



## MINUTES

Monday, August 5, 2024

Work Session

Council Chambers, City Hall

Approved: September 25, 2024

### Call to Order

Mayor Alex Johnson II called the meeting to order at 4:00 p.m.

### Roll Call

Councilors present: Mayor Alex Johnson II and Councilors Matilda Novak, Steph Newton Azorr, Ray Kopczynski, Jackie Montague, Marilyn Smith, and Ramycia McGhee (virtual)

Councilors absent: None

### Business from the Public

None.

### Housing Policy Options

**4:01 p.m.**

Comprehensive Planning Manager Anne Catlin introduced Brendan Buckley, of Johnson Economics, who used slides\* to present three strategies that can be used to develop affordable housing or “needed” housing:

- Using surplus land
- Tax abatement
- Construction excise tax

Buckley said the City is using or has used both of the first two strategies. He said a construction excise tax is a tax on new construction based on its permit valuation. The proceeds are placed in a fund to be used for affordable housing. Buckley showed a table of estimated proceeds at different rates.

Community Development staff is asking for direction to develop some or all of the tools. Councilor Marilyn Smith said the least attractive choice is use of surplus land. She doesn’t want to add this consideration to the current surplus land process. She also would prefer to direct excise tax proceeds solely to affordable housing.

Councilor Matilda Novak said she agrees with both of Smith’s statements. She would like to limit the excise tax proceeds to non-profit developers only.

Councilor Steph Newton Azorr asked how people can get involved in proposed focus groups? Catlin said staff is sending emails to a list of interested people and using social media.

Councilor Jackie Montague said there is value in inventorying surplus property, and she would like to see it done. She wants to use both a tax abatement and a multi-unit property tax exemption (MUPT) to capture as much revenue as possible as soon as possible.

Smith said she would like to include for-profit developers who build affordable housing in the construction excise tax program. A 60-year period of affordability applies to all developers who receive state funding.

Councilor Ray Kopczynski said he likes having "a quiver" of programs. He asked if staff has enough time to keep all of them going. Catlin said it's important to make the time. The state is requiring affordable housing performance. Part of the excise tax proceeds can be used to administer the program.

Councilor Ramycia McGhee said she thinks the public engagement timeline may be ambitious. She asked about the meaning of the word "subsidize" in this context.

Johnson II asked staff to share some of the public comment with the council. Catlin said they will report back to the council in September.

#### Pacific Power Conversion Agreement

**4:57 p.m.**

Director of Community Development Matthew Ruetters said the waterfront project is required to put utilities underground. Because the project required a land-use application, the City must follow the same rules as a private developer, PacifiCorp will do the undergrounding work, but the City's franchise agreement provides the option for PacifiCorp to recover its costs from ratepayers. The City negotiated the proposed agreement to extend the recovery period to two years, to cushion the impact on ratepayers.

Novak expressed concern because PacifiCorp rates are going up and they can charge ratepayers these costs as well. Ruetters said the City's options are limited to extending the payback period.

Newton Azorr asked if CARA funds could be used to offset the charges. Ruetters said it's possible, but we don't know yet what CARA's maximum indebtedness is. When we have that information, we may be able to buy down the interest rate.

Novak asked if \$550,000 could be transferred from Economic Development in the supplemental budget. Ruetters said he would have to look at the budget. He said \$550,000 would not make much difference in the interest rate.

Montague said the only control we have is to spread the payment over two years instead of one. This sounds like the best option we have now.

Novak asked, what if we just don't underground the utilities? Ruetters said that would set a bad precedent by exempting the City from standards other developers have to meet.

Smith said not doing it is not an option. McGhee agreed. Kopczynski said the whole key to urban renewal has been infrastructure.

MOTION: Montague moved to approve the agreement. Smith seconded the motion, and it passed 5-1, with Novak voting against.

#### League of Oregon Cities Legislative Priorities

**5:20 p.m.**

City Manager Peter Troedsson showed slides\* of the council's chosen priorities. He will send the list to the League of Oregon Cities for their consideration.

Johnson II asked Troedsson to forward to the council information he (Johnson II) had sent to him (Troedsson).

Business from the Council

**5:26 p.m.**

Novak asked if there are Economic Development funds in the supplemental budget that could be directed to Sybaris Bistro. Troedsson said without an established program, the City cannot give out funds.

Montague expressed disappointment about the closure of Marvin's Garden. She asked if the HEART board would consider whether it could be reestablished.

Smith said she will talk to the HEART board.

Newton Azorr also expressed disappointment over Marvin's Garden. She asked if the City is in compliance with HB 3115. City Attorney Sean Kidd said the City was never required to designate a space for camping, and most cities in the area did not. Marvin's Garden worked well for several months, but the people who needed the place were pushed out by others.

Newton Azorr asked for statistics on assaults on police officers by unhoused people. She asked how other organizations feel about the camp site closing.

Troedsson said CHANCE and other organizations are in favor of closing it. It was never a program, just an alternate to camping in the public right-of-way. It became a concentrated area for crime.

City Manager Report

**5:44 p.m.**

Troedsson welcomed new Deputy City Manager Kayla Barber-Perotta.

ADJOURNMENT

There being no other business, the meeting was adjourned at 5:45 p.m.

Respectfully submitted,

Reviewed by,

Allison Liesse  
City Clerk

Peter Troedsson  
City Manager

*\*Documents discussed at the meeting that are not in the agenda packet are archived in the record. Documents from staff are posted to the website after the meeting. Documents submitted by the public are available by emailing [cityclerk@albanyoregon.org](mailto:cityclerk@albanyoregon.org).*