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MEMO

DATE: October 30, 2017

TO: Mayor and City Council

FROM: Spencer Nebel, City Manager

SUBJECT: Status Report for the Four-Week period ending Friday, October 27,
2017

Highlights of Activities over the past four (4) weeks have included the following:

- Held a routine department head meeting.
- Participated in a City Council work session on a new county-wide initiative presented by Sheriff Curtis Landers. This is regarding an initiative to improve law enforcement interaction with individuals dealing with mental health issues. In addition, we had an executive session to discuss negotiations with Newport Fire's labor contract
- I met with Mayor Roumagoux to review the agenda for the October 2 Council meeting.
- Met with Lance Vanderbeck to review airport operations.
- Barb James, Steve Rich and I met to continue work on the non-union salary study.
- Along with Councilors Allen and Swanson, participated in a meeting of the Audit Committee. The auditors have since completed their field work and the committee will meet with the auditors later this year to review the completed audit for the city. We intend to present the audit to the City Council in January.
- Met with Joe O'Donnell from Ameresco to discuss the role their company plays in public and private partnerships. Typically, their company will upgrade and operate with water facilities or sewer facilities for cities. At this point we don't see a specific need to pursue any projects with Ameresco for the City of Newport, however, it is good to understand how those operations can be used to manage public utilities.
- Participated in an hour long interview with Cheryl Harle on KCUP radio.
- Met with Lance Vanderbeck and Steve Rich regarding a COAR grant which the airport has applied for. This is in partnership with a company developing new technology for utilizing generators that use avgas. This company is offering to provide the local match to show this technology as a demonstration project at the Newport Airport. Because this came up rather quickly, we are completing our due diligence on the company to determine whether or not we want to continue pursuing this application. We will be meeting with our partners in this grant

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application later this week to determine if we want to move forward with the application.

- Met with Tom Webb regarding the steps to implement the user charges for the partners of the VAC.
- Met with Firefighters to finalize our contract negotiations.
- Met with Police Chief Jason Malloy to review departmental operations.
- Met with Fire Chief Rob Murphy to review various departmental issues.
- Met with Dick Tobiason regarding the dedication of US 20 as the Oregon Medal of Honor Highway. Mr. Tobiason is chairman of the Bend Heroes Foundation and project manager. This organization has been involved in the dedication of many Oregon's highways to honor veterans of our various wars, on behalf of the United States. US 20 will be the first highway designated to honor Medal of Honor recipients in the country. The ceremony will take place at 11 a.m. on Monday, October 30, in the City Council chambers. We will be joined by WWII Army Medal of Honor recipient Mr. Robert D. Maxwell of Bend, Oregon. Mr. Maxwell is the most senior living recipient of the Medal of Honor in the United States today.
- Met with Tim Gross to discuss the balance of our plans for Oceanview Drive. This was included in the report to the City Council on October 16.
- Barb James, Tim Gross, Dave White and Jim Salisbury and I met on a situation where one of our employees broke his leg when the water was turned on before the water main had been properly stabilized. We want to close out our review of this incident and use it as a lesson to promote future safety measures in the Public Works Department.
- Steve, Barb, and I met continue to work on issues relating to the salary survey.
- Met with Richard Dutton to review projects within the IT Department.
- Met with Jim Protiva, Kathy Cline and Barb James regarding the challenges of maintaining the lifeguards at the Aquatic Center. We outlined a number of potential initiatives to increase the inventory of the lifeguards available to work. Toledo and Lincoln City are also having similar problems. There has been some suggestion about putting on training for lifeguards that would work at all facilities. We are also looking at our salary structure to be sure we are paying our lifeguards a competitive wage. Traditionally, fall is a time when we have a shortage of lifeguards due to high school and college employees going back to school. Hopefully we can make some changes to assure better availability of lifeguards to operate the Aquatic Center here in Newport, as well as in Lincoln City and Toledo.
- Participated in a meeting to continue our efforts addressing our approach relating to social media.
- Steve Stewart and I met with Rudy Frazzini and Director, Roy Kinion, with the Lincoln County Public Works Department, regarding a grant which they have had for a number of years to address invasive plant species at various locations in the county, including within the City of Newport. Under the grant, the County has an individual who provides a spot treatment of herbicides for very specific plants in which the state is trying to control. The County is responsible for going back to those specific locations to monitor and repeat if necessary that pocket of plants is still existing. This meeting came up when a sign was placed by the County regarding the use of herbicides in an area along one of our city streets. No one in

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the City was aware of the program. The County will put together a Memorandum of Understanding for future references for continuing this program to address various targeted invasive species in Lincoln County.

- Met with Barb James on an employee issue at the wastewater treatment plant.
- Lance Vanderbeck, Melissa Román, Gloria Tucker and I met to discuss the public outreach strategy for dealing with the tree issues on the south end of the runway. This meeting will be held at the community college on November 2 at 6 p.m.
- I took a few days off during the week of October 9 to work on projects around the house. (my main project is still not done!)
- Met with Lance Vanderbeck to review operations at the airport.
- Hosted the monthly lunch for the County Managers' Association here at City Hall on Tuesday, October 10. The Lincoln County Managers are supportive of the City convening the elected and appointed officials back together to review activities which are occurring on housing initiatives in the county over the past year. As you will recall, it was suggested at the previous year's meeting that the Lincoln County Economic Development Alliance take the lead in the next steps of developing a county-wide strategy for creating more housing within Lincoln County. The general consensus at the meeting, was that efforts to pull this county-wide proposal together has not occurred through the Economic Development Alliance. Unless the Council has any objections, it would be my intent to pull together a follow-up meeting to last year's meeting, to hear various updates from our constitute municipalities and determine whether there are any good opportunities to work on housing issues on a multi-jurisdictional basis going forward.
- Attended an Airport Committee meeting.
- Worked on Agenda items for the October 16 City Council meeting.
- Met with the Firefighters regarding resolution of issues with the contract prior to the work session and regular meeting. This was to determine whether we were ready for approval of a contract on October 16. We did come to terms with the bargaining unit and the City Council authorized us to proceed with the execution of a 3-year labor agreement with the Firefighters, based on that resolution of the issue relating to sick leave accumulation.
- Held a routine department head meeting.
- Participated in a Council work session of the Newport Transportation Plan update and in reviewing the annual League of Oregon Cities conference. In addition, we had an executive session on the Firefighters' agreement at the evening meeting. Based on the consensus at the executive session, the agreement was put forward for formal approval by the City Council.
- Met with Mayor Roumagoux to review the agenda.
- Participated in a call with Barb James and Steve Rich to LGPI regarding various aspects of the salary study.
- Met with Steve Rich and Mike Murzynsky regarding the update of our retirement handbooks in preparation for our annual meetings with employees on the retirement system.
- Met with Peggy Hawker and Richard Dutton regarding the development of more efficient use of email and Outlook among city staff. Email has become the primary tool of business communication, which is certainly true within the City of Newport.

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The primary problem with email is that it's easy and simple to include everyone in communications. This contributes to a general cluttering of information being conveyed internally with marginal benefit. A lot of the emails sent within the organization are not thoroughly read, and emails requiring responses can get lost in the shuffle. Furthermore, without having any specific protocols, it is impossible to know whether you are being copied in an email strictly for informational purposes or whether there is some action which is being requested. At the League of Oregon Cities conference, Councilor Engler, Peggy Hawker and I attended a time-efficiency session, which focused on a number of problems including the huge proliferation of internal email communications, which are unnecessary in order to operate organizations. As part of this effort, it is our intent to develop a draft policy and procedure for emailing internally, including when to (or when not) copy individuals, utilizing searchable words in the subject line in emails and indicating what type of action is required (if any) regarding the emails. We will then follow up this draft policy with training for department heads and key administrative assistant positions, in order to effectively use the tools which Outlook provides for managing the flow of information. Following this session, we will finalize policies and procedures on time management with the consultant, who we heard at the League of Oregon Cities. Overall, it is an ambitious effort which hopefully will carve out some extra time for all of us at City Hall, in order to operate as efficiently as we can in dealing with the day-to-day business we are obligated to address city-wide.

