Association (OBOA) monthly meetings and the OBOA Quarterly Business Meeting. It is staff's understanding that most Building Officials across the state (including The Dalles, Wasco County, Troutdale, Gresham, Portland, Lincoln County and Washington County) are recommending that local ordinances be adopted to provide consistency in design and construction across the state and to continue current practice. These items include items related to non-inhabited structures, demolished structures, the right of entry and other fire safety scope, as indicated below. Given Hood River's hazards such as high levels of wind and snow, areas prone to fire and flooding and a protected aesthetic with its historic and geographic elements, staff concurs with these other jurisdictions.

If Council chooses to adopt local ordinances to fill in the gaps, a local appeals process for local permits will need to be created. Staff will bring a recommendation to Council in January.

Given the number of changes, staff, in collaboration with building officials throughout the state are working through training and education options for the local design and building community. Please note, due to the short timeline of these changes, there will be a gap in permitting between January 1, 2020 and when a new ordinance is adopted. However, construction permit intake is typically slower during this time.

As a result of the 2019 OSSC focusing on inhabited structures solely, the following is no longer permitted or enforced by the state, but allowed to be adopted under local ordinance and noted in Chapter 1-Administration:

1. Right of Entry (Where it is necessary to make an inspection to enforce adopted codes, or the Building Official has reasonable cause to believe a structure is contrary to or in violation of the codes or that makes the structure or premises unsafe, dangerous or hazardous.)
2. Demolition of structures
3. Fire safety during construction
4. Protection of adjoining property during construction
5. Fences
6. Freestanding signs, including billboard signs.
7. Retaining walls that support a surcharge or are intended to impound liquids.
8. Tanks not otherwise regulated by adopted codes that connect to building systems, support commercial or industrial processes
9. Cellular phone/radio/television and similar towers
10. Flagpoles and exterior light poles
11. Equipment shelters associated with commercial or industrial facilities or supporting communication facilities.

Option 1: Adopt 2019 OSSC code as is and do not regulate scope removed from code

Option 2: Recommendation by the staff to adopt 2019 OSSC code AND update local Building and Construction Ordinance Title 15 to adopt and enforce gaps, creating Local Permits.

Staff recommendation: Recommendation by the staff to adopt 2019 OSSC code AND update local Building and Construction Ordinance Title 15 to adopt and enforce gaps, creating Local Permits.

Reason why:

1. Hood River is prone to high wind and snow loads, fire and flooding and has a protected aesthetic with its historic and geographic elements.
2. This decision is a result of discussions locally with the development team and like what other jurisdictions are doing across the State. Staff has discussed this topic with other building officials and representatives from the BCD at code update classes, Oregon Building Officials Association (OBOA) monthly meetings and the OBOA Quarterly Business Meeting.
3. Create consistency across the region for designers and builders. Similar updates will be happening in Wasco County, The Dalles, Troutdale, Gresham and Portland. Hood River County is still deciding.

Next Steps: January bring proposal to Council on changes to Title 15 Ordinance. Hold a public hearing on the changes on January 13th. After adoption of the ordinance staff would need to create local permit forms to fill in gaps, fees same as they are today and update the website. Training and education of local design and building community of changes. There would be listening and learning sessions.

Councilor Zanmiller stated being in sync with Hood River County is going to be important. Meyers stated she had a meeting with Hood River County Building Official Mark VanVoast. The County is going to be using the 2019 OSSC, but VanVoast was unsure whether he is going to do local ordinances for local permits to address the gaps. Meyers stated on the upside, the City would be consistent with the rest of the Gorge area.

Motion: I move to direct staff to include local building and construction ordinances in the

2019 OSSC code update and to bring to Council at the first meeting in January 2020.

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

Fuller stated staff is always available, should there be questions or concerns about anything within the permitting process.

X ADJOURN WORK SESSION – 8:51 p.m.

REGULAR COUNCIL MEETING

I OPEN REGULAR COUNCIL MEETING – 8:51 p.m.

II AGENDA ADDITIONS OR CORRECTIONS

III CONSENT AGENDA

1. Council Meeting Minutes – October 28, 2019
2. Labor Attorney Contract Amendment

Motion: To approve the Consent Agenda.
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

IV REGULAR BUSINESS ITEMS

V REPORT OF OFFICERS

- A. Department Heads
 1. Announcements
 2. Planning Director Update
- B. City Recorder
 1. Reading of Ordinance 2053 (Expedited Land Divisions and Lot Coverage) for the first time by title only.

Motion: To read Ordinance 2053 for the first time by title only.
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

Gray read the ordinance by title only. The Mayor announced that Ordinance 2053 had passed its first reading and would be read for the second and final time at the next regular meeting.

VI MAYOR

1. Urban Renewal Agency Reappointment of Hoby Streich
Mayor McBride reappointed Streich to the Urban Renewal Agency.

VII COUNCIL CALL


VIII EXECUTIVE SESSION - 8:56pm – 9:35pm

Oregon Revised Statute 192.660 1 (e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

IX ADJOURN – Adjourned by unanimous consent at 9:35 p.m.



Kate McBride, Mayor



Jennifer Gray, City Recorder

Approved by City Council on January 14, 2020