CITY OF NEWARK DELAWARE

COUNCIL MEETING MINUTES

JULY 21, 2025

Those present at 7:00 p.m.:

Presiding: Mayor Travis McDermott

District 1, John Suchanec (Virtual)

District 3, Jay Bancroft District 4, Vacant District 6, Emile Brown

Absent: Deputy Mayor, District 2, Corinth Ford

District 5, Jason Lawhorn

Staff Members: City Manager Tom Coleman

Deputy City Secretary Diana Reed

City Solicitor Paul Bilodeau

Electric Director Bhadresh Patel (Virtual) Parks & Recreation Director Paula Ennis

Planning & Development Director Renee Bensley

Planning & Development Deputy Director Jessica Ramos-Velasquez

(Virtual)

Public Works & Water Resources Director Tim Filasky (Virtual)

Public Works & Water Resources Deputy Director Ethan Robinson

(Virtual)

Chief of Community Engagement Jayme Gravell (Virtual)

Senior Planner Michael Fortner

Planner I Katya Raskin

Community Planner Lauren Dykes Parks Superintendent Herb White

Parking Supervisor Courtney Mulvanity (Virtual)
Administrative Professional II Alexis Van Campen

1. Mr. McDermott called the meeting to order at 7:00 p.m.

2. SILENT MEDITATION & PLEDGE OF ALLEGIANCE

Mr. McDermott asked for a moment of silence and the Pledge of Allegiance.

Mr. McDermott explained the procedures for the hybrid Microsoft Teams Meeting Platform. When beginning each item, the chair would call on the related staff member to present. Other than for land use applications, when their presentation was complete, he would call on each Council member on the dais for comment. Following, he would call on all members of the public who are present, and then those remote, to offer their comments. If a Council member had additional questions or comments, they should ask the chair to be recognized again after all members had the opportunity to speak. With land use applications, following presentations from both staff and applicant, he will seek comments from members of the public that are either present or remote before calling upon each Councilmember for their comments. He instructed in-person attendees to sign up on the sign-in sheet near the entrance of the Council Chamber if they wished to provide public comment. At the appropriate time, the chair would call on them to speak. Although all public comment is welcome and appreciated, Council requests that during meetings with higher attendance, that public commenters be mindful of others wishing to speak and condense their own comments to the best of their ability. If virtual attendees wished to comment, they should use the hand-raising function in Microsoft Teams to signal the meeting organizer that they would like to speak. The Microsoft Teams chat would be disabled during the meeting. All lines would be muted until individuals were called on to speak, at which point the speaker's mic would be enabled and they could unmute themselves to give comment. Public comments were limited to 3 minutes per person, and no time will be ceded. All speakers needed to identify themselves prior to speaking with their name and district or street address. He asked all Councilmembers using Teams at the dais to turn off their speakers and microphones to prevent feedback. He asked all attendees to keep cameras off until called on to speak.

Public comments must be related to City business or affairs, or to the particular agenda item. All members of the public that violate this rule will first be warned. If the violation persists, the offender may be removed from the premises or have their microphone disabled for the remainder of the meeting. He stated the City of Newark will have zero tolerance for any hate speech or vulgar language, as such in no way relates to City business or to any agenda item. If this occurs, there will be no warning given. The consequences for such behavior include being immediately removed from the premises or having the offender's microphone disabled for the remainder of the meeting.

5. **PUBLIC PRESENTATIONS (15-MINUTE LIMIT):**

A. The Newark Partnership – Ali DeAngelis

3:12

Ali DeAngelis, Interim Executive Director of The Newark Partnership (TNP), gave a presentation to Council regarding TNP's most recent updates and initiatives.

(Presentation: <u>Attached here</u>. The presentation spanned from 3:12 to 7:37.)

The Mayor opened the table to Council comment.

Dr. Bancroft commended TNP in creating realistic timing expectations amid the many projects they have chosen to undertake.

Mr. Brown remarked he had heard positive feedback about the recent Juneteenth event and thanked TNP for their participation.

Ms. DeAngelis commended the Friends of School Hill Association (FOSHA) for their work in organizing the event.

Mr. Suchanec believed this is a good report. However, he was disappointed in the lengthy amount of time it would take before the mural project's completion in Summer 2027. He believed the public would support any efforts to expedite the project.

Mr. Coleman explained the project needed to be designed and funded before it could proceed. He noted there was a lengthy discussion regarding when the fundraising process for the project should start. While they considered starting fundraising after the design was finalized to generate public excitement, staff anticipated that this would be an easier project to fund, as individuals might be willing to donate to remove the current mural. However, staff and TNP wish to leave sufficient time for community engagement to ensure the final product satisfies all parties involved. Ms. DeAngelis has already begun reaching out to artists in advance, but the public engagement and fundraising aspects have had multiple factors line up that have pushed the process into the next year and the subsequent.

Ms. DeAngelis noted there are multiple individuals and organizations involved in the mural project who want to ensure there is adequate time to hear public feedback on the project and utilize their feedback to the best of their ability.

Mr. McDermott was dismayed to hear this project would not be complete until Summer 2027.

There was no public comment.

6. B. <u>GENERAL ASSEMBLY UPDATE – LOBBYIST:</u>

11:25

James DeChene, Blue Hen Strategies, explained HB-134, the University of Delaware (UD) tax bill has passed. He thanked Rep. Cyndie Romer for her work through this process, along with the House and the Senate for passing the bill. \$600,000 has been allocated through UD to offset the costs of Main Street safety improvements, in addition to \$750,000 in Community Reinvestment Funds (CRF). This is significant as only \$18.2 million was allocated for CRF in 2025 compared to the \$40 million previously allocated in 2024. He appreciated Rep. Ed Osienski's work through this effort. This brings the total amount that the General Assembly has funded to Newark to \$4 million. He felt this was a positive sign during a time of widespread economic uncertainty. The ADU bill will likely be postponed until next year, as it did not pass this session. He noted that there are multiple other bills passed that the City may disapprove of, such as bills surrounding prevailing wages and mandating that public and municipal projects will now be subject to all prevailing wage work. This will have a significant impact on the City as some of the rates paid in Delaware, specifically in New Castle County, are significantly higher than the prevailing wages on the private side. He explained a prevailing wage job will cost 30% more than a non-prevailing wage job, and this number is higher in New Castle County. There will be a matter of reckoning regarding how much can

be allocated in comparison to how much can be spent with these new rates in place, and how much projects can be funded in contrast to what was initially expected.

(Secretary's Note: Ms. Ford arrived at 7:14 p.m.)

He continued by explaining part of this will be how the state collects their prevailing wage survey, and how that is used to calculate what rates are going to be used for a particular trade regarding Public Works projects. There are concerns about the survey not being fully completed, specifically regarding the discrepancy between the number of participants in prevailing wage work and the number of surveys received. He hoped there would be a process to collect more data to make a better-informed decision on what rates to set that is more market-based than before. He reminded the Delaware Economic & Financial Advisory Council (DEFAC) that it had announced a 5% growth in revenue for this year. The City will need to monitor the State's budget for FY2026, as it will dictate which City projects can be funded. The General Assembly will return to session in January, so regulatory agencies will spend their time enacting some of the previously passed legislation. Some will require technical corrections, while others will necessitate additional code writing. He noted the Delaware Department of Natural Resources and Environmental Control (DNREC) is aware of a typo in a bill geared toward their department. He noted in the fall, when Council will be discussing their budget, the General Assembly will consider their work for the next session in January – February. He would remind Council of this fact during their budget discussions to give him direction on what to pursue in Dover.

Mr. McDermott inquired whether prevailing wages are required when the City uses state funds for a project.

Mr. DeChene responded in the affirmative.

Mr. Coleman explained there are two thresholds under State law. If a municipality receives state funding for a new construction project, the total project cost must exceed \$500,000. However, if it is an alteration, the threshold is \$15,000. The Department of Labor has dramatically changed its interpretation of what falls into each category – and not in the City's favor. He gave an example of a project to build a new pavilion at an existing park. Although the pavilion does not yet exist, the project is not considered new construction because it is being built on an existing park. In this instance, the City Solicitor sent a letter requesting the Attorney General's input on the situation; they responded with a "rubber stamp" on the Department of Labor's (DOL) decision. The DOL's justification was that there was curbing and parking, and if it exists, it is an alteration. However, by this logic, everything built at STAR Campus would be considered an alteration, rather than new construction. Because of this determination, every City project will be under a \$15,000 threshold.

He continued by explaining that Assistant City Manager – Operations, Jeff Martindale, researched Delaware's prevailing wages and compared those of New Castle County and Manhattan. New Castle County is higher in all but five categories. In sum, the County is \$59 per hour higher in Manhattan for some classifications such as a concrete finisher. Due to the City's concerns with the current wage scale and their long-term sustainability, Mr. Coleman has reached out to the City's state representatives to discuss moving forward. This leads to a situation where the City will lose even more money by taking funding from the State, unless it is a substantial amount for a smaller project.

Mr. McDermott encouraged investigating how to rectify this problem, as it will significantly impact the City's budget should it persist.

The Mayor opened the table to Council comment.

Dr. Bancroft believed prevailing wages would put pressure on the City's contracting efforts. He did not believe this made sense.

Mr. DeChene believed Newark is not the only municipality that will be affected by this rule. He expected the League of Local Governments would further discuss this concern.

Mr. McDermott appreciated Rep. Romer's work in passing the UD tax bill. He noted this is just a small fraction of Council's ongoing discussions regarding the lost property taxes due to UD's tax-exempt status. However, the fee would still only collect a portion of what the City loses in revenue. He acknowledged the City did not receive the Higher Education Public Safety fee this year. Still, he believed this is also a "piece of the puzzle" and suggested revisiting their pursuit of that type of aid in the future.

Mr. DeChene believed UD has been helpful in their collaboration, as they advocated for Newark on the Main Street improvements despite their neutrality to the tax bill. He expected they would continue to partner with the City in their pursuit of the High Education Safety Fee reimbursement funding or reintroduce that bill or money into the budget.

Mr. McDermott noted the contracts between municipalities and their police agencies are significantly expensive. He believed there was enough evidence for the City to use in an argument that sufficient funding is vital for a college town employing two separate police departments.

There was no public comment.

PUBLIC COMMENT (3 MINUTES PER SPEAKER):

25:20

Carol McKelvey, District 4, proceeded to read a written public comment provided to Council.

(Secretary's Note: Ms. McKelvey's full written comment – <u>Attached here</u>.)

There was no further public comment.

8. 1. FINANCIAL STATEMENT: None

9. 2. APPROVAL OF CONSENT AGENDA (1 minute):

- A. Receipt of the January 31, 2025 Financial Statement
- **B.** Receipt of the February 28, 2025 Financial Statement
- **C.** Receipt of the June 10, 2025 Conservation Advisory Commission Meeting Minutes
- D. First Reading Bill 25-50 An Ordinance Amending the Comprehensive Development Plan by Changing the Designation of Property Located at 118, 120, 126 & 129 Lovett Avenue – Second Reading – August 11, 2025

29:47

Ms. Reed read the consent agenda into the record.

MOTION BY MS. FORD, SECONDED BY MR. BROWN: TO APPROVE THE CONSENT AGENDA AS PRESENTED.

MOTION PASSED. VOTE: 5 to 0.

Aye - McDermott, Suchanec, Ford, Bancroft, Brown.

Nay – 0.

Absent – Lawhorn.

10. 3. RECOMMENDATIONS ON CONTRACTS & BIDS OVER CONSENT AGENDA LIMIT: None

11. 4. <u>SPECIAL DEPARTMENTAL REPORTS:</u>

A. Affordable Housing 2024 Outreach Report and Request for Direction on Next Steps – Planning & Development Director (60 minutes)

30:50

Renee Bensley, Planning & Development Director, began by thanking the Mayor, Council, and members of the community for being present at this meeting. She noted this is next step in reviewing potential options to address Newark's ongoing affordable housing crisis. She acknowledged Senior Planner Mike Fortner's work on this project. Deputy Director Jessica Ramos-Velasquez, Community Planner Lauren Dykes, and Planner I Katya Raskin were also in attendance virtually to assist. She explained staff are bringing forth the public outreach results and the Planning Commission's feedback to Council on this item as part of this discussion. Staff are looking for feedback from Council on how they would prefer the City to proceed, specifically on doing more research and moving to the ordinance process. Mr. Coleman will also review the recommendations he has provided for Council feedback and direction.

Ms. Bensley and Mr. Coleman proceeded to give a presentation to Council regarding this topic.

(Presentation: <u>Attached here</u>. The presentation spanned from 31:55 to 01:24:40.)

The Mayor opened the floor to public comment.

Chris Williamson, District 3, noted he had sent a letter to Council containing his opinions on this issue. He advised Council to be aware of "one-size-fits-all" solutions; he noted when barriers are lowered,

it becomes harder to reverse that decision. He did not want Council to "demonize" single-family zoning in their pursuit of affordable housing and instead work with it. He did not want a future Council to look back negatively on the current Council's decisions. He noted that there is a dual market in housing, including individuals with accumulated housing wealth that they pass on to their children, and then the "income" market. He noted Newark essentially has a "three-way market" as there are parents providing money for kids in housing along with student housing. He explained development is "like water" that flows in the path of least resistance and advised Council to be careful of "lowering the bar." He believed it is hard to build affordable housing with supply-based solutions, as demand is elastic. He believed Newark is a desirable community and advised Council to be cautious toward supply-based "one-size-fits-all" solutions.

Johanna Voznak, District 5, thanked the Planning & Development Department for hosting affordable housing community discussions and their attention to this matter. She encouraged the City and Council to implement a mandatory inclusionary zoning ordinance, believing it is critical to implement a strategy with measurable results. She believed a mandatory inclusionary zoning ordinance was crucial as a voluntary program would not be as likely to produce affordable units. She believed mandatory inclusionary zoning would be an effective strategy to address Newark's unique housing issues. She noted a 2011 academic journal article that stated college towns offer a favorable environment for inclusionary zoning. Developers who want to capitalize on college town housing will still need to build within the city, as they cannot build elsewhere to avoid the ordinance. She added that mandatory inclusionary zoning can help alleviate the dynamics leading to substandard housing issues, such as landlords taking advantage of tenants by not maintaining their properties in a market with an imbalanced supply and demand. She noted she developed asthma after being exposed to mold from her apartment that flooded due to a neglectful landlord, an example of how physical substandard housing conditions can directly lead to permanent health issues. She noted a 2022 academic research article that explored the relationship between inclusionary zoning policies and population health, noting that the lack of affordable housing is associated with poor health. She added this study also discovered that cities with inclusionary zoning laws have a lower percentage of individuals who are physically or mentally distressed compared to cities without such policies. She explained that people are prevented from participating to their fullest potential in a community when they cannot afford basic needs. She asked Council to consider a mandatory inclusionary zoning ordinance, believing it would address the City's unique and urgent affordable housing issues.

Tom Parkins, 105 Elm Avenue, noted he volunteers to help the homeless and poor in Newark. He noted he once assisted a homeless individual named Mike who battled addiction and mental health issues. Mike got a custodial job at UD, but experienced problems as he lived in New Castle and had to take two hours' worth of bus rides to get to work. Because of these issues, he would spend nights on Main Street, where he would eventually pass away. He noted Council's quick reaction after a student's tragic loss on Main Street, but a homeless man's loss did not trigger the same. He believed Mike's lack of an affordable living space became too much for him to bear. He agreed with Ms. Voznak's statements regarding inclusionary zoning, believing it would be the best option to push developers to create affordable housing. He believed the Chrysler Yard, which is currently owned by DelDOT, was a potential location to build an affordable housing facility.

Chris Locke, District 1 & Lang Development Group General Counsel, commended the work done by Mr. Coleman and Ms. Bensley for this presentation. He believed housing diversification was an excellent idea that had yielded positive results in many other communities. He believed that by reducing parking requirements, the City would see an increase in housing and commercial businesses in the downtown area. He supported the downtown business district and UD residential zone ideas. He believed an entertainment district would be a positive addition to the community. He commended City staff for their work. Still, he noted that their project pipeline is backlogged, and the City has potentially lost a significant amount of tax revenue as a result.

Cammie Seward, District 4, supported the introduction of mandatory inclusionary zoning. She believed there were severe housing problems in the community and thanked the City for their work. She noted she has worked in social services, where individuals are encouraged to prioritize improving their wellbeing before finding housing. However, it has now been discovered that people do not perform to their fullest without secure and stable housing, and that this is foundational for success. She was excited about the city's future.

There was no further public comment, and the Mayor opened the table to Council comment.

Ms. Ford endorsed Council reviewing land use projects prior to the Planning Commission, noting this is the standard procedure with New Castle County Council. While she strongly supported affordable housing, she did not believe the City should be responsible finding affordable housing for UD students or basing policies on their needs. She believed UD should be held accountable for this, as they have taken

around 2,900 units out of service. She noted the relationship between many Newark landlords, developers and UD, believing they should address the students who cannot afford high market rates. She believed Newark housing prices are inflated due to Planning Commission and Planning & Development Department policies. Some neighborhoods and properties are exempt from certain Code requirements, leading to their eventual condemnation. She believed Council needs fix this issue to prevent tenants from living in unsafe, substandard or condemned homes.

She agreed with Ms. Bensley that in 2030 – 2025, there will be more individuals who are over 55 than 18-year-olds living in Newark. She believed the City should recognize UD classes will not continue to grow due to alternatives that are either cheaper or more convenient. She believed the City needs to diversify its population, such as through attracting and providing affordable housing for working people, professionals, and families. She also wanted to preserve the city's neighborhoods, believing they are suitable for families and those over 55 years old. Her priority was to provide affordable housing for working people, such as condominiums. She agreed with Mr. Williamson that it is hard to raise the bar once it is lowered and was wary of across-the-board solutions. She did not believe that the previous assertions about inclusionary made to Council were all true. She was concerned that the full impact of inclusionary zoning was not understood.

Ms. Ford noted a previous Planning Commission meeting where they considered rezoning an old house in Lumbrook from residential to commercial, which would have allowed two warehouses to be built behind the residential community. However, she did not believe the commissioners had visited or educated themselves on the site, the neighborhood, or resident demographics. She recalled this instance to note that when the Planning Commission states it stands for affordable housing, it also considers proposals to convert affordable homes to commercial properties. She was concerned that when the City Manager formulated this presentation, he had sought the advice of developers rather than residents. She was concerned that resident feedback is largely overlooked in these matters. She did not oppose providing basement or attic units for individuals housing a family member. However, she opposed allowing the construction of a separate accessory dwelling unit (ADU) on a single lot, as it would infringe on the rights of nearby neighbors. She agreed with Mr. Suchanec's previous statement that these are a "Trojan horse" that will cause housing in Newark to inflate further. She did not believe they were a pathway to or should be included in the conversation of affordable housing.

She wished for Council to continue the control and enforce Special Use Permits. She believed it was unlikely for Council to revoke Special Use Permits once they are granted, which she believed to be a significant problem. She believed that by-right projects should continue to be brought forward to Council, allowing the public to make comments and challenge whether a use should be considered by-right. She believed the City should lobby for a Delaware Tenants Bill of Rights, as she thought any conversation of affordable housing should include a tenant's rights bill.

Dr. Bancroft cautioned Council to rely on the professionals to provide simplified choices. He believed the only items Council gets "excited" about are a few development projects and would be disappointed to see them go away. He believed Council is perfunctory with many projects due to the excellent job done by City staff, but Council will sometimes receive heavy public feedback about specific projects. He generally liked the ideas presented, supporting the City's further pursuit of EV initiatives. He believed the Unified Development Code and inclusionary zoning needed to be better defined, but he liked these concepts in principle. He believed the Council should defer to "the professionals" to determine how to address the situation of the missing middle. He believed the public safety fee made sense. He noted that the City does not have much space to expand development but also does not allow for much annexation. He emphasized that many affordable housing projects are in District 3, but residents of District 3 often voice the opinion that the City is not serving their needs adequately.

He disagreed with Ms. Ford's statements regarding ADUs, believing they should be part of a renovation code that the City should investigate to fill the missing middle. He wondered if the City should restrict them to family. He supported the idea of a student residential zoning district. He believed it made sense for Council to offer their feedback on development projects at an earlier stage in the process. He believed it made sense to scale up projects in terms of funding. He believed many of the City Manager's ideas were fine. He encouraged Council to discuss how to streamline the blockage of projects in the pipeline. He believed the entertainment district was a great idea and supported formalizing the point system if Council could still provide its input. He did not have a strong opinion on the park reductions, believing Council should approach this idea slowly. He believed the City should continue pursuing initiatives that are currently showing positive results. He was excited to hear others' opinions to see how they aligned with Council. He advised Council to be open-minded about potential solutions to the affordable housing issue.

Mr. Brown agreed with Ms. Ford that UD had alienated their rights when they demolished some of their dormitory buildings, as this caused a significant rift in locations where Newark's students could stay. He supported inclusionary zoning with incentives, as he did not believe developers would participate voluntarily. He supported housing diversification and any methods that would make the job of staff easier. He advised Council to remain mindful of "the other side of the coin." He asked where gap funding would come from before this discussion.

Ms. Bensley stated such programs, such as the home buyer incentive programs, were financed by federal dollars through the Community Development Block Grant (CDBG). Other incentives, such as the Promoting Owner Occupancy of Homes (POOH) program, were funded by City dollars. She noted that City dollars may be difficult to come by in the future, as the City is approaching a challenging budget year, and CDBG funding currently has an uncertain outlook due to the actions of the federal government. She noted that when staff began this process, they had a "very different federal picture" than current. Therefore, staff recognize that any expenditure will be a harder sell than any regulatory changes the City can implement.

Mr. Suchanec wished to include both affordable home ownership and affordable rental housing in this discussion, along with local rental housing and homeless housing. He believed the city needs to have a housing continuum, which should be addressed comprehensively when changing procedures, zones, and comprehensive plans. He believed the City needs to serve the entire market and constituency. He believed the City should do whatever possible to protect its residential districts, such as through enforceable codes to control and limit rentals within those districts. He encouraged the City to distinguish its codes by whether the owner is occupying the dwelling. While the City had codes for different metrics, they do not enforce whether the owner is occupying the dwelling, and Mr. Suchanec believed the City should do so. He believed that if the City did not do it correctly, it would permit the character of their neighborhoods to change and not protect the quality of life in residential districts.

He noted that he was not in favor of abdicating any Council responsibility, as they represent their constituents, and it is at their meetings where constituents can offer public comments. He supported adding a preliminary meeting to this process, such as to discuss feasibility and gather feedback from the public. He believed this would help a developer gauge whether their idea, plan, or concept would receive a positive or negative reception. He heavily supported inclusionary zoning, noting a previous project where a developer volunteered to make 10% of the project's units affordable. He believed the City should make inclusionary zoning mandatory, then discuss the other associated metrics. He believed that mandatory inclusionary zoning would be the only way to make this approach effective and yield results.

Mr. Suchanec supported housing diversification but did not support affordable ADUs. He reiterated his opinion that they are a "Trojan horse" and would be another method of inserting student housing within residential districts. He did not believe they would address affordable housing needs. He did not favor removing or reducing any fees. He noted he reviewed the public land inventory, and he did not identify anything that could be realistically or feasibly used for an affordable housing development project aside from parkland. He wondered how to incorporate affordable housing into developments that are driven by market demand. He also wondered whether the market rate could be equal to 30% - 50% of the area median income (AMI) in addition to the housing voucher and emergency rental assistant (ERA). He believed if those three components were added together, they could equal or come very close to the market rate. He believed this could serve as an incentive for developers to consider incorporating affordable housing into their projects. He was unsure whether this discussion was addressing how to create affordable housing, as many projects have already launched at 100% market rate. He was uncertain if Council could encourage them to make any portion of those projects affordable. He did not anticipate there to be many new, similar projects coming down the line, as the City is well-saturated with "monolithic" student housing projects. He believed the City would see smaller projects like the one proposed by Lang Development Group at the July 14th Council meeting, which involved adding two floors to an existing building. He wondered how even two units for a project of that type could become affordable.

He supported bringing back gap funding for purchasing, believing Council has heard feedback that such programs are effective. He was unsure about public co-op housing. It was his opinion that many of the City Manager's recommendations favored developers due to the incentives listed, such as reduced project costs and timelines. He did not believe this would help reduce market rent. He believed that there will still be a demand for market rent housing as parents can afford it for their student children. He did not believe affordable housing projects could compete without other methods listed in the presentation. Regarding the idea to change the order of approval for land use projects, he would favor keeping the final discretionary approvals with the addition of a feasibility study; this would give Council and the public a chance to review the project beforehand. He did not favor the administration variances but supported

proactive rezoning. He believed the City should consider utilizing a point system for Special Use Permits. He would favor residential university zoning, with further discussions to follow. He did not favor changing anything about the process to address by-right projects, other than reducing what qualifies as by-right, and he did not want these projects to be vetted solely by City administration. He believed the idea of downsizing the scope of the Planning Commission needed further discussion. He favored increasing residential density and either reducing or eliminating parking requirements.

Mr. McDermott asked if Mr. Suchanec opposed all ADUs outright, or if he would support allowing an owner-occupant to build an addition onto their house.

Mr. Suchanec stated he did not consider such an example as an ADU and was unsure if Council needed to be involved in that process. A property owner needs a building permit to undertake any work on their home. During this process, the Council can voice its opinion or determine whether the project is being carried out correctly. He believed what a homeowner wants to do with a refinished basement should be up to them.

Mr. McDermott requested further clarification on ADUs. He understood additions could be built onto houses, but homeowners are currently prohibited from creating a second "dwelling" by installing a kitchen or stove and a separate entrance; an addition only becomes an ADU when it becomes an entirely separate, livable area. He asked how the Housing Needs Assessment determined that the City was 2,000 units short.

Ms. Bensley explained this number originated from the Delaware State Housing Needs Assessment. She understood that the State reviewed demographic income information as part of the census and the American Community Survey. They then compared that information against the current unit market rates for Newark.

Mr. McDermott asked if this data was specific to Newark or if it was a statewide income assessment.

Ms. Bensley confirmed this data is specific to Newark. However, the whole state was reviewed, along with northern New Castle County in comparison to southern New Castle County, Kent County, and Sussex County. Wilmington and Newark were also specified as part of that study.

Mr. McDermott understood this to mean that there are 2,000 cost-burdened individuals in Newark. While he agreed with Ms. Ford and Mr. Brown that the University should be responsible for housing a portion of their students, he cautioned against pushing them to do so. He reminded the previous instance of the University Courtyard Apartments, where UD purchased an existing property to house their students, therefore taking said property off the tax rolls. In exchange for housing those students, the City lost the tax revenue that the property provided. He wondered how to encourage UD to do so without purchasing or building on existing property, believing that if the City should encourage UD to build student housing, it should do so on existing UD-owned land. He believed it could be detrimental to the city's tax rolls if a similar situation to the University Courtyard Apartments purchase were to occur.

He believed that inclusionary zoning works well in certain areas, but the City has a unique situation. He reminded that the City's current developments are largely redevelopment applications, rather than new development, and that most redevelopment projects during his time on Council have been targeted toward UD students. He believed that inclusionary zoning would essentially result in student housing, which would lead to the residential population mixing with the student population. He agreed with Mr. Suchanec that the City needs to maintain the integrity of their neighborhoods, and people advocate for doing so as they do not want to live next to students. He asked what there would be to stop a landlord from renting to students who would automatically fall within the income gap that inclusionary zoning is geared toward. He noted that every student is of a lower income unless their parents are claiming them as a dependent. He asked if they would not qualify for this initiative if they were claimed as a dependent on someone else's income taxes while in college.

Ms. Bensley stated a student would not qualify if their parents' income did not do so, even though students technically qualify as zero income. The City can craft a model like subsidized housing for inclusionary zoning to ensure that students claimed as dependents on someone else's taxes also have that individual's income counted towards their limits. Some independent graduate students may qualify, but it is unlikely that undergraduate students would.

Mr. McDermott was concerned about mixing student housing with permanent residential housing due to the problems it causes in the City's neighborhoods. Therefore, he did not fully support inclusionary

zoning as it applies to the City. He believed that a straightforward solution Council can implement is to thoroughly review the Comprehensive Development Plan and zoning map to determine what will be built and where it will be built within the city, with input from both the public and staff. This will remove the "guessing game" when developers present their various projects to Council. Additionally, it will help solve the issue of the missing middle, such as if the City needs more garden apartments, Council can find the space where they would fit and then zone that area appropriately. He believed reducing development costs may diversify the City's development pool by making it easier for smaller developers to bring their projects forward. He believed this should be done through a Comprehensive Development Plan review, zoning map review, Council discussion, Planning Commission discussion, and then a final "sit-down" with the public to simplify the vision for development within the City of Newark.

He believed the City also needs to act on this matter because the State has indicated they will do so if the City does not. He believed the City needs to come up with solutions to prevent the State from preemptively taking away Council's authority. He believed zoning regulations are specific to municipalities for many different reasons, as all municipalities within the State are distinct from one another. He did not want to lose Council's authority to make land use decisions for the city. He agreed with Ms. Ford in her opinion that ADUs would be problematic and that for-profit entities would use them to house students at market rates within residential neighborhoods. He believed this would be a similar issue for other municipalities with transient rental populations. He did not have issues with in-law suites or additions but believed separate dwelling units on occupied single-family lots would cause significant problems within the city. As he noted the City does not have the staffing bandwidth to support enforcement of ADUs with associated regulations, he strictly opposed them.

Mr. McDermott believed that parking should be driven by need; developers who think they need parking will incorporate it into their plans, and those who do not won't. He noted the public has differing views on whether the City needs more, or less parking, as some argue there needs to be more while some argue there needs to be less due to Newark being a bicycle-friendly community. While he struggled with such differing opinions, he believed removing parking requirements would be in the best interest of affordable housing. He supported establishing an ERA program and providing grants for first-time homebuyers but wondered how the City would fund them. He believed the City needs to concentrate on homeownership, as not all residents can live in subsidized rental units. He did not think this would be sustainable. He believed the City needs a mixture of homeownership and rentals, and homeownership should be a priority for the City to pursue. However, he believed it would take a significant amount of time to implement any of these strategies. He asked Ms. Bensley if the City will still receive CDBG funding in the future.

Ms. Bensley noted while CDBG is still currently active, she was unsure if they would remain active by the time the Council passes their new budget.

Mr. McDermott supported the idea of transforming the \$5,000 first-time homebuyer loans into \$25,000 grants. He believed that if the City encouraged an individual to buy an unoccupied or rental home and then flip it to a homeowner, this would be an investment that the City would see a return on. He believed this would be a method for creating generational wealth within the City of Newark. He believed if this is done 1-2 times a year, depending on the amount of money the City has, the City can see real value in such a program. He disagreed with Ms. Ford and Mr. Suchanec's opinion regarding the review of by-right projects. While he understood Council's wish to maintain control, they cannot refuse by-right projects that have been reviewed by both the Planning Commission and the City Solicitor to ensure Code compliance. He believed that if Council does not like that specific uses are by-right, they should change the Code to reflect their wishes. However, this must be done before a project with such a use is brought forward. He noted Council would have the opportunity to voice their concerns about a by-right project when the Planning Director initially forwards it to them. Therefore, he did not have any issues with by-rights projects going through an administrative approval process after review by the City Solicitor and Planning Commission.

He supported discretionary projects being presented to Council earlier in the process. This way, Council can review a project's concept and a developer does not risk wasting their money on a project that Council will not support. However, Council can already review projects posted on the City's website and voice their concerns about the projects before final approval. He believed a preliminary review by Council, however, would allow them to provide their thoughts on whether a developer should move forward with a specific plan.

Ms. Ford believed many of the issues described by Mr. McDermott, regarding by-right projects, would be solved if they approached Council before their hearing with the Planning Commission. She believed this would also allow the public to voice their opinions on the projects being brought forward.

She noted there have been previous projects that were viewed as by-right by the Mayor or City Solicitor but were then challenged. She believed differing lawyers may offer opposite opinions on what constitutes a project as by-right through interpretation of the Code. She noted that there have been previous projects proposed, but they did not come to fruition due to strong community opposition; she provided specific examples, including a Wawa in Old Newark and the UD power plant. She believed public hearings of by-right projects give the community the opportunity to challenge them.

Mr. McDermott noted that neither use in the projects mentioned by Ms. Ford were by-right; they required either variances or Special Use Permits. He noted that a by-right plan is strictly adhered to when a project is built according to the exact code.

Ms. Ford reiterated her belief that the Code may be interpreted in different ways by different lawyers.

Mr. Coleman noted the City could consider placing by-right projects on the consent agenda to allow the public still the opportunity to voice their concerns at a Council meeting. In this instance, Council can pull the item from the consent agenda.

Mr. McDermott did not oppose this idea.

Mr. Brown asked what the next step would be in this process, following tonight's discussion.

Ms. Bensley noted the following item on this agenda is Council's prioritization discussion. She suggested including any desired items from tonight's presentation in the priorities Council provides to staff. She noted that while Council has previously agreed that affordable housing is a priority, getting 4 or more Councilmembers to decide on what that means or what the City should do has been a challenge. She believed a productive way to move forward would be through Council providing clear direction to staff during the prioritization process.

Mr. Coleman agreed.

Dr. Bancroft voiced his belief that Council should not need to vote on by-right projects.

12. 4-B. ANNUAL COUNCIL PRIORITIZATION KICKOFF DISCUSSION — CITY MANAGER (30 MINUTES)

2:46:04

Mr. Coleman explained this is Council's prioritization kickoff discussion, and the memo provided served as an update on previous prioritization items. He asked Council to provide him with their desired items, which he would aggregate into a list and place on a future agenda item for discussion. If Council wishes for staff to focus on any of the items from tonight's presentation, Mr. Coleman asked them to note so within this discussion, so staff know what to pursue.

Ms. Bensley noted that multiple Councilmembers have voiced their desire to see projects before they progress too far in the process. She asked the Council to clarify whether they are seeking an additional hearing or an earlier review as a substitute for some of the discretionary approvals, so that they can be completed earlier in the process. She was concerned that if the Council adds another hearing to the process without subtracting elsewhere, the City is running contrary to its affordable housing goals.

Mr. Coleman noted, that for discretionary items, the City does not need to change Code for Council to approve them early in the process. This was done with the New Ark United Church of Christ project.

Ms. Bensley stated this has also been done in the past for for-profit entities and has not always been restricted just to affordable housing projects. She reiterated that this would only be a matter of whether the Council is looking to add or substitute as part of this process.

Mr. Coleman explained that for New Castle County, plans come to Council for an exploratory plan, an initial approval where the Council approves the concept and location of the plan. When it comes back, it is treated very similar to how the City treats by-right projects, where "you stamp it, and it moves on" if there are no drastic differences. For major plans, there is a middle step for preliminary plans, where they proceed to the Planning Commission, which is where in-depth discussion takes place. However, what comes back to the Council looks very similar to the initial review, paired with any tweaks that occurred during the process. He noted that for the City Council, its vote is the third step in the process; staff conduct

the second step, and the first step is completed simultaneously with the third. The County gets the first vote out of the way, giving the developer more confidence to move forward.

- Mr. Suchanec asked if these "first step" meetings are open to the public.
- Mr. Coleman responded in the affirmative.
- Mr. Suchanec stated he would provide his priorities to staff later after careful consideration.

Ms. Bensley reminded that the priority discussion can include anything related to City business and does not only have to concern operations of the Planning & Development Department.

Dr. Bancroft stated he was excited to hear about the electric rate study. He wished to explore ideas for implementing community solar, introducing green energy incentives, and completing the climate survey. He wanted to focus on increasing electric capacity to encourage more residents to switch from gas stoves to electric stoves.

Ms. Ford believed the City should focus on finding or creating new revenue streams. While she has heard arguments that previous suggestions would not generate enough revenue, she believed they would still be worthwhile to pursue as the City "needs to get every nickel [they] can." She believed this should be the priority. She believed the City should also work to pursue collecting the money owed to them by various landlords, such as liens on the properties they own. She noted the City passed ordinances to create the point system and prevent nuisance properties. She asked if it is a matter of public record when a landlord owes money to the City.

Mr. Bilodeau responded it would be if the fines were adjudicated.

Ms. Ford noted New York City has begun publishing the names of landlords who are noncompliant or owe the city large sums of money. She wondered if Newark could implement a similar process.

Mr. Bilodeau stated he would need to review what is being published, but this is a possible idea the City could pursue.

Ms. Ford encouraged implementing a similar initiative. She believed the City should also prioritize ensuring tenants cannot live in condemned buildings, such as by precluding new electric accounts from being opened at these properties. She asked for clarification on whether condemned buildings should not have tenants living inside them within the city.

Ms. Bensley responded in the affirmative. While the City cannot prevent a private contract between a landlord and tenant, it can inform a tenant that a property is condemned when they approach the City.

Ms. Ford believed, if the City can publish this list, it should be made available on the City's website. She believed the City should collaborate with UD to inform students about this list, so they are not pressured into signing leases for condemned or substandard properties with unscrupulous individuals. She believed that regarding affordable housing, the City should prioritize supporting the Newark Housing Authority (NHA) and the New Ark United Church of Christ project. She believed the City should also prioritize preserving its residential neighborhoods and attracting families to Newark, which is paired with creating new revenue streams. She noted funding for related grants will be harder to procure due to the current political climate, but while it will be challenging, she believed pursuing these programs would be a worthwhile effort.

Mr. McDermott believed it would be essential to focus on the upcoming Comprehensive Development Plan update, as affordable housing begins at the stage of Council deciding what developers should build and where. He believed the City should also prioritize creative incentives for home ownership. He believed that home ownership was necessary in conjunction with subsidized, affordable rental units that are already in the pipeline. He believed this needed to be a "multi-pronged" approach. He believed one solution would be to take delinquent, unoccupied properties, add them to the City's portfolio, and partner with Habitat for Humanity to sell them at market rate. He believed this, in conjunction with the currently ongoing rental permit review, should also be a priority.

He believed the City should also prioritize pursuing a base tax rate for Newark and hoped this would be brought forward in the City's upcoming budget presentations. He wished to determine the cost of providing various City services to a single home to establish this rate. He believed this would be a part

of creating a new revenue stream for the City. He believed the City also needs to notify their State-elected officials to continue their pursuit of the funding they did not receive for 2025. He encouraged the pursuit of an entertainment district and for City staff to create a package outlining the types of establishments the Council wants to see on Main Street, allowing residents and visitors to have multiple options when traversing downtown. He believed that increasing foot traffic in this area would also attract a wider variety of businesses to Main Street. He believed family-centric businesses, such as those with child-friendly amenities, should come to Main Street, but they will not be built if they are not allowed. He believed it is important for Council to identify what should and should not be allowed in this entertainment district. Additionally, he believed parking should remain a Council priority, and they should "keep up the energy" with the Parking Advisory Committee.

There was no public comment.

13. 5. ITEMS SUBMITTED FOR PUBLISHED AGENDA:

A. Council Members:

1. Recommendation to Waive the Bid Process and Approve a Budget Amendment for the Rehabilitation of Coleman Park — Councilman Suchanec (10 minutes)

3:03:30

Mr. Suchanec explained he was concerned that the City did not have enough money in the current budget to fix the safety issues at Coleman Park and, in turn, had to close the park until next year, when funding might be provided. He asked Council to consider moving money from reserves into the current budget to fix these problems, as while the City put up barriers and identified the park as closed, it is a unique park as it is essentially only woods with a path straight through. He noted children continue to play in these woods despite the park being closed. He stated this park is a throughway for people coming from communities such as Christina Manor, Briarcreek, and Briarcreek North. Residents cannot walk on Valley Road to access Barksdale Road or enter town and continue to walk through Coleman Park despite it being closed. He wished for the City to consider fixing the issues and risks within the park before a resident gets hurt. He suggested Council allow money to be moved from reserves and into the current budget so staff can conduct the proper tree maintenance necessary to reopen the park.

The Mayor opened the table to Council comment.

Mr. Brown supported this proposal. He inquired about the availability of funding to address this issue.

Mr. Coleman responded in the affirmative.

Dr. Bancroft inquired whether the same amount of money would be allocated to this project if it were to remain in the FY2026 budget.

Mr. Coleman stated staff identified a lot of work which needed to be done in the park but the budget did not have adequate funds to address it. Therefore, staff closed the park, intending to allocate the necessary funds to the FY2026 budget. This item essentially functions to move a project from FY2026 to FY2025.

Dr. Bancroft believed Iron Glen Park has similar issues, but it remains open. He asked for further clarification on this matter.

Mr. Coleman noted it is technically open to the public but experiences the same tree safety issue as established trails. However, it is a different matter than that of Coleman Park.

Paula Ennis, Parks & Recreation Director, added there are a few spaces at Iron Glen Park, which is open to the public. This park is frequently used by the Public Works & Water Resources (PWWR) Department for leaf composting. However, it is not used as a thoroughfare like Coleman Park.

Ms. Ford agreed with Mr. Suchanec's statements regarding the ongoing use of Coleman Park. She requested clarification on whether the issue is related to the dead trees, and once those are cleared, the problem will be resolved, and the City will not have to spend the same amount of money again.

Mr. Coleman responded that once those dangerous trees are removed, the issue should be gone.

Herb White, Parks Superintendent, agreed. He explained the project is outside the scope of what the City's current tree care contractors had bid on. If the City tried to complete it in the standard way they

would usually handle tree removal, it would exhaust the money currently allotted for citywide tree care and elongate the project for a more extended period than optimal.

- Ms. Ford asked if the park will be able to reopen with this work.
- Mr. White responded in the affirmative.
- Ms. Ennis added the initial project will allow the park to get back to a state where it is safe for visitors to use, but there will be a continued CIP project for other park renovations.
- Mr. McDermott noted he heard concerns from residents about Coleman Park even before its closure. He did not oppose making these corrections. He asked about the timeline for this project and whether it would be completed within the month.
- Mr. White explained it would not be done this month. Once the City receives the green light for the project and organizes the necessary purchase orders, staff will need to schedule mobilization with the company, which is dependent on both weather and the contractor's schedule.
- Mr. McDermott asked if this project would be complete in the next five months. He believed that if it were not to be, it may be better for Council to wait to approve this during the following budget process.
- Mr. Coleman stated the City would get in the contractor's queue when Council authorizes the project to move forward.

The Mayor opened the floor to public comment.

Chris Locke, District 1, asked for the cost of this project. Upon clarification that the cost was \$101,000, he asked if this is the City's entire tree removal budget for the remainder of the fiscal year.

Mr. Coleman responded it would use up the City's remaining funds. Across all departments, he believed the City spent around \$600,000 on tree removal.

Mr. Locke understood this would mean the City could not conduct any further tree removal projects. Additionally, as there are signs warning people to stay out of the park, any visitors assume the risk and liability of entering the park. He believed that fiscally, this may not be the best use of the City's funding. He believed that since the park is currently closed, a more comprehensive review may be needed to determine what this park would be best used for. He believed this space could potentially be used for affordable housing.

Mr. Bilodeau noted individuals currently visiting the park are trespassers, who are still owed a duty.

Nikolina Nivokavich, 33 Carriage Lane, asked if the City was aware of a tree that had fallen in Iron Glen Park, and if they were watching where trees fall within the City's parks.

Mr. Coleman explained the City conducts inspections around the City's established trails and actively maintains any trees within a certain distance of the City's trails and playgrounds.

Mr. White explained he was aware of the fallen tree. However, due to its usage, Iron Glen Park is maintained to a different standard of care than a neighborhood park with other amenities meant to attract and facilitate pedestrians. This park is mainly used for green waste management with a few stormwater facilities. He noted there are two sections to the park, one of which is on the opposite side of a creek with no bridge or crossing. This side is inaccessible to the public. Major trees, which are 1 $\frac{1}{2}$ times the height of the trees in the path or driving areas, within that fall distance are regularly inspected to limit their risk of hitting the targeted zone.

There was no further public comment, and the Mayor returned the discussion to the table.

Mr. McDermott noted heavily used parks are prioritized over parks that do not receive much use. He asked for clarification that the City does not attend to every tree that falls in the woods.

Mr. White responded in the affirmative.

MOTION BY MR. SUCHANEC, SECONDED BY DR. BANCROFT: TO WAIVE THE BID PROCESS IN ACCORDANCE WITH THE CODE OF THE CITY OF NEWARK FOR A CONTRACT NOT TO EXCEED \$101,000 TO STROBERT TREE SERVICES INC. AND APPROVE A BUDGET AMENDMENT FOR \$101,000 APPROPRIATING RESERVES FOR THE REHABILITATION OF COLEMAN PARK AS OUTLINED IN THE STAFF MEMO DATED JUNE 23, 2025.

MOTION PASSED. VOTE: 5 to 0.

 $\label{eq:alpha} \mbox{ Aye-McDermott, Suchanec, Ford, Bancroft, Brown. } \\ \mbox{Nay-0.} \\ \mbox{ Absent-Lawhorn.} \\$

- **14. 4-B. OTHERS:** None
- 15. Meeting adjourned at 10:20 p.m.

Tara Schiano Director of Legislative Services City Secretary

/jh