- Met with Rob Murphy on various Fire Department issues.
- Met with Rod Aust from United Way regarding the reorganization which has taken place with United Way serving Lincoln County. Lincoln County's participation in United Way has been fairly minimal in recent years, compared to historic levels. The United Way in Lincoln and Benton Counties have now merged with United Way of Linn County in order to reduce the administrative costs of operating. We did have a presentation to our Employee Committee a year and a half ago from United Way, to see if there was interest in having more of an active campaign internally with City Employees. At that point, the Employee Committee opted not to get involved with an internal United Way campaign.
- Participated in the final Vision 2040 Steering Committee meeting, in order to pull a draft Vision statement together for the Council and to the public to conclude this process. Please note that the Vision 2040 is a visionary statement outlining the values, ideas, and thoughts of the greater Newport area, as to what type of community we want to live in, in 2040. The vision, once adopted by Council, will then guide the development of specific strategies in order to proceed with implementing the vision. Typically, the strategic plan is a shorter term version and is revisited on an annual basis. The vision will allow us to utilize our advisory committees to develop these strategic issues which we need to follow through as a city. Furthermore, the vision will provide guidance to other greater Newport area organizations as to community desires, as their organizations develop in the future, as well.
- Attended the 103rd Annual International City/County Managers' Association Conference in San Antonio, Texas, with the conference starting on Saturday, October 21 and ending Wednesday, October 25. Overall it was a great conference and I had the opportunity to attend a number of sessions which were very important

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to me, based on our current discussions with the City of Newport. Highlights of the ICCMA Conference are as follows:

ICCMA Conference

- o Attended a ICMA University work shop on delivering great results from your vision and strategic plan. This session focused primarily on building and sustaining organizational excellence which requires focus work in order to implement strategies and implant organizational cultural values within the employees of the organization. While this was a good session, I had hoped it would focus more on the mechanics of successful practices in implementing and following through the community visioning process.

The presenters of this session, Cheryl Hilbert, from Montgomery Ohio and Jeff Parks, President of Performance Breakthroughs, based in Woodbridge, Virginia, indicated that you can use your vision and strategic plan to create great results by:

- 1.) Understanding all your customers.
- 2.) Cascading your vision throughout the organization.
- 3.) Maximizing your performance.
- 4.) Decision- making through measures which matter.

This can be a difficult journey, but it is important that leadership is open to the vision. It is important to have a way to measure success and to get buy-in from all the employees who are part of the implementation process. Delighting customers is the ultimate goal for organizational excellence. While we sometimes call citizens customers, in fact, they are much more than a customer, since they are the stockholders of the organization. The vision can help determine what they value now, and what they are looking forward to in the future. A citizen will develop an impression of an organization based on their interactions with members of that organization. It is important that those folks which are most likely to interact with citizens, understand the important role they play in developing either a favorable or unfavorable opinion of the organization. It is important to take a look at ways to take the hassle out of utilizing city services. Customers can be broadly defined. As an example, a community was trying to deal with the congregation of homeless individuals in their downtown area. Only by engaging with the homeless community, was it found out that the reason they wanted to hang out in the downtown area was that they had a feeling of security. Once these reasons are known, then alternative options can be developed.

A vision is a shared picture of success for the entire community. It is important to provide a clear line of sight for everyone within the organization to see how their work contributes to achieving the vision. A vision can be

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an effective tool to drive collaboration within the organization, toward the greater good versus each department's individual silos. A vision can help stretch the organization to be better in meeting citizen needs than it currently is.

There was discussion of the cascading approach to deploy strategies. In this particular approach all layers of the organization, from the elected officials down to individual employees, should be fully engaged and knowledgeable about the strategies being implemented. This can include the annual goals, budget and construction improvement plans, operational plans, and development of cross-departmental strategies/project work plans. It is important within an organization that the vision/mission are clear and widely communicated. It is important that the mission/vision includes customer, employee, process and technology and financial perspectives. It is important that the budget be tied to strategy; that the annual goals and plans tie to a longer term strategic plan; that organizational measures results tied to the vision, and recognition and rewards are tied to vision and strategy.

It is important to remember that anything untouched in an organization will likely remain inert. Strategies which are adopted need to be followed up on, in order to move the organization in that direction. Organizations need to have a positive risk environment in order to enhance performances. In other words, when well-considered and defined risks are taken, and that risk does not result in a favorable outcome, an organization must have a culture that recognizes that a particular plan did not work and move on. Organizations that focus on failures are organizations which stifle any creativity in addressing problems.

- I attended a second ICMA University session. Improv and Improve which was put on by Craig Rapp and Ada Johnson-Rapp, who are a husband team, both in Second City Chicago Improv and in consulting services. Craig was a former city manager, as well. Improvisation improves how you think, helping you to tune in to communication that you may not have noticed. Improvisers think on their feet and recognize opportunities as they arise. Improvisers learn how to be flexible, to constantly adjust situations and truly be in the moment. Tina Fay's rule for improvisation include the following:
 - 1.) The first rule of improvisation is agree. Always agree and say "yes."
 - 2.) The second rule of improvisation is not only say yes, but "yes and"
 - 3.) Make statements. In other words: whatever the problem, be part of the solution.
 - 4.) There are no mistakes, only opportunities.

It is important in improv, as well as city management, to embrace failure. It is important to remember that when you hit a wrong note, it is the next note that determines whether the performance was good or bad. In improv,

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hyper-listening is key. This means understanding body language and intent. It is important to have organizations be less punitive and more positive, so that individuals within the organization realize that someone has their back. The courage of leadership is to give others a chance to succeed.

- Attended the opening session keynote speaker by Rabia Siddique who provided her story of courage, resilience and authentic leadership as a Muslim woman in the British Army. Rabia was born in Australia, where she obtained a law degree. She was deployed for a seven-month tour as the sole legal advisor to a brigade in Iraq. She was one of two British Army officers that were illegally detained as hostages. While the one army member was welcomed back as a hero, her name was left off the official reports, and she was not invited to take part in an inquiry in the incident. She challenged that position and received a letter of apology and praise about her role in being a hostage, and their subsequent effort to rescue others. Her general message was for effective leadership, it is important to stick to your values. Challenge issues which are adverse to your human values. Remain committed to truth, justice, equality and authentic leadership, which will inspire and motivate you.
- Attended a keynote address by Richard Florida. Mr. Florida is a noted academic writer relating to urban affairs. He provided a presentation based on his new book, *The New Urban Crisis*.

Mr. Florida indicated that Pittsburgh lost over a 150,000 jobs, bringing the population from one million to 350,000. Pittsburgh has seen a significant turnaround and is now a leader in the driverless car industry. Pittsburgh is also the home for an early internet-search company which ultimately moved to Boston. Mr. Florida has indicated that those communities which have prospered during the last decade, are those communities that are most tolerant of all people - gay, immigrants, etc., such as Boston, San Francisco and Seattle. Knowledge workers want to live in creative communities. Mr. Florida indicated that Toronto, Canada was an iconic, tolerant city, so it was truly a shock when Mayor Rob Ford (the crack mayor) won the position of mayor. Mr. Florida indicates that Mr. Ford won this race because those who were not in the creative class, were feeling disenfranchised from their community. He theorizes that the new urban crisis relates to those people being left behind. In Toronto, this has been exasperated by the fact that the average cost of a detached, single family home is now \$1.2 million dollars. Mr. Florida sees these same trends occurring throughout the United States, which he believes explains some of the support that President Trump has received from U.S. disenfranchised populations. The key takeaways from his presentation are as follows:

- 1.) There are certain cities which are moving ahead, but many communities are not. The creative class is creating a new patchwork of rich and poor with the suburbs being affected with an out-migration of the knowledge workers with the balance of folks staying in the suburbs stuck in low-paying

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service jobs. He indicated we need to build inclusive policies for all folks, not just the high-tech knowledge communities.

2.) We need to move away from imperial government. A centralized federal government dictating all aspects of life is not service society well, throughout the world.

3.) Move power back to the local levels. People are more connected with the people at the state and local level. They feel they have a greater opportunity to influence matters at that level. Managing up and reach down.

- Attended a session with Catherine Bennett, the Organizational Development Administrator for Athens-Clark County Unified Government. She indicated that management must make sure that the talent within the organization stays within the organization. Potential leaders need to step up and lead. In a typical workforce, the top 20% provide 80% of the organization's productivity. Furthermore, managers spend 90% of their time on 10% of the workforce. Front line workers are the ones who have knowledge of what is working or not. Managers must reach down and listen to those voices. Do not focus on best practices, but focus on next practices and innovations.

Thomas Harper, Administrator of Sarasota County, Florida, was asked by an employee shortly after starting his position, if it is okay to speak with the manager about ideas for the organization. He indicated that was eye-opening to him in that employees did not feel comfortable sharing ideas on how to have a stronger, better organization. He has selected 30 participants from various positions and levels within the organization, to set up quarterly meetings to talk about general organizational issues and how to improve services to the public. The agenda would include an ice-breaker, so that the 30 people would get to know each other better. He would give an update of major issues going on in the community, and then there would be roundtable discussions on specific subjects. These discussions focused on the who, where, what, when, why and how in order to make decisions that improve overall productivity and services to the county.

- Attended a session on maximizing the city manager/police chief relationship. This session focused on the changes which have occurred in the police services over the years. Now it is argued that police need to be viewed as protectors and not as warriors, even though, in today's society we need both. The Las Vegas shooting is an example of when police officers need to be warriors. It is important to have the department aligned with other departments as a whole. Community policing is not a unit within a police department, but a philosophy that the entire department embraces. Departments need clear policies relating to the following:
 - 1.) Use of force.
 - 2.) Mass demonstrations.
 - 3.) Consent before searches.
 - 4.) Gender identification.

