

# **Potential Partnership Between Newberg FUMC and Newberg Habitat for Humanity**

Submitted to Newberg FUMC Church Council in tandem with the Dundee Task Force Report

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In Spring 2021, Newberg City Council received an updated Newberg Housing Needs Assessment. Affordable housing remains a significant need in Newberg and surrounding communities. A group of laity from Newberg FUMC have been meeting monthly since March 2021 to read the Housing Needs Assessment and learn about how other churches in our conference and throughout the nation are addressing the affordable housing crisis. On June 29, this group heard a presentation on Newberg Habitat for Humanity by guest speakers Larry Hampton (Habitat Board President and member of the Newberg Affordable Housing Commission) and Rick Rogers (Executive Director of Habitat and Newberg Mayor). Hampton and Rogers shared about Habitat's criteria for family selection, mortgage structure, their current duplex project, and their plans for upcoming 2021-2022 projects.

After hearing Habitat's presentation, Pastor Casey shared that Newberg FUMC may be receiving the church property in Dundee and that our Dundee Task Force learned that the municipal codes would allow for 1 or 2 of the existing buildings to be demolished and a new 3-story multi-use building constructed. The first floor must provide commercial space that could host for-profit businesses, nonprofit services, and/or church ministries. Multiple spaces could exist on that first floor to host multiple uses. The second/third floor could contain low-income housing. Two significant challenges for the church would be financing the construction and managing the housing. Lay member Norm Daviess, who regularly volunteers with Habitat, inquired whether Habitat could help with such a project. (In the Dundee Task Force Report, this correlates to Possibility #4) Preliminary discussions with Hampton and Rogers indicate serious interest in Habitat partnering with Newberg FUMC on constructing such a building on the Dundee property, which lies within Habitat's service area.

Since land has become more expensive, Habitat has had to find ways to increase the density of their housing. Lately they have found it necessary to build homes on land that can not be subdivided and required the creation of an association that owns the land while the homeowners own the homes themselves. This model is how condominiums create a campus owned by the association while individual homeowners own their own units. The association is responsible for maintenance of the grounds and exteriors of the buildings while the

homeowners are responsible for the inside of their own homes. Homeowners pay monthly fees to the association to cover maintenance costs.

Using this model, NFUMC and Habitat could explore what legal requirements and funding possibilities would support the creation of a 3-story building where the church would maintain ownership of the land and determine the usage of the first floor of the building, while Habitat would sell the housing units to their low-income families under a condominium legal arrangement and collect the mortgage payments.

Habitat has experience in designing projects, acquiring the permits and legal structures necessary, building with teams of volunteers, identifying and supporting low-income families, and collecting mortgages. The Oregon-Idaho Annual Conference of the UMC can provide guidance and oversight as we work with a local legal expert familiar with creative land use arrangements. Newberg FUMC has vision and passionate volunteers to make this mission happen. Various funding sources could be tapped to assist in getting such a project going, including the Cascadia District Extension Fund for church capital projects and the Newberg FUMC Foundation which could offer a \$20-\$50K loan.

Newberg FUMC would conduct a community needs assessment to discern what the first floor of the building should look like in order to best meet the needs of Dundee. Members of Newberg FUMC have already imagined space for children's ministry, health and dental clinics, office space for immigration lawyers and counseling services, etc. and the community needs assessment process will explore those options and more.

It is important that the Dundee campus be self-sufficient. The mortgage payments and monthly homeowner fees, plus any rental fees from the first floor commercial space(s) should be set at a level to cover the costs of building maintenance, groundskeeping, and any management fees. Long-term, such an arrangement could even be income-producing and fund future church ministries or future Habitat housing projects.

If Newberg FUMC Church Council approves the purchase of the Dundee property and would like to pursue a partnership with Habitat, a letter should be drafted between Newberg FUMC and Newberg Habitat for Humanity outlining the initial vision and desire to explore this option further. The letter should be submitted to the Oregon-Idaho Conference Trustees as part of the church's vision for why it desires to purchase the Dundee property prior to August 1, 2021.