

MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
April 10, 2017
6:00 p.m.

Planning Commissioners Present: Jim Patrick, Bob Berman, Lee Hardy, Jim Hanselman, and Rod Croteau.

Planning Commissioners Absent: Bill Branigan, Mike Franklin (*all excused*)

PC Citizens Advisory Committee Members Absent: Dustin Capri, and Karmen Vanderbeck (*all excused*)

City Staff Present: Community Development Director (CDD) Derrick Tokos, Associate Planner Rachel Cotton, and Executive Assistant Sherri Marineau.

1. **Call to Order.** Chair Patrick called the Planning Commission work session to order at 6:00 p.m.

2. **Unfinished Business.**

A. **Draft Multifamily Housing Development Incentives.** Cotton reviewed

Multiple Unit Tax Exemption Program (MUTE)

Cotton reported that she took the Commissioners' notes from the last meeting and updated the draft. She created a new acronym (MUTE) for the Multifamily Housing Development Incentive program. A review of the draft ensued.

A discussion ensued regarding the definition of supported according to the State statute. Cotton was directed to change transit "supportive" to "supported". The definition in section 7.02 will be kept with the understanding that there can be an amendment to the Transportation System Plan in the future.

Berman said 3-C doesn't read properly and needs to be rewritten to specify that the County will do the reassessment. Cotton to fix.

Berman asked who does the reassessment that is referenced in 4-A. Cotton to correct. A discussion ensued regarding the benefits and losses for developers opting out early. Hanselman is concerned that the City will lose affordable housing if developers opt out early. Cotton stated the low income, permanent tax abatement will address this and the return on investment needs the full 10 years. Hanselman stated we need to think about the return on investment for the City. Tokos said this is a program that can be adjusted at any time. Tokos noted that paragraph 4-A should be broken out into B, C, D, E, & F and take out the duration or have it on its own line.

Patrick asked how a project's exemption could exceed more than 100% of the project's market value. Tokos will check to see if there are any circumstances where it could exceed before striking it from the document.

Cotton instructed to check termination date of the last sentence of 6-A.

Under Program Requirement 1-B III, "Cash on Cash" to be changed to "Rates of Return on Investment."

The "Definitions" section to be moved before "Scope of Exemption."

A discussion ensued concerning defining gross income limits and verification of tenant's income yearly. Hardy felt that anything that says the Property Manager needs to report figures should be taken out of the document because it would require a subpoena. Patrick said there should be an agreement with tenants that the information would be disclosed. Hardy suggested the City follow up with income verification with tenants. Berman said if they want to be a part of the program it needs to be reported.

A discussion ensued regarding section 70-C property owner notice requirements. Cotton explained that section C is optional. Cotton is instructed to change the wording to say, "upon termination you should give the State mandated amount of notice to the tenant."

Hardy asked how the annual reports and program will be administered. The CDD will manage the program. They will have to take the impact of the program into consideration and adjust if it is proving to be a problem.

Cotton shared the Lincoln County-2016 Median Family Income (Estimate) handout with the PC. Median income is the average family income. Cotton explained how HUD determines fair market rents and estimates. Tokos doesn't think it would be hard to get a reasonable return based off the figures.

Tokos stated that per the discussion in the last PC meeting, all of the "For Sale" type provisions have been taken out of the text.

Hardy asked if the forms are public record as they contain confidential information. Tokos explained the City Attorney would be consulted to see if the information could be included. Race and social security numbers were taken off of the form. Berman asked if a studio would be considered zero for the number of bedrooms. Yes. Berman asked if everyone would need to give their signatures. Everyone with income would have to sign it. Cotton directed to check italics and weird line formatting on forms.

Patrick asked for a spreadsheet example to be given to the PC to see if income determination would actually work with the PC's numbers. Cotton to create and share examples with the PC.

Attachment 2: Non-Profit Corporation Low-Income Housing Tax Exemption

Cotton reported that the Non-Profit Corporation Low-Income Housing Tax Exemption only applies to registered non-profits in the low income business industry.

Berman noted that 1-A in "Low-income" is redundant and should be taken out. A-2 in "Eligibility Requirements" needs to be somewhere else as it is talking about something different than eligibility requirements.

Patrick asked if the exemption has a time limit. Cotton explained it can have a limit and noted that on 70-C it talks about a limit on revenue. The date limit is located in 70-B. Berman asked to take out the January 1, 1985 date. The "no later than" text will be changed to reference the statute instead of the date.

Berman asked for clarification on 40-E. It will be taken out. Berman asked for clarification on 40-F concerning what the County Assessor fees will be. When there is a conversation with the County, this will be determined.

Berman asked if the application review would come to the PC and not to staff. There will be a March 1st deadline and a hearing would be set for the PC to review applications annually as a batch. Berman asked if it could be set up as a staff decision. If it was a staff decision, it would need to go to the CC because it would be a resolution. Cotton directed to change 50-A to reflect a staff review with a CC resolution. Cotton directed to take out 40-D and change 40-E to say the applicant "must be able to" instead of "shall."

Language on 70-D to be rewritten more clear concerning the City and County agreement. Cotton directed to add "for future projects" to 70-C.

Section 80-Delegation to be changed to read "CDD" instead of "PC." Tokos requested that 80-Delegation be rewritten and include the City Attorney in the text. He requested it be changed to what "we do."

Vertical Housing Development Zones (VHDZ)

Patrick asked if the transit map goes out to Hwy 20. Cotton to verify this.

Recommended Near Term Land-Use Change

Cotton reported that commercial zones would have to be an outright use on the upper floors for this to work. Tokos said it is hard to set a zoning code with a resolution. It will have to be a boundary. A discussion ensued on the value of Condition Use requirements and why people would want to live in a heavy commercial use area. The PC is in agreement to make it outright instead of conditional use.

3. New Business.

A. Volunteer Recognition Dinner on April 18, 2017.

Tokos to remind the PC that they are invited to the Volunteer Recognition Dinner held at the Best Western Agate Beach on April 18, 2017 at 6pm. It is a thank you dinner to show appreciation for volunteering for the Newport Vision 2040 events.

B. Oregon Government Ethics Commission Required statement of Economic Interest Filing Reminder.

Tokos reminded the PC to submit their Oregon Government Ethics Commission Required Statement.

C. **Director Comments.**

On Monday, April 17th at noon, Jim Long, Affordable Housing Manager from Bend, will be doing a presentation on SDCs for the CC. Tokos explained the CC will be moving through five different programs to be moved forward. There are the three property tax abatement programs, changes to the SDCs, and the Construction Excise Tax. A hearing will be brought to the PC in May and June, and a hearing with the CC in July.

4. **Adjournment.** Having no further discussion, the meeting adjourned at 7:25 p.m.

Respectfully submitted,



Sherri Marineau,
Executive Assistant