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- 5.) Racial profiling.
- 6.) Performance measures.
- 7.) Collection of data.

Technology is outpacing policies and laws. For body-worn cameras, it is important to have policies that determine when they are on, when the officer sees the video, and what is available to the public. It is recommended that local police review the Department of Justice's policy on body-worn cameras for a model policy. Today with untreated mental health issues, drug addictions, and flawed education systems, police have challenges they were not originally designed to address. The poor, people of color, and youth are losing respect for the police.

From a community policing standpoint, one of the issues based on FSLA and contract, is that officers who used to volunteer time and various activities, now often cannot represent the department without being compensated. It is worth paying for some of these services.

It is important to embrace scenario-based and crisis information training (CIT.) This emphasizes escalation in alternatives to arrest. It is important to keep a softer look in uniforms for the police department. The paramilitary uniforms create more of a separation between populations already having trust issues with the police. It is important that police departments are fully utilizing interagency collaboration, shared services and regional training. A single department cannot meet all of its standards without working with others. Departments need specific training on implicit bias versus racial discrimination. We all have our own biases. It is important that officers are aware of their own biases. Finally, it is important to increase a diversity of police hiring and promotions. Thirteen percent (13%) of law enforcement are women. Physical performance requirements do not correlate with being a good officer. College degrees do not correlate with being good police officers. Do not let the police control the hiring process. They end up picking people just like themselves. It is important for good coordination with the community on these issues. Police departments need to have a mechanism in place that when someone calls about a prowler or other issue, there is a response back so they know that the police actually did respond. By not responding, the caller has no indication of what the police found or did not find, from the call.

- o Attended a session with Stephanie Meeks on the past and future city. Stephanie is the president and CEO the National Trust for Historic Preservation. She indicated that Jane Jacobs in New York City, was one of the forerunners preserving neighborhoods and communities. In the 1960s, the key to revitalizing cities was building freeways into the center of the cities. She was successful in saving a number of neighborhoods in New York City in the 1960s, and still is active in community preservation today. Ninety-seven percent (97%) of the millennials appreciate historic

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preservation. Historic tax credits are one of the greatest incentives which has transformed more than 43,000 buildings on to meet modern community needs. The Historic Trust advocates re-use over demolition, when possible. The Historic Trust also indicates that we have been on steroids when we have developed parking requirements. Cities that have substantial municipal surface lots and very little central development, are communities which are usually not very economically doing well.

Re-using buildings is the best way to implement green standards. It takes years before a new platinum building would have the energy savings which are obtained by re-using an existing structure.

- I attended a session on Managing Investments on a Global Political Transition. John Montgomery, managing partner for portfolio strategists, indicated that we are running through a bit of an unusual period of time. There have been eight continuous quarters of gain, through the end of the Obama Administration and during the first part of the Trump Administration. We did not experience a usual decline after a new president is elected. Since 1900 the market has continued to grow at a steady rate. The two biggest exceptions were 1929 and 2008. In both of these cases, the market recovered relatively quickly. People who got out after the crashes, never recovered their investments. Internationally, China has been a drag on the economy over the years. China is now more of a neutral impact on growth, with the 7% growth expectancy. Europe should be a positive factor in future economic growth. In U.S. the housing construction market is recovering. Manufacturing is pulling out of the recession which they have been in, during recent years. Unemployment is low and consumer confidence continues to grow. The feds will likely begin to raise interest rates, which is good for earnings. Politically, it is likely to see some deregulation in the market which will increase bank profits. Retail sales are trending downward, however, it is their opinion that the market is not unreasonably stretched at this point. Soft expenditures for travel, hotels, resorts and entertainment are growing. The overall conclusion is that the market is still strong. Interest rates increasing slowly is good. Any further deregulation may be a shot in the arm for the profit of financial situations.
- Attended a session with Stephen Conschafter, an Associate with SmithGroupJJR of Washington DC and James Keen, City Manager of Palo Alto, California. The second machine age is a term for how computer technologies will impact future planning. Autonomous vehicles will have many significant impacts on land use and employment within the United States and the world. Technological change can result in deflation. Cognitive computing will be eliminating many of the repetitive tasks. Cities, to remain vital, should promote lifelong learning in downtown areas. It is expected that the work week will be shortened in this second machine age. There will be a necessary social program to compensate folks who didn't have skills for the knowledge base to work these new jobs.

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Communities with walkable environments and affordable and smaller housing will fill important niches in this period, and there will be a decrease of focus on streets as motor vehicle transportation systems. This will be in part due to autonomous vehicles requiring narrow roadways leaving more green space in urban environments. City Manager, Jim Keen, has ridden in autonomous vehicles which are already in prototype form in Palo Alto. He indicated it was amazing how comfortable he was after a few minutes, having a vehicle drive him through the test grounds. Today folks are creating algorithms about how to value the risk of hitting a pedestrian, or the impact of the vehicle, and the vehicle's passengers for the operation of these vehicles. Driverless vehicles will create a wider economic divide, since many people who earn their living driving vehicles today, will not be needed. Folks understanding the technology necessary to support this industry, will have jobs. Drone deployment is well-advanced in Europe but lagging in the U.S. However, it should be anticipated the drone development will catch up in a significant way in the U. S.

Mr. Keen indicated that their organization has developed a policy of going dark on weekends with electronic communications. It is okay to email a problem or a thought, but their staff is directed not to internal emails until the new start of the week, in order to provide a break between work and non-work. He indicated that humility is the new smart. Also, jobs traditionally thought of as "safe" such as accountants, radiologists and other jobs which are involved in reading technical things, will be disappearing, as well. Smart machines can fill those roles. He argues that the butterfly effect will be replaced by the hornet's nest.

- Heard from keynote speaker Ann Marie Chavez, who is Executive Director of the Girl Scouts of America. Ms. Chavez is the first person of color to serve as Executive Director of the Girl Scouts of America. She indicated that currently five states in the U.S. have minorities which constitute more than 50% of the population. In elementary school, surrogate types are developed early on and folks are pushed into different roles for boys and girls. She asked in the room how many women have been called "bossy" and received a substantial show of hands. She asked the men the same question and very few hands went up, showing a typical stereotype based on sex. She indicated that feedback should be considered a gift and folks need to remember that growth is optional.
- Heard a presentation from iCompass Technologies/Host Compliance. Elrik Binzer, CEO and Founder of Host Compliance from San Francisco, provided a presentation on the increasing presence of vacation rentals. His company, Host Compliance, currently has 80 municipal customers scattered around the country. They help local government track vacation rentals within their communities. The trend in vacation rentals is shifting rapidly from using local managers in the community to using online services.

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With the online services, it takes about 15 minutes to register a vacation rental on one of the number of sites, which advertise and coordinate rentals. The number of vacation rentals has increased fifteen-fold over the last decade. There are no signs of these trends changing, with 35,000 going up online each month. Airbnb has more visits to their site than any other conventional online booking tool. Airbnb is now valued at \$31 billion dollars compared to evaluation of the Hilton chain at \$23 billion. This is even more remarkable since Airbnb does not own their structures that are rented, but is a booking agent. Airbnb handles about 40% of the short term rentals. Individuals with the rentals often list on multiple sites to maximize their presence. Almost 3,500 cities in North America have 50 or more vacation rentals.

Issues of why our local government should care about vacation rentals included the following:

- 1.) Some vacation rentals can become party houses.
- 2.) Because most are booked over a weekend, trash becomes problematic since it may be out at curbside for longer than normal, depending on the collection of the vacation rental.
- 3.) The parking is often times a problem, since people that rent vacation rentals often have a group of people staying, generating more vehicles than would normally result at a owner-occupied house.
- 4.) Many vacation rental owners lack any understanding about local issues.
- 5.) There can be concerns about fire and building safety for vacation rentals.
- 6.) Higher concentration of vacation rentals impact neighborhood character.
- 7.) Vacation rentals may have an impact on general housing availability, particularly for coastal communities. With a vacation rental, at 60% occupancy a homeowner can triple their rental income from renting it out to a long term rental.
- 8.) VRDs are having a significant economic benefit to many communities with the additional rooms which are available for visitors to come to communities.
- 9.) It was indicated that a majority of folks staying in vacation rentals would stay in a mid-scale hotel if a VRD was not available.
- 10.) Across country more time is being spent in public hearings on various aspects of regulating vacation rentals.
- 11.) Communities need to watch for the tipping point when it can be very difficult to balance the issues between VRDs and neighborhoods.

VRDs are something that is here to stay. Trying to ban VRDs will likely drive it underground, where it is more difficult to regulate and collect taxes. As an example, Redondo Beach bans VRDs but a search online shows over 300 rentals listed. There are a number of objectives which can be incorporated into local regulations, which are as follows:

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- 1.) Communities could consider allowing VRDs to be operated only by permanent residence (that would eliminate absentee landlords), not allow rentals in subsidize housing, or set annual rental limits.
- 2.) In order to have preservation of existing neighborhoods, some cities have set neighborhood quotas, and prohibit any signage in order to have the VRDs adequately blend in.
- 3.) Cities can require adequate parking, garbage disposal techniques, including size and type of cans, require the posting of noise ordinances on each door, require a local contact person, differentiate between a hosted vacation rental versus a non-hosted (there are a lot fewer problems with hosted facilities.)
- 4.) Safety - require a physical safety inspections. Be realistic about what you can do.
- 5.) Require insurance certificates to be filed that specifically allow the unit to be used as a vacation rental. This insurance is often times different than what type of insurance individuals can obtain for an owner-occupied home. A number of challenges that local units have in managing these facilities, include the following:
 - 1.) There are over 100 different websites that rent vacation rentals.
 - 2.) There are a lot of cross listings and rapid turnover with housing coming on and off various sites.
 - 3.) Websites don't list addresses since this would enable renters to deal directly with the owner and not the website eliminating the commission.
 - 4.) It is difficult to track the collection of room taxes from vacation rentals.
 - 5.) Various website platforms refuse to give out data, since it stifles their business.
 - 6.) Complaint-based enforcement usually doesn't happen until it becomes more of a major issue.

A number of best practices were outlined, including:

- 1.) Utilizing annual permits and licensing.
- 2.) Specifying in the ordinances that if you are advertising online, you are in business and require licensing.
- 3.) Make it easy for VRDs to comply with local ordinances and receive a license. These are typically small-time operators and if it's too complicated, they will try to operate underground versus getting the appropriate licenses.
- 4.) Require platforms and managers to register and provide detailed records of rental and any regulatory activity relating to the VRDs.
- 5.) Place the entire process online with it being enabled for mobile devices to deal with the limited skills which many VRD owners have when it comes to conducting a business activity.
- 6.) Require platforms and managers to register and provide detailed records of activity.
- 7.) It is important to realize that the market is in constant flux. In one year in South Lake Tahoe, there were 3,014 vacation rentals. In the next twelve month, Eighteen hundred were added and 1,488 were dropped.

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8.) In order to enforce vacation rental licensing, you need to have a systematic process to capture problems, such as screenshots of ads and testimonials.

9.) Need to have a quick process for notifications of illegal rental units, which include evidence to maximize response.

10.) Make it simple for neighborhoods to report issues on online forms, hotlines and other methods. This will help eliminate the frustration that neighbors have with VRDs.

11.) You need a mechanism for those individuals which ignore the initial process. It is important to go straight to a violation if there is clear evidence. Fine them for anything else which is in violation. Have the vacation rental owner sign a document that they will comply in the future, impose a scale of fines which increase with the number of infractions, both for visitors and owners.

It was noted that the contract that Airbnb has been entering into with cities across the country, is a good initial step if there are no other organized efforts to capture this presence. However, there are no names or data connected with the funds which are received under this agreement. Furthermore, this is only impacting the Airbnb and vacation rentals and there are many other booking sites for VRDs, throughout the U.S.

Many of the components suggested in this presentation have been included in our previous ordinances, but there are a number of new ideas to review, as well, provides support for municipalities for locating and administering vacation rentals. I've asked for a proposal from iCompass to understand how their service may or may not be a benefit to the City of Newport in regulating VRDs.

- Attended a session on Long-Term Financial Forecasts for Municipal Governments. Robert Leland, Management Partners, Inc. provided an overview of the challenges which cities face in developing longer term projections on revenues and expenditures. He indicated that historically recessions occur about every seven years. This may have a direct impact on certain revenues of the city and should be considered in any longer-term projections.

He also noted that cities which have differentiated benefits (i.e. a reduced benefit package for hirees after a certain date (there is more pressure on wage increases within those organizations.) The big elephant in the room for many municipalities across the country, is dealing with the pension system. In California, it is estimated that the annual return to the system will be 6.2%, a year over the next ten years. At this rate, the cost for the pension will double in ten years and triple in twenty years. He noted that municipalities are limited because of arbitration, constraints caused by offering a competitive salary and the use of salary studies to determine appropriate compensation levels. These are a number of reasons why it is

Status Report for the Four Week Period Ending Friday October 27, 2017

important for communities to project in the future. He suggests a ten year window in order to do this. The transparency of doing long-term projections, promotes sustainability and transparency within the organizations. It offers early warning signs, if there are problems ahead.

Kurt Wilson City Manager of Stockton, California was appointed as the assistant city manager during the bankruptcy in 2012. He indicated that if Stockton had done long-range forecasting, they would have likely avoided bankruptcy, as long as the policy makers were able to make the necessary tough decisions. It is important that cities prefund long-term expenditures to the extent possible. While setting aside cash to pay a future pension obligations, can create a target for departments and elected officials, as well as collective bargaining units, it is important to prefund and explain why certain things are being prefunded, within the organization.

Scott Huizenga, Budget Officer for the City of Kansas City, indicated that Kansas City passed an ordinance which requires a five year plan be adopted each year, prior to the adoption of the annual budget. He felt that a five year period is a reasonable period to project financial needs going forward. It is important to evaluate personnel levels over time in each department and budget requirements by department, as well. A five year projection is a living plan and needs to be adjusted each year. He indicated there are limitations with five year projections, and quoted Donald Rumsfeld who said: "there are known knowns. These are things we know that we know. There are known unknowns, that is to say, there are things that we know that we don't know. But there are also unknown unknowns. These are things we don't know we don't know.

That quote kind of summarizes the challenges of longer-term projections.

- Attended a session on developing a better coaching and development skills. Some large organizations have developed extensive formal processes, but Wally Bobkiewicz, City Manager of Evanston, Illinois, indicated they focused on the informal approach. This was done for direct reports in one-on-one meetings. At these meetings, there would be discussion about what the future goals of the employee are with emphasis that part of a supervisory responsibility is making sure that employees are prepared to step up to their next position. This fits well in succession planning within the organization. He emphasized that it is important to balance the stress at work with other life activities.

Chesterfield County in Virginia indicated that they've implemented a emerging senior leader program which is held every other year. They plan, assess, measure and develop their employees through this program. This program helps develop skillsets of employees. It was indicated that 40% of employees will not succeed without adequate support in a new position. The first 90 days is critical. Chesterfield assigns a coach to work through

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the process of getting new employees started in the right direction in those positions.

Neal Comelo, Deputy Administrative Officer of Santa Clara Water District, indicated that mentoring is important. Conversations should be kept confidential and listening is a key. Ask questions, clarify and ask challenging questions of your individual who you are mentoring in order to fully understand what their thoughts, dreams and aspirations are. It is important to remember that one size does not fit all. Don't offer solutions right away or allow too little time for the discussion. Department Heads should be required to develop succession plans as part of their job.

- o Attended a session on mentoring and teambuilding, which focused on the City of Decatur, Georgia. Mentoring establishes mutual relationships. It is intentional and the mentor strives to instill value and skills. For mentees, who seek knowledge, teambuilding is working together as a group, with common shared goals to improve processes. It is important that these processes strive for an overlap between staff, Council and the citizens of the community.

It is important in organizations to use cross-departmental teams to deal with the organizational issue, such as technology, etc. This creates additional bonding of individuals from various departments. In an unknown quote, City Manager, Peggy Merriss, indicated "Blessed are the flexible for they shall not be bent out of shape."

- o Attended a session on Homelessness. Jane Brautigam, City Manager of Boulder, Colorado indicated that housing is a major crisis in their community. The average cost for a single-family home in Boulder is now \$800,000. Student housing complicates the housing situation there. The poverty rate is equivalent to the national average. The city has been dealing with a large natural area called Boulder Creek, which has a substantial amount of urban camping which occurs there and generates a lot of trash, needles and the problem continues to grow.

Boulder has a number of services in the community, including winter shelter available for three months. This provides housing during the winter months for 30 chronically homeless people. While it has worked well, it has only made a dent in the homeless problem. Boulder has prohibited camping and does not allow panhandling in median areas or aggressive begging. Smoking has been restricted downtown, on trails, libraries and transit stops. The smoking ban has had a huge impact on congregating in the downtown area. Parks are closed from 11 p.m. until 5 a.m. and there are no fires allowed in open lands. Because of the danger of wildfires in Colorado, the city actually flies drones to detect heat or hot spots. Boulder has two police officers that are hired specifically to manage the homeless population.

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In municipal court, they have established a homeless navigator to stop folks from going to jail when that action is not appropriate. This navigator works to get them in touch with social services available in the community. One significant issue in Boulder was that there were a lot of services going on to address homelessness in the community, however, there was no coordination of those services. In order to maximize the appropriate use of limited resources, a coordinated entry system, among the various non-profits profit groups, was established to deal collectively with this issue. Boulder has inclusionary housing requirements which leverage dollars to help address the homeless population needs.

City Manager, John Ruiz of Eugene, Oregon also presented during this session. He indicated that Eugene is very a compassionate community and it has a lot of folks active in trying to address various issues. He indicated that the short term issues include addressing homelessness during seasonal periods and trying to bridge the gap in additional housing with the long-term goal of turning off the spigot of homelessness by having housing available. Eugene was successful in moving 400 veterans off the street as part of Michelle Obama's initiative to make sure that homeless veterans were housed. Eugene has addressed homelessness in three ways, one is a dusk-to-dawn site for singles, a site for families and a site for folks where they can camp in vehicles.

The overnight parking program allows for up to six parking spots on a site. This spreads the impact across different parts of the community. A second program is the rest stop program. The city provides the property which is managed by non-profit groups. Twenty people can camp at a location. This has success by moving 120 people into permanent housing. Opportunity Village is addressing 45 people in 30 units. These are the tiny houses that have been operated by a non-profit group. They provide shelter for homeless individuals. Eugene has established park ambassadors to work with all park users, including homeless individuals to help them move to an appropriate location. Eugene has focused on the concept that if someone is on the street for more than two weeks it will be likely that they will become homeless. They are working to keep kids from ever being out on the street.

Jeff Mihelich, Deputy City Manager from Fort Collins, Colorado reports that Fort Collins has a policy in place that include compassion and consequences. He indicates there are a number of reasons people are homeless with travelers are generally homeless by choice, folks who are down on their luck and have no other options and general transient individuals who move from place to place that have no housing.

He indicated that panhandling is constitutionally protected. Mr. Mihelich said that Fort Collins had made a number of mistakes to address this issue, including approval of an ordinance limiting bench time to one hour. Fort Collins also made another mistake by providing hotel rooms for individuals

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without a place to stay after the shelters closed their doors at 10 p.m. during the cold weather. This resulted in a lot of people waiting until after ten to contact the police, who put them in hotels, leaving the shelters open. The third mistake that Fort Collins made was providing bus tickets to homeless individuals which became a form of barter among the homeless community. Fort Collins has had a number of successes, as well:

- 1.) A coalition of various providers of services to the homeless, has helped target and streamlined assistance to the homeless population. One program by itself is not going to make a meaningful difference in homelessness in the area.
- 2.) Winter emergency space was done through the shelters by using the cafeteria areas of homeless facilities for overall sleeping.
- 3.) The utilization of third party entities to determine when winter sheltering will be open. (i.e. the weather bureau issues storm warnings or forecasts below zero, etc.)
- 4.) It is important to have folks go to a central clearinghouse and direct them to specific locations.

On the consequences end of things, the city focused on obstruction of passageways as a violation, along with depositing bodily fluids in an inappropriate location, littering and open containers. Things that are not illegal are public intoxication and panhandling, however, the city has worked with social workers to try to address folks with those issues. One of things that Fort Collins did was create an obstruction ordinance which prohibits sitting or lying on sidewalks twenty feet from a building, one hour before or after opening of that building. The city relied on ADA standards of mobility for this requirement. The city also reserved beds in jail for municipal offenses that required jailing of individuals. If you don't have the ability to put individuals in jail for repeated violations of illegal activities, then it becomes more difficult to address. Their overall goal is to make housing rare, short-lived and non-recurring.

- Attended the celebration of service to the profession. Final keynote speaker was Simon Bailey who spoke on coaching and mentoring in an organization. Mr. Bailey was with the Disney Institute that provides leadership training. Mr. Bailey indicated that some of the traditional methods of dealing with employees, such as performance evaluations, can be more destructive than beneficial. He advocates for replacing these types of systems with an ongoing mentoring, coaching process to focus on making employees stronger and making them team players. If this does not occur, then it is important to be able move those employees out of the organization. It is important for employees to maintain their "A game" any time they are interacting with the public or coworkers. If an employee's bad day translates into interactions with others within and outside the organization, then the organization is not well-served.

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This session was also used to recognize service to city management. I was one of about 30 who were recognized for 35 years of service to city management at the annual conference. This seems like a long time (and it is), but we are all humbled by two individuals who were recognized for their 50th year in city management. While I may make my 40th year in city management, I don't foresee reaching that milestone!

I thought the conference had a lot of pertinent sessions to things that we are working on and always appreciate the opportunity to recharge my batteries a bit with my colleagues from cross-country. The ICMA conference allows me to continue improving my skills in management going forward.

- Participated in a regular meeting of the retirement trust. This was the time when the meetings are set up with employees to review the performances of the retirement program with them. 2016-2017 was a very good year for the pension, with a gain in excess of 12% in earnings for the fund. The adjustments were made to the transfer over half-million dollars from the defined contribution fund to the define benefit fund to correct those errors for a number of retirees which occurred since 2012. As a result, the actuarial accrued liability expressed as a ratio of market value of assets to planned liability is now at 86%. In 2016 it was at 74% and following the economic crash in 2008, the percentage of the liability that was funded was somewhere in the 50% range. This is a significant improvement in the city's pension program. Following the trust meeting, I participated in the meetings for those employees covered by the defined benefit plan and a second meeting for those employees who are covered by the defined contribution plan. Overall, we had pretty good turnout for participating in those meetings.
- Mayor Roumagoux, Councilor Sawyer and I participated in the retirement of Chef Shirley at the Senior Center, while Shirley is not a City employee, she has been cooking at the Senior Center for over 15 years. She will be retiring and moving to the Eugene area.
- Met with Derrick Tokos to prepare for a meeting I have with Roy Patton regarding a complaint he has with VRDs.
- Met with Peggy Hawker and Richard Dutton to discuss policy development relating to more efficient use of email and Outlook within the city, as well as training efficiency and time management training.
- Met with Richard Dutton to review various IT issues.
- Met with Barb James to review various personnel issues.
- Participated in a phone conversation with Richard Dutton and Peggy Hawker regarding Outlook training.

Upcoming Events:

- On October 30 the City will be holding a ceremony for the Oregon Medal of Honor Highway Dedication.

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- On October 31 City Hall will be opened on Halloween evening from 5-7 p.m. to accommodate trick-or-treaters in the city center area. Last year was a big year and we are anticipating the same this year.
- On November 2 at 6 p.m. at the Oregon Coast Community College, we will be holding a meeting with property owners that may be affected by trees encroaching in the air space at the airport and where we will be seeking air easements to protect that air space in the future. This will be our first meeting with property owners to discuss what the problem is and begin discussing how to proceed with a resolution.
- I have been asked to serve on a city manager interview panel in Cannon Beach on Tuesday, November 7. I will be leaving for Cannon Beach after Monday night's City Council meeting. Depending on how long the meeting goes, I may ask to be excused after completing the City Manager report.
- On November 9-10, I will be attending the annual City Manager's Board of Director's retreat in Silverton.
- City Hall will be closed in observation of Veteran's Day on Friday, November 10.
- I will be out of the office on Thursday, November 16, for a medical procedure.
- City Hall will also be closed in observation of Thanksgiving on Thursday, November 23 & Friday, November 24.
- City Hall will be closed in observation of Christmas for half a day on Friday, December 22, and on Monday, December 25.
- City Hall will be closed in observation of the New Year's holiday on Monday, January 1. The first City Council meeting in January will be on Tuesday, January 2, 2018.

Attachments:

- ❖ Attached is a Memorandum to the Lincoln County Managers from Derrick Tokos outlining the various incentives that City Council has approved. The County has taken action on the tax abatement issues, as well, since the Council initiated this effort. Derrick's memo is a good summary of the steps Council has taken in order to address housing in the City of Newport.
- ❖ Attached is the presentation made by Oregon Department of Aviation Director, Mitch Swecker, at the League of Oregon Cities. I asked Lance Vanderbeck to get a copy of his presentation. Councilor Goebel had participated in this session and indicated that there are certainly going to be significant opportunities for Newport in the decades ahead in dealing with drone technology.

I hope everyone has a great week.

Respectfully submitted,



Spencer Nebel
City Manager

Memorandum

To: Lincoln County Managers
From: Derrick I. Tokos, AICP, Community Development Director
Date: October 10, 2017
Re: Newport Affordable Housing Initiatives

Our City Manager, Spencer Nebel, asked that I provide a brief summary of the affordable housing initiatives the City of Newport is engaged in, or has recently adopted. The work we have undertaken responds to the goals, policies, and implementation measures identified in the City of Newport Housing Needs and Buildable Lands Inventory (2014), which is a component of the City Comprehensive Plan.

Tax Incentives for Affordable Housing: Effective September 6, 2017. Two programs were adopted, one that is targeted to non-profit corporations engaged in providing low-income housing (i.e. 60% MFI year one, 80% MFI subsequent years). Includes property held for development by such entities for up to three years. The second program provides a property tax exemption on structural improvements for a period of 10 years on new multi-family rental projects that would not otherwise pencil out without the exemption. Developers are required to reserve at least 20% of the units at 80% MFI, and are subject to other standards. On 10/18/17 the County will consider a resolution committing it to participate in the program. This would significantly expand the potential benefits. A third program, relating to vertical housing development zones (i.e. residential over retail), has been put on hold as a result of the passage of SB 310, which delegates implementation to cities. The City will take this back up once the State of Oregon provides guidance on how local programs should be operated.

Updated System Development Charge Methodology: Effective September 6, 2017. Includes a per square foot fee for single family detached and attached housing that, coupled with a streamlined capital project list, resulted in significantly lower charges for smaller units. For example, the fee for a new home with 1,250 square feet of living space dropped from \$10,994 to \$5,189.

Construction Excise Tax for Affordable Housing: Effective September 6, 2017. Reductions to System Development Charges gave policymakers the room to consider an excise tax without significantly impacting up-front development costs. The tax imposed by the Council is 1% of the permit value of new development, and construction that results in additional square footage being added to a structure. Applies to both commercial and residential projects. Collections will vary based upon construction activity, but should be \$100,000 to \$150,000 a year. Creates a dedicated source of funding for affordable housing. City is forming a committee to determine how to distribute 50% of the funds that must be used for affordable housing and the 35% that can be used for "other affordable housing programs." The Oregon Housing and Community Services Department has indicated that the 15% cities must remit for its down payment assistance program will be dedicated to the communities that collected the funds.

Lincoln Community Land Trust Partnership: Newport, Lincoln City, Lincoln County and the Lincoln Community Land Trust entered into a Memorandum of Understanding to increase the County's inventory of permanently affordable housing. Proud Ground, a larger land trust from the metro area, is the administrative arm of the local land trust. Funds are available locally for down payment assistance

grants (3 in Newport, 2 in Lincoln City). Homebuyer education meetings were held in Lincoln City and Newport on 10/5/17 by staff with Proud Ground and Willamette Neighborhood Housing Services. This is the first of several meetings that will be held to get qualified buyers into the pipeline. The Newport meeting was attended by 10 individuals or families.

Habitat for Humanity Land Donation: The City of Newport entered into a land donation agreement with Habitat for Humanity of Lincoln County for the construction of up to 5 owner-occupied units. It is targeted to qualifying individuals or families making between 40 and 80 percent of MFI. The first project, a duplex, is under construction (east, across the street from City Hall).

SB 1051 Implementation: A bill passed in 2017 by the Oregon Legislature that includes a number of procedural and substantive land use changes related to affordable housing for both cities and counties. The Newport Planning Commission is considering amendments to the Newport Zoning Ordinance, implementing the bill, on October 23, 2017. Changes include a streamlined review process for affordable housing projects, adjustments to the City's accessory dwelling unit rules, and provisions that will make residential over retail an outright, as opposed to conditional use, in the City's commercial zones (except for the Nye Beach Design Review District).

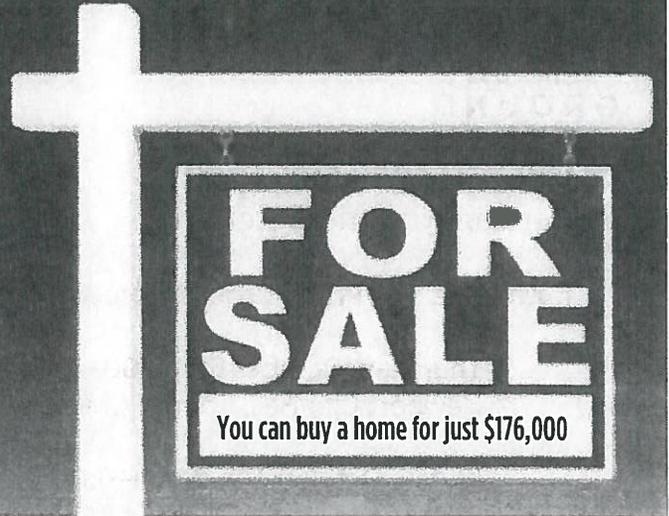
Attachments

Newport Down-Payment Grant Workshop Flyer
Willamette Neighborhood Housing Services Informational Sheet
Contacts for the Down-Payment Assistance Programs

UP TO \$64,000*
GRANT



To buy your own home in Newport!



NEWPORT DOWN PAYMENT GRANTS

More info

- Grants are funded by Lincoln Community Land Trust in partnership with the Cities of Lincoln City and Newport, Lincoln County, the State of Oregon, Proud Ground and HUD and administered by Proud Ground, a state-registered nonprofit
- Option to work with own Realtor or Proud Ground recommended.
- 3 grants available to qualified buyers.
- Interested? Flip this flyer over for the next steps.

Do I qualify for this grant?

- Grant recipients must be a first-time home buyer, meet income qualifications listed below and be living or working in Lincoln County.
- Must qualify for a mortgage with a Proud Ground approved lender.
- The home purchased must be located within the City of Newport.
- Must qualify for a mortgage of a MINIMUM of \$176,000-\$200,000 and have at least \$4,000 of personal money for earnest money & inspections. **THIS MEANS THE SALES PRICE WILL BE JUST \$ 176,000. -\$200,000**
- Grant funds will help you purchase a home in Newport priced up to \$240,000.
- Owner-occupancy, income limits, resale, and other restrictions apply.

INTERESTED? Your first step is to attend a FREE homebuyer information session; see the other side of this flier for details.

Maximum TOTAL household income limits at the time of purchase:

Family Size	1	2	3	4	5
Max Income for \$64K	\$30,080	\$34,400	\$38,720	\$42,960	\$46,400
Max Income for \$40K	\$37,680	\$43,000	\$48,400	\$53,700	\$58,000



*final down payment assistance amount will be determined based on total household income and need



Interested in this grant?

Here are your next steps:

1. Attend a free Proud Ground Homebuyer Information Session.

Thursday, October 5th, 6:00—7:00 pm

Newport City Hall, Council Chambers—169 SW Coast Hwy, Newport OR 97365

Friday, October 6th, Noon—1:00 pm

Driftwood Library, Community Room, 801 SW HWY 101 #201, Lincoln City, OR

To register and to obtain more information visit:

www.proudground.org/how-to-buy-a-home/homebuyer-information-sessions/

2. Obtain a loan pre-qualification letter from one of the Proud Ground approved mortgage-lenders listed below:

Jamie Fritzsche, NMLS #1030946

Evergreen Home Loans

(541)-418-5012

jfritzsche@evergreenhomeloans.com

Izzy Ventura Meda, - Speaks Spanish, NMLS# 1254018

Umpqua Bank

(503) 484-1603

izzymeda@umpquabank.com

Ralph Austin, NMLS #720620

HomeStreet Bank

(503) 219- 0784

ralph.austin@homestreet.com

FDIC



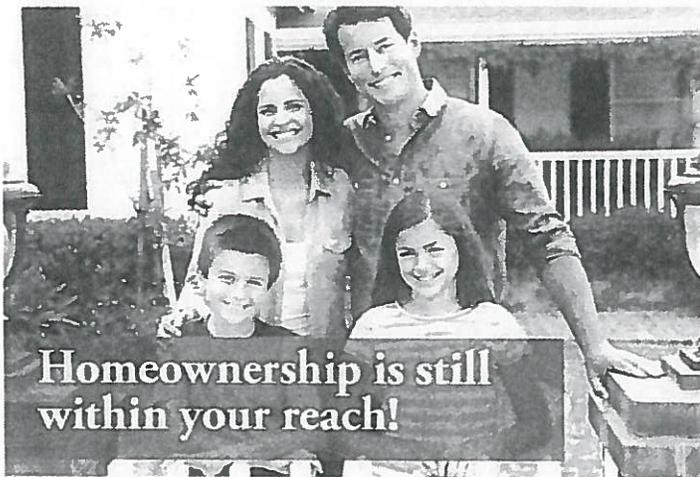
3. Contact Proud Ground to schedule an application meeting.

⇒ contact Yesika to schedule: (503) 493-0293 x10; yesika@proudground.org

4. Attend a homebuyer education class. Contact Willamette Neighborhood Housing Services 541-752-7220 or visit <https://w-nhs.org/home-ownership-center/homebuyer-classes/homebuyer-classes-registration/>

5. Grants will be available on a first come, first served basis. To be eligible buyers must attend a Proud Ground information session, complete a Proud Ground application and obtain loan pre-qualification from an approved lender.

Interested in applying? Attend an information session to get started.



Homeownership is still within your reach!

NeighborWorks® HomeOwnership Center

The American dream is still within reach! Buying a home might be the biggest, most complex purchase of your life, but we are here to help. Our homebuyer programs make the process easier and more rewarding for you and your family to purchase, maintain, and keep your home.

Individual Housing Consultation

We recommend you start by first meeting with one of our Housing Specialists. Together we'll build a collaborative action plan suited to your specific needs. And, we'll provide on-going support to ensure the successful purchase of your first home.

Homebuyer Classes (\$45 in person, \$75 online)

Our Homebuyer classes give you the important facts about how to successfully buy a home. Take the online class in the comfort of your home or attend a class in Linn or Benton County locations taught by volunteer housing industry professionals.

The classes will teach you how to:

- Build your home buying team by working with Realtors, lenders, and other professionals
- Determine how much you can afford, and if you qualify for down-payment assistance programs
- Identify what makes up a credit score and what lenders consider when reviewing mortgage loan applications
- Shop for home loans and compare loan programs, rates and fees
- Get home inspections, work through the escrow process, and protect your new asset

Down payment and closing cost assistance

Need more money down? We offer access to low cost down-payment assistance programs (depending on availability and income qualifications).



Dollars and Sense Workshops (FREE)

Are you challenged with spending and budgeting? Do you want to know how to improve your credit report and score? Would you like to learn about some easy-to-follow steps that create saving habits and goals? You don't have to be struggling financially to benefit from this 8-hour class. We also offer individualized financial capability coaching services to help you reach your financial goals. These free one-on-one sessions enable you to assess where you are with finances and create customized action plans to reach financial goals.



Linn County Home Repair Program

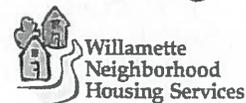
Are you a homeowner in Linn County? If your home needs repair, contact us to learn more about our home repair program. The program offers loans at 0% interest, no monthly payments, and no out of pocket fees.

Foreclosure Avoidance Program

If you are behind on your mortgage or you anticipate not being able to keep up with your payments, let us help! Our foreclosure avoidance program is free, and could just be your first step to recovering and getting your mortgage back on track.

Contact Willamette Neighborhood Housing Service at info@w-nhs.org or call (541) 752-7220 ext. 300.

w-nhs.org



Oregon ML-4909

Willamette Neighborhood Housing Services is a local, neutral, nonprofit serving Linn, Benton, and Lincoln counties.



**PROUD
GROUND**

Tyler Koski
Project Manager
Real Estate Broker

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PORTLAND, OREGON 97217
503.493.0293 (ext 11)
www.proudground.org
tyler@proudground.org

Dreams Start Here.

Claudine DiTorrice

Financial Education and Coaching Specialist

257 SW Madison Ave., Ste. 113, Corvallis, OR 97333
541.752.7220x309 • 800.403.0957x309
Fax: 541.752.5037

Claudine.DiTorrice@w-nhs.org
www.w-nhs.org



**Willamette
Neighborhood
Housing Services**



home lending



Debe Arbona
Home Lending Loan Officer

355 NW Alder Street
Waldport, OR 97394
debearbona@umpquabank.com
umpquabank.com/darbona

NMLS# 501254
TEL 541-574-2876
CELL 541-270-2260
FAX 503-372-0370

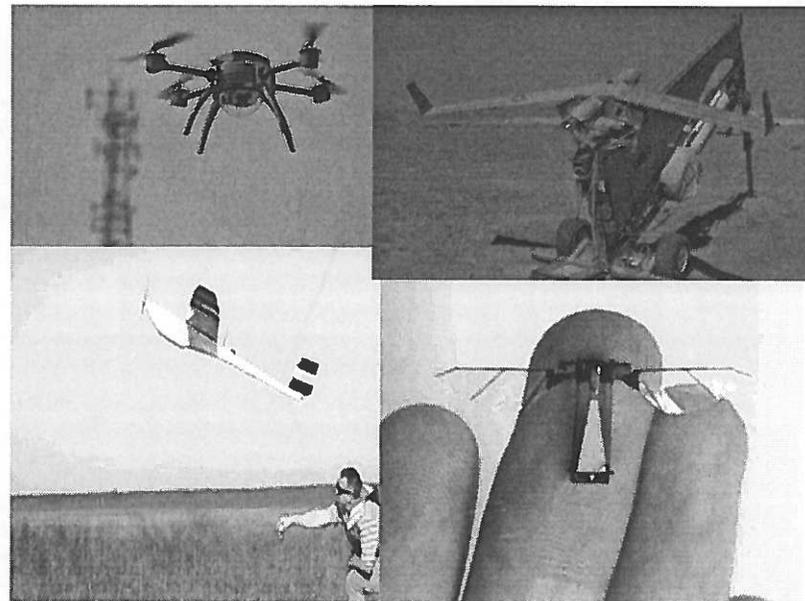


Unmanned Aerial Systems (UAS) aka "drones"

Drone



UAS/UA





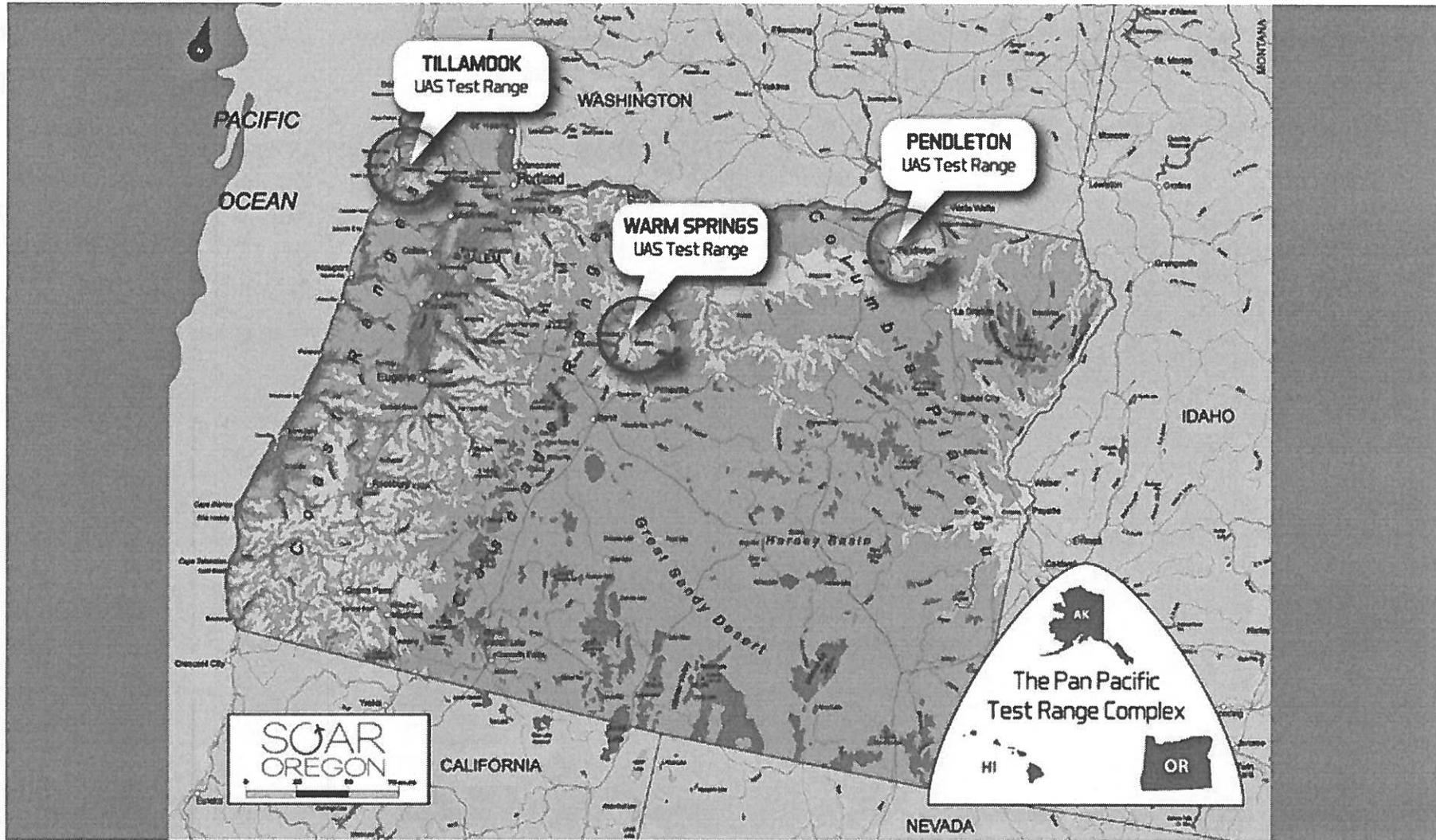
UAS Potential

- Agriculture –
 - Field Evaluation for water, pesticide, fertilizer application focus,
 - Livestock counts and location.
- Forestry –
 - Fire detection/monitoring
 - Tree Disease vector location
 - Invasive species location
- Fish and Wildlife
 - Wildlife tracking and monitoring
 - Invasive Species identification
 - In Africa – Used to identify and prevent poaching
 - <http://www.bbc.com/news/business-28132521>
- Emergency Management –
 - Search and Rescue
 - Tsunami/Earthquake damage assessment identification and documentation
 - Highway/bridge assessments - LIDAR
- Law Enforcement

200 UAS businesses in Oregon

More UAS registered with FAA than manned aircraft

Oregon UAS Test Sites





Federal Regulation

- **FAA Modernization and Reform Act of 2012**
 - Directed FAA to allow UAS entry into National Airspace by September 2015
 - FAA will not make the timeline
 - DOT IG report says FAA is “not effectively managing its oversight of UAS operations”
 - Directed 6 test sites around country
 - 6 test sites include:
 - **University of Alaska, (teamed with Oregon and Hawaii/-diversity of test ranges)**
 - State of Nevada (air traffic control/intro to National Airspace System (NAS))
 - New York, Griffiss International Airport (sense and avoid/process)
 - North Dakota Department of Commerce (airworthiness and link technology)
 - Texas A&M University Corpus Christi (system safety requirements)
 - Virginia Tech University (UAS failure mode testing/risk, test sites in VA, NJ)
- **FAA Privacy policy (Sep 2013) -mission is aviation Safety, no legal authority to regulate Privacy**
 - Directs 6 test sites to have privacy policies available for public review
 - Directs other Federal Agencies to keep records and have privacy policy



Recent FAA UAS Changes

- UAS Recreational registration required (~~effective Dec 21st, 2015~~) Overruled by Courts 2017
 - Christmas rush after publicity over high consumer demand/purchases
 - First use of ARC for UAS – Good top cover for FAA
 - Enhanced ID and safety culture
 - .55 to 55 lbs
 - Online registration with low cost - \$5.00
 - <http://www.faa.gov/uas/registration/>
 - Over 300,000 registrations

- Small UAS Registration expands to comm and public use/COA required – (March 2016)
 - Recreational - FAA 91-57A plus registration
 - Commercial – Section 333 Exemption/part 107 plus registration
 - Public Use - COA plus compliance with Public aircraft law plus registration

- Changes to Blanket COA altitude authorization (March 2016)
 - 400 ft except major cities, restricted airspace
 - For 333 Exceptions and government operations
 - Less than 55 pounds

- Micro UAS Draft rulemaking (April 2016)
 - 4 Categories based on Abbreviated Injury Scale (AIS)
 - AIS Level 3 classified as “serious” - small penetrating skull, sinus thrombosis, ischemic brain damage, basilar fracture.

- FAA part 107 (Aug 2016)



Other Developments

– Oregon

- 2013/HB-2710 – no flights below 400 ft AGL over private property
- 2015/HB2354 – Deletes 400 ft AGL , puts intent of operator in its place
- 2015/HB2534 – No angling or hunting with UAS/no harrassment of same with UAS
- 2016/HB 4066 - clarifies privacy/due process/weaponization/critical infrastructure
- 2017/HB 3047 – Exceptions to weaponization/tools for law enforcement.

– NASA - Project to help FAA integrate UAS into the NAS

- UTM Unmanned Traffic Management
- Developing UAS airspace below 500 ft.
- Google and Amazon airspace plans
- <https://www.youtube.com/watch?v=83Y14qgITCY>

– FAA Part 107 – Small UAS rules effective on Aug 29 2016

https://www.faa.gov/uas/media/Part_107_Summary.pdf (Summary)



Part 107

What it does	What it doesn't do
Affects commercial under 55 lbs.	Affect recreational or public use drones
Remote Pilot operator certificate w/small UAS rating	Allow night operations
Allows first person view w/visual observer	Allow operations over non-involved persons (think public crowds)
Allows operations up to 400 ft or within 400ft of structure and below 100 mph	Allow operations from moving vehicle (unless in sparsely populated area)
Flights in Class G Airspace without COA/333 exemption	Doesn't allow careless or reckless operations
Fly during daylight hours w/in 30 minutes of sunset/after sunrise	Allow flights beyond line of sight
Carry an external load	Fly UAS exceeding 55 lbs.



UAS Fact Sheet Dec 2015

https://www.faa.gov/uas/regulations_policies/media/UAS_Fact_Sheet_Final.pdf

- Federal Preemption – Congress has directed the FAA to “develop plans and policy for the use of the navigable airspace and assign by regulation or order the use of the airspace necessary to ensure the safety of aircraft and the efficient use of airspace.” 49 U.S.C. § 40103(b)(1).

- Substantial air safety issues are raised when state or local governments attempt to regulate the operation or flight of aircraft. If one or two municipalities enacted ordinances regulating UAS in the navigable airspace and a significant number of municipalities followed suit, fractionalized control of the navigable airspace could result. In turn, this ‘patchwork quilt’ of differing restrictions could severely limit the flexibility of FAA in controlling the airspace and flight patterns, and ensuring safety and an efficient air traffic flow. A navigable airspace free from inconsistent state and local restrictions is essential to the maintenance of a safe and sound air transportation system. See *Montalvo v. Spirit Airlines*, 508 F.3d 464 (9th Cir. 2007), and *French v. Pan Am Express, Inc.*, Where Congress occupies an entire field . . . even complimentary state regulation is impermissible.

- There is state preemption as well



State Preemption/Crimes/Penalties

837.385 Preemption of local laws regulating drones. Except as expressly authorized by state statute, the authority to regulate the ownership or operation of drones is vested solely in the Legislative Assembly. Except as expressly authorized by state statute, a local government, as defined in ORS 174.116, may not enact an ordinance or resolution that regulates the ownership or operation of drones or otherwise engage in the regulation of the ownership or operation of drones.

837.995 Crimes involving drones; penalties.

(1) A person commits a Class A felony if the person possesses or controls a drone and intentionally causes, or attempts to cause, the drone to:

- a) Fire a bullet or other projectile at an aircraft while the aircraft is in the air;
- b) Direct a laser at an aircraft while the aircraft is in the air; or
- c) Crash into an aircraft while the aircraft is in the air.
- d) Exceptions in HB 3047 (2017 Legislative session)

(2) A person who intentionally interferes with, or gains unauthorized control over, a drone licensed by the Federal Aviation Administration, or operated by the Armed Forces of the United States as defined in ORS 351.642, an agency of the United States or a federal, state or local law enforcement agency, commits a Class C felony. [2013 c.686 §13]



State Issues Con't

- 2016 Legislation (HB 4066)
 - Expands prohibition of weaponization to everyone!
 - Creates Class A violation of reckless interference with aircraft
 - Changed law for use of UAS collected data
 - Clarifies that operations IAW FAA exempt from civil action ...unless violating privacy
 - Creates critical infrastructure protection below 400 ft over designated properties

- Cottage Industry growth in Oregon!
 - Private enterprises using recreational/commercial UAS
 - Real estate, agriculture, sporting events, inspections etc.
 - Increasing number of incidents with manned aircraft
 - Accountability challenge: “chasing bees” vice “access to the hives”

- Law Enforcement Resources
 - Many complaints from local communities –**expect more state laws**
 - Local police and Sheriffs filling gap in enforcement from FAA
 - https://www.faa.gov/uas/law_enforcement/



2016 UAS Legislation

HB 4066 - SECTION 7 Policies and procedures for use of data.

(1) A public body that operates an unmanned aircraft system shall establish policies and procedures for the use, storage, accessing, sharing and retention of data, including but not limited to video and audio recordings, resulting from the operation of the unmanned aircraft system.

2) The public body shall post the following information on the public body's website or otherwise make the following information available to the public:

(a) The policies and procedures established under this section.

(b) The text of ORS 192.501.

(3) The policies and procedures established under this section must include:

(a) The length of time data will be retained by the public body.

(b) Specifications for third party storage of data, including handling, security and access to the data by the third party.

(c) A policy on disclosure of data through intergovernmental agreements.



2016 UAS Legislation

HB 4066 - SECTION 13

(1) “critical infrastructure facility”

The following facilities, if completely enclosed by a fence or other physical barrier that is obviously designed to exclude intruders, or if marked with a sign conspicuously posted on the property that indicates that entry is forbidden:

- (a) A petroleum or alumina refinery;**
- (b) An electrical power generating facility, substation, switching station or electrical control center;**
- (c) A chemical, polymer or rubber manufacturing facility;**
- (d) A water intake structure, water treatment facility, wastewater treatment plