

MINUTES
Housing Capacity Analysis and Production Strategy Policy Advisory Committee
Meeting #7
Newport City Hall Council Chambers
January 12, 2023

Committee Members Present: Jan Kaplan, Dr. Leslie Ogden, James Bassingthwaite, Cynthia Jacobi, and Betty Kamikawa.

Committee Members Present by Video Conference: Bonnie Saxton, Mike Phillips, Robert Cowen, Wendy Hernandez, and Dr. Karen Gray., and Rev. Judith Jones,

Committee Members Absent: Mark Farley, Dennis White, Braulio Escobar, Sheila Stiley, and Todd Woodley.

City Staff Present: Community Development Director, Derrick Tokos; and Executive Assistant, Sherri Marineau.

Consultants Present by Video Conference: Beth Goodman, and Nicole Underwood.

1. **Call to Order & Roll Call.** Meeting started at 6:05 p.m.
2. **Welcome and Introductions.** Tokos welcomed the committee members and reviewed the agenda.
3. **Approval of Minutes.** Motion was made by Cynthia Jacobi, seconded by Jan Kaplan, to approve the December 15, 2022 Housing Advisory Committee meeting minutes with minor corrections. The motion carried unanimously in a voice vote.
4. **Summary of Outreach.** Goodman reviewed the PowerPoint presentation starting with the project schedule, the process for developing the Housing Production Strategy (HPS), and the Committee meeting dates and topics. No questions or concerns were raised.

Underwood reviewed the project outreach that had been completed, and takeaways from the community conversations. Jacobi reported that she had talked to a lot of people. She noted that some of the questions on the prepared list weren't too useful but were more so leading questions. Jacobi thought they should ask people if their present housing needs would be growing or changing in the next five years. Goodman thought this was something they could ask in the upcoming virtual open house. They wanted to be careful on what they were implying the city could do to address people's concerns, so they weren't setting the wrong expectations.

Underwood reviewed the key takeaways from the developer interviews, and the project outreach next steps. Bassingthwaite asked what types of service providers they were looking at. Underwood reported they were looking at Samaritan House, My Sister's Place, Chance Newport, and Legal Aid. Goodman explained that this list that provided by Tokos and they could expand the list after the meeting if needed. She asked the Committee to provide their suggestions directly to Tokos. Tokos suggested talking to OSU student housing. Cowen was happy to provide more information.

5. **Discuss Potential Actions to Meet Housing Need.** Goodman reviewed the memorandum concerning the Newport housing strategies for further discussion and, the action prioritization of the survey results. She noted that just because things were not a high priority didn't mean they weren't important.

Goodman reviewed Action L, using urban renewal to support housing and infrastructure development. Jacobi asked if urban renewal funds could only be used for a specific district. Tokos explained they weren't flexible. The bulk of the funding would go to either site acquisition or infrastructure work in the district. The Urban Renewal Agency could also act in the capacity of the Housing Authority and provide direct subsidies for land trusts. There were areas that the city might be able to do this by directly being involved in the housing proper. Tokos explained this wasn't in the current framework and would require an amendment to the Northside district. This would require a discussion with the taxing entities. They would be asking where they would be pulling those resources from because the plan currently had a maximum amount of projects. The South Beach district wasn't a candidate for this because the funding was committed to the final round of projects there.

Kaplan asked if there was an ability to create a new Urban Renewal District. Tokos explained that to do a new district they would need a feasibility review to figure out what made sense based on the objectives, to have discussions with the taxing agencies to make sure they were comfortable with the scope of the work, and then go through the adoption process. It would take a while to fund projects if they created a new district.

Bassingthwaite asked if the city didn't need additional revenue from releasing the South Beach urban renewal district, or if they wanted to try to funnel that back into a normal renewal district on the northside. Tokos explained this was part of the feasibility review and the financial analysis. Under the current budget, the city didn't need what would be kicked back from south Beach to make everything work, and they wouldn't have to set up a district that would leverage the same amount as South Beach.

Tokos explained they could do a lot with infrastructure, but if they were working on direct investment they would need to have a whole different conversation with the taxing entities and do a major amendment to the plan. He wanted to get a sense of what the group's thoughts were on this. Kaplan asked if they were talking about direct housing services. Tokos explained this was infrastructure improvement to leverage what they wanted on the housing side, versus a direct housing program. Kaplan asked if the city have a partner for the development of housing and if they were using the urban renewal money as the major funding for that partnership. Tokos explained as it was currently, the agency could buy a property and take care of a significant amount of the overall cost for the property and infrastructure, then let the partner take care of the rest. They could also get into the actual construction of the housing, which was the direct investment in housing where they would need to do a major amendment to the original plan to make it happen. Cowen asked if one of these approaches on how to invest was likely to have a longer term affect on lowering the cost of housing and making more housing available. Goodman didn't think either approach was superior because it depended on the partnerships. Tokos thought it depended on the strategies that were being pursued to achieve long term affordability. Cowen asked if they needed to pay attention to what their actual recommendations would be. Goodman thought they should do a combination of the two to have some of it be a direct investment in housing and then an amendment to the Northside urban renewal district. They would also need to make it clear what that investment would specifically be for.

Tokos reviewed the Northside District map. He suggested that they put a policy together that indicated that when the city was in a position to explore either modifications to this district or the formation of a new one, that they take a look at the direct investment in housing and what could be done there when putting the plan amendment or new plan together. They didn't have much ability to make changes to the South Beach district as it closed. It wasn't a district that would be conducive to direct investment in housing because the bulk was along the commercial corridor. They started the Northside District based on a recommendation on the assessment of the condition of commercial properties in the city center for the development of an Urban Renewal District which would address issues. Tokos thought

they could do an exercise similar to this to focus on the housing side. The Committee thought this made sense.

Kaplan asked if they were to develop housing in the downtown revitalization area, could they have affordable housing there and would it be a part of the urban renewal. Tokos explained if the agency was looking to directly develop the housing it would require an amendment. This didn't mean that urban renewal couldn't support housing, it meant it would be done more through land acquisitions and infrastructure which could be significant. Bassingthwaite noted that Lincoln City had two apartment projects that were in the commercial corridor. Tokos noted that one of the things urban renewal agencies could do was acquire property and make it available at less than market rate to achieve policy objectives. Jacobi pointed out that they could make up the money on this with the taxes they received from the property. Tokos agreed and noted they could negotiate affordable guarantees over a period of time as part of the discount. This would help explain what the agency was doing for affordable housing to the public. Bassingthwaite pointed out that if the developer was a nonprofit, such as the Housing Authority, they might not generate tax revenue from the project because they were tax exempt. Jones reported this was something that St. Stevens would be interested in because they were in the middle of this district. They were looking to build an affordable housing apartment complex. She thought it would be great to expand to a building on Highway 101 directly adjacent to their property that was more or less condemned. Tokos noted the Urban Renewal Agency was in a position to buy properties and finance the demolition and prep of the site as well. Tokos reported this was huge when buildings had asbestos that needed to be abated, or when they had other contaminants that had to be addressed. This was all part of the infrastructure site acquisition authority that existed currently. Goodman asked if there were any addition comments on this. Bassingthwaite thought they should time this discussion to when the South Beach district closed somewhere around 2027.

Goodman reviewed Action C, implementing the Homebuyer Opportunity Limited Tax Exemption. She asked if there were any concerns. Gray liked the idea and thought it was an opportunity to build home ownership for those who didn't always have a chance to do so. Kaplan noted he was originally not in favor of this, but changed his mind when he saw that the single ownership could be used for purchasing a condo, which would accomplish the notion of building equity. He thought it would be of use to target within the multifamily terminology targeted areas. Goodman asked if he was suggesting things like cottage housing, duplexes, quadplexes and townhomes. Kaplan confirmed it was and thought this would allow someone with limited income to purchase a dwelling unit. Bassingthwaite asked if this would be limited to full time occupancy. Goodman wasn't sure but would look into it. Tokos noted they would want to make sure this wasn't for second houses. Goodman reported this needed to be targeted towards people of lower incomes and it was also about housing that was relatively affordable. She would look into if they could limit this to fulltime occupancy. Kamikawa reminded that people who were retired could be considered low income while looking to buy investment properties. Jacobi thought the program should be included, but she questioned if there would be a really high impact because of it. Gray agreed that it should be included. Tokos reminded as long as they were weren't being asked to enforce affordability provisions they would be okay. As they looked at fulltime occupancy they needed to understand how they could determine this. He suggested requiring one person to work or reside in the county so it was their primary home. Tokos thought that if they couldn't figure this out it would be something they could flag as an issue.

Goodman reviewed Action E, reducing development code barriers for multifamily development. Kaplan thought they should be leery of this. When they spoke of increasing the height of buildings that would have a view, they were also talking about buildings losing views, which shouldn't be a factor. They really had to look at zoning if they were going to do this, then make it work with the 2040 vision planning. Bassingthwaite thought they talked about limiting this to an underlying overlay zone where the height variance only applied east of the Highway 101 residential areas, not necessarily

having it be citywide. Tokos didn't know if this process could answer those questions. If this was included as a policy, it wouldn't be a blank check. It would give direction to prepare these types of amendments through a public hearing process. This wasn't saying it would happen a specific way, it was saying there was value in preparing a package of changes for consideration by policymakers. Goodman pointed out they looked at adding this to selected areas or zoning districts.

Jacobi asked about building heights and the Fire Department's capabilities to respond. Tokos reported their capabilities were up to 50 feet. If the building was over 50 feet it began to implicate certain safety improvements that drove up costs. Tokos thought they could take a look at an addition to where it was geographically appropriate. They could structure it so that the additional height is permissible only for pitched roof type construction and be specific as to what kind of pitched roof construction they were talking about. Goodman reminded the purpose of this was to make it more financially feasible to do multi-family housing, not for better views. Jacobi was for adjusting the land use and building code standards, but wasn't for eliminating things like required green spaces, pocket parks, or playgrounds. Goodman reminded these weren't a part of this discussion. Kaplan thought they needed to be mindful on how many buildings could fit in a livable neighborhood. Goodman thought they could add in something about considerations of livability and thus limit the recommendations to these three. Tokos cautioned on limiting it to the three because there might be some other changes that would make sense to the process to all involved. Bassingthwaite thought they could add to the memorandum under Section E that the city should consider if they can update Newport's development code to alleviate the barriers while still achieving other city goals, and add in livability. Tokos suggested they not limit this to multi-family development because removing the variance process for hillsides would be more pertinent to single family detached and attached housing. Bassingthwaite suggested they look at commercial standards to see how they approached multifamily or housing developments in the commercial areas, and whether there were barriers to make it easier for second and third floor housing. Tokos pointed out the city center area was an example of where they had parking credits for this. Apartments over commercial was a form of development that was such that there was very little off street parking because buildings were adjacent to one another, and there was a fair amount of surface parking that was underutilized.

Goodman reviewed Action H, lobbying the legislature for more resources to support housing development and removing regulatory barriers to housing development. Bassingthwaite thought there was currently more of a focus by the legislature on housing and affordable housing that there was in previous years. He thought the next couple of years would be a good opportunity to get some of the changes done through lobbying that might not of had success five years prior. Kaplan thought this was important but didn't know how it fit into what the city was doing. Tokos thought this was valuable because it was a policy package to provide the framework on what Newport was working on. It was important to capture that a lot of this was outside of local control. Ogden thought it put emphasis on conversations with senators and representatives to say if any of this was placed on their desk that they put a high priority on them to get changes done on the state level. Jacobi thought the real estate transfer tax fee was something to look at. She gave an example of Fort Collins, Colorado where the fee allowed the city to have more money to work with. Tokos noted this would be a constitutional amendment. It would be an ask for the legislature but might be more favorable for them currently.

Goodman reviewed Action J, establishing a low barrier emergency shelter and warming center in Newport. Jones noted the nonprofit entity, Helping Hands was doing a shelter in Lincoln City. They were also operating in six other counties and might be interested in doing this. Jones was impressed with her conversations with the organization and thought the shelter had been thoughtfully done. Goodman suggested they add this to the service provider interviews. Kamikawa reminded that anyone who would operate a shelter owned by the City of Newport would have to go through a process to be

designated to run it. It was a matter of making sure everyone knew about it. The more open they were with it would better. Tokos agreed and noted this was one aspect of the public engagement strategy. What they needed to ask was whether or not they wanted to adopt a local super siting option. If it was adopted it would engage the public to ask if a property was the right site, and what they needed to do to the site. This wouldn't be a land use process that could be tied up in the courts for years. they could make the land use process the easy piece for the siting, and the debate would happen on things like if a location was the right place to make this kind of investment. Bassingthwaite asked if it would be used for sites that weren't zoned already for this type of facility, or for those that were in the right zones. Tokos explained the current way the city was set up was that the shelters would need conditional use approvals because they were considered a community service use and fell in the same category as religious institutions. Kaplan asked what the term "super siting" meant. Tokos explained this was in terms of what the legislature did where they said that within a certain window, when you have a site and a viable partner to operate that site, the land use rules didn't apply. This meant that there wouldn't be a conditional use process, traffic analysis, or an appealable discretionary process that could tie it up for a long period of time. Ogden thought they should reach out to operators in the Linn and Benton Counties since they were doing so much with them. They could reach out to these organizations to attract people from Linn and Benton Counties.

6. **CET Discussion.** Goodman discussed Action K, adjusting the allocation of the CET to support affordable housing development. She then covered the existing CET funds and how they were allocated. Tokos asked if they should stick with the way they were allocating the funds or if they should take the commercial funds and allocate them somewhere else. Cowen liked the idea of being more flexible. Tokos reminded the amount of funds could spike any given year based on when large commercial projects were happening. Goodman noted that if the funds were in the flexible use they could change where the amounts were allocated, such as changing from affordable housing flexible use to down payment assistance.

Tokos asked if they should be using some of the flexible funds for homeless services or a shelter, or if it should only be housing units. Bassingthwaite asked if the 35 percent of funds was for affordable housing units. Tokos explained they had the flexibility to use the funds but struggled with defining this. Cowen thought that temporary housing for shelters was housing from his perspective. Tokos asked if there was general agreement to include the full continuum. Ogden thought they should so they had enough flexibility to tackle whatever issue they were facing. The Committee was in general agreement to include the full continuum. Jacobi questioned why they were saying that these funds would have moderate impact but were a small amount of money. Goodman explained they could leverage the money for a larger impact. Whenever the city had money to add it became an opportunity. Goodman noted that currently there might not be much of an impact but over the next five years it could grow and have more of an impact. Tokos agreed and reminded it gave policy makers the opportunity to fill in funding gaps that would not otherwise happen without it.

Goodman reviewed supporting the development of a regional housing entity focused on low- and middle-income housing development. She thought the question was what the city's role in this would be for this because it was hard to answer who the regional housing entity would be. Bassingthwaite thought they should also ask if the purpose should just fall under the city or county, or if it should include other local government entities as part of the housing entity. Tokos didn't think it had to be limited to just the city or county. He asked what the Committee thought the city's role would be in developing the regional entity. Should the city be a player or should they be the ones making this happen. Goodman suggested they make a recommendation that the city be a partner. Then it would be a discussion with the policy makers on what kind of leadership role the city wanted to do once they understood more about what the regional interest was. Tokos noted they could frame it that way and note that the level of city involvement was scalable. Jacobi asked how this played into the County

Housing Advisory Committee. Tokos reported the work they city was doing with House Bill 2123 was to develop local capacity to effectively provide services to those that were houseless, to create an entity or group that was capable of being a conduit for state or federal funds, and to building relationships between different governmental entities and nonprofit partners. This committee was looking at low to middle income, and the county group was looking at those that were houseless. The same players were involved with both. Goodman recommended that the city be designated a partner, and then look at the ability to scale the level of the city's involvement.

Goodman reviewed the Action I, participating in the regional homelessness action. She then covered Action F, system development charges (SDCs) for workforce housing. Goodman asked if this should be limited to multifamily. Tokos didn't think it had to. Cowen asked why the impact was small for this. Tokos explained the impact was small because of the limited funding. Kamikawa asked if SDCs were based on unit size or the number of doors. Tokos explained that for residential it had been shifted to the square footage of a single family dwelling. Everything else was based on their equivalent dwelling unit or meter sizing to determine what their impact on water system would be. This gave them guidance on how to allocate the 50 percent of the construction excise taxes that the city had for development activities.

Goodman reviewed Action B, growing partnerships with Community Land Trusts. Cowen thought the concept of land trusts would be something that would be of little interest for major foundations like Nature Conservancy. He asked if this would have some value to have money come in from somewhere else. Goodman explained that what Cowen was talking about was a different type of land trust. They were an ecological land trust and this was a housing land trust. Goodman thought they might be able to attract money from foundations but most of the funding would come from housing land trusts. Tokos explained how Proud Ground was able to leverage a half a million dollars from the legislature for housing initiatives. This was a good policy to have that would call out and recognize the equity for fairness and equity issues. Kaplan thought it was worth leaving in the toolbox. Jacobi liked the idea of a trust. She thought the impact was small but it helped people get into houses.

Goodman reviewed Action D, supporting outreach and education to promote equitable housing access. She asked what steps the city should be taking to do outreach to landlords and tenants to educate them on what their housing rights were. Tokos didn't have a problem adding this but thought that without context it was a little bit unclear on what type of outreach and education they wanted to engage in, and what the cost and investment associated with it would be. He thought they should leave it in and as opportunities came up they could sort through whether or not it was practical. Kaplan thought there was other entities who provided this as part of their mandates and didn't see the city doing this. Jacobi agreed and noted that Legal Aid and Community Consortium handled this. Kamikawa believed tenants already knew who to go to, but thought that distant landlords needed to be educated on what the requirements were in Oregon. Tokos reported that there had been conversations over the years with different councils about whether or not there was an appetite for the city to expand into the habitability of rental units to ensure that people were living in safe sanitary conditions. This was a level of commitment that was far above where this was currently in terms of inspector resources and staffing to follow through with that. There would be a legal element to this because a number of those landlords wouldn't voluntarily make changes. Jacobi thought this might be taken up by the city at some point for substandard housing. Kamikawa thought this fell under code enforcement when complaints about a property were called in. Tokos noted the city was responding to very low bar nuisances currently. The next level of problems, such as the international maintenance code, would get at ensuring people had a quality place to live. Kamikawa noted that this was tricky because it often meant they would be putting people out of a place to live because they were dangerous. Tokos reiterated that what he heard from the Committee for Action D was that the city would be playing a supporting roll and filling the gaps for outreach and education, and in a separate item the city should explore putting a maintenance

code in place to make sure rental housing was safe and sanitary. Kaplan asked if there was a way to engage citizens to get them to feel more responsible for our community. Goodman would look into a maintenance code and get back to them on this. Bassingthwaite suggested they soften the language in Section D about the city needing to ensure that there were opportunities.


Goodman reviewed Action G, perusing a growth management agreement with the county. Kaplan thought it was important to have a Growth Management Agreement because the lack of it would cause a lot of problems.

Goodman reiterated that what she heard was to soften the role in outreach and education, and there was support for what was included here. She asked if there was anything missing or that needed to be taken out. Jacobi thought they should have some zoning amendments for neighborhoods to allow small groupings of RVs for people live in. This could help people get into something to live in quickly. Tokos noted generally what kept people from developing RV parks was access, water, wastewater and power. They could look at either exploring opportunities for adjusting the rules to make RV parks more viable for transitional parking. Goodman gave an example of allowing people to live in RV in driveways in Eugene. Tokos noted that allowing a single RV in a driveway was being reviewed by the Planning Commission at their next meeting and was already moving forward.

Goodman reported the next meeting would be on February 16th.

7. **Public Comment.** None were heard.
8. **Next Steps.** None were heard.
9. **Adjournment.** Having no further business, the meeting adjourned at 8:12 p.m.

Respectfully submitted,



Sherri Marineau
Executive Assistant