



COUNCIL WORK SESSION

City Hall Council Chambers, 10722 SE Main Street
& Zoom Video Conference (www.milwaukeeoregon.gov)

MINUTES

APRIL 19, 2022

Council Present: Councilors Lisa Batey, Angel Falconer, Desi Nicodemus, Council President Kathy Hyzy, and Mayor Mark Gamba

Planning Commission Present: Commissioners Adam Khosroabadi, Jacob Sherman, Robert Massey, and Chair Lauren Loosveldt

Staff Present:	Joseph Briglio, Community Development Director	Scott Stauffer, City Recorder
	Kelly Brooks, Assistant City Manager	Laura Weigel, Planning Manager
	Justin Gericke, City Attorney	Courtney Wilson, Urban Forester
	Nicole Madigan, Deputy City Recorder	

Mayor Gamba called the meeting to order at 4:01 p.m.

1. Planning Commission – Annual Update & Joint Session

Weigel introduced the Planning Commissioners Massey and Sherman who were present, and **Stauffer** noted that Commissioner Khosroabadi and Chair Loosveldt had joined on Zoom. **Weigel** stated the Commission held 19 public hearings on 14 different land use applications and presented a few of the Commission's accomplishments for the last year, including the work on the Comprehensive Plan implementation and the Hillside, Coho Point at Kellogg Creek, Henley Place, and Dogwood Station projects.

Weigel shared updates that were made on the city's development project application webpage that were a result of a joint meeting between the Commission and neighborhood district associations (NDAs). **Councilor Batey** and **Weigel** discussed when in the process an application is posted online. **Weigel** also reported that the joint meeting was used to provide a land use 101 training and shared what future trainings for NDAs would look. **Council President Hyzy**, **Weigel** and **Commissioner Massey** discussed who had participated in the joint meeting, how those unable to attend could still take advantage of the training, and what future trainings should include. **Weigel** added the city's planning webpage would be updated to be more user friendly.

Weigel presented the Planning Commission's 2022 – 2023 workplan, starting with what projects would be in development review. **Councilor Batey** and **Weigel** clarified that the middle housing application review would be handled by the city's planning department. **Weigel** shared what topics would be covered during the second phase of the Comprehensive Plan implementation project, including the Housing Capacity Technical Committee (HCTC) meeting and the city's Transportation System Plan (TSP) update. **Commissioner Sherman** and **Weigel** confirmed there was a deadline for the state Transportation and Growth Management (TGM) grant funds to be used on the TSP project by mid-2024.

Weigel presented timelines on projects in the second phase of the Comprehensive Plan implementation such as neighborhood hubs and downtown design and review.

Weigel noted that Council would receive an update in August 2022 on parking in relation to the state's Climate-Friendly and Equitable Communities Rulemaking. The group noted that the state rules were slated to be adopted in May 2022. **Weigel** shared

that Council would also receive an update on Oregon House Bill (HB) 2180 code changes related to electric vehicle charging stations.

Councilor Batey and **Weigel** discussed the requirements for urban center/town center/climate friendly areas in correlation to the Climate-Friendly and Equitable Communities Rulemaking and noted that the city had a designated area with Metro to meet those requirements. **Weigel** added how the new rulemaking work with Metro ties into the work on the TSP. **Council President Hyzy** mentioned policy work that had been slowing Metro down and in turn has slowed the progress of the Regional Transportation Plan (RTP).

Weigel looked ahead to phase three of the Comprehensive Plan implementation and other projects the Commission would work on through 2026. **Councilor Batey**, **Mayor Gamba** and **Weigel** discussed what the downtown plans consolidation work would entail. **Commissioners Massey** and **Sherman** and **Mayor Gamba** discussed whether a flood protection project was centered around Federal Emergency Management Administration (FEMA) flood maps, how flood maps can be changed, and noted that maps would need be changed if the Kellogg Dam is removed.

Commissioner Sherman stated the Commission was looking for opportunities to update the zoning map on a parcel-by-parcel basis through projects such as neighborhood hubs. **Mayor Gamba** asked if the city was considering consolidating high density zones, and **Weigel** replied staff was working on first updating definitions and would bring those to Council, and then staff would evaluate where and when the allowances occur and under what conditions. **Weigel** followed up on Commissioner Sherman's comment, adding that city staff are working with both the Commission and Council on updating zoning around the neighborhood hubs project. **Council President Hyzy** suggested planning staff connect with the state ombudsman program to get a better understanding of what elder and long-term care looks like.

Councilor Batey expressed frustration with hybrid in-person and virtual meeting technical issues and was glad some Commissioners had appeared in person. **Council President Hyzy** and **Mayor Gamba** expressed gratitude and congratulations for all the Commission's work. **Commissioner Sherman** thanked staff for their work.

2. Vertical Housing Development Zone (VHDZ) – Discussion

Briglio gave a brief overview on what vertical housing is and provided background information on the city's VHCZ program which included a five-year sunset clause that would end the program in July. **Briglio** shared that one project had taken advantage of the program and two others would be applying before the program sunsets. **Councilor Batey**, **Mayor Gamba** and **Briglio** discussed what requirements the two project applicants would abide by.

Briglio commented on whether the VHDZ program should be extended or allowed to sunset, how extending it could strain staff resources, and whether the program incentivized the type of housing Council had prioritized. **Mayor Gamba** summarized the pros and cons of the project and voiced interest in extending the program but with adjustments to make mandatory requirements for more affordable/workforce housing. The group discussed what the current affordable housing requirements were within the program, the city's construction excise tax (CET) program as a tool to promote affordable housing, how staff constraints would affect moving forward with the program, and conversations/negotiations to be had with other taxing jurisdictions about the program.

Councilor Batey asked where rent was around the city compared to the 80% area median income (AMI). **Briglio** presented rents based on AMI limits for 2021 and cited three current rental rates from local apartments. **Councilor Batey** and **Mayor Gamba** discussed what the rent information presented, taking into considering older units versus new construction and if building new units would lower the rent at older buildings, and whether Council could bring the program back in the future.

Councilor Batey suggested that with new units being built, and with current constraints on staff, the city should let the program sunset – and plan on evaluating whether to bring the program back after new housing projects were completed. **Briglio** confirmed there would be no difference in the amount of staff work required to restart the program later. **Council President Hyzy** mentioned the benefits of the CET program and agreed with Councilor Batey. **Councilor Falconer** encouraged the city to prioritize deeply affordable housing and questioned if everyone eligible for the program had been made aware they could qualify. The group discussed how the Coho Point at Kellogg Creek project could have qualified for the program.

Mayor Gamba asked Briglio if the tax abatement from the current VHDZ program would affect funds from CET and **Briglio** confirmed that CET funds originate from construction permits, not property taxes, and **Briglio** agreed that the focus of the program should be on building deeply affordable housing. **Mayor Gamba, Councilor Falconer, and Briglio** discussed the city's vacancy rate. **Mayor Gamba** commented on the development of the Murphy opportunity site, how it could provide much needed workforce housing to the hospital, and suggested developers were running into barriers even with the program in place, and that the cost of living is not meeting the 10% a year rent raise threshold.

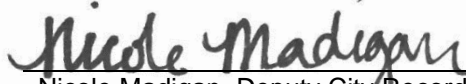
Councilor Nicodemus shared concerns for staff burnout and the desperate need for affordable housing and was not comfortable waiting 18 months to renew the program and agreed with focusing on deeply affordable housing. The group discussed what steps would need to occur to move forward with a deeply affordable housing program and combining it with the city's planned Housing Production Strategy (HPS) work.

Brooks summarized that staff would move forward with combining a plan for deeply affordable housing with the CET program instead of the VHDZ program which the city would let sunset. Council and **Briglio** agreed and discussed whether new construction would be subject to rental rate caps.

3. Adjourn

Mayor Gamba adjourned the meeting at 5:13 p.m.

Respectfully submitted,



 Nicole Madigan, Deputy City Recorder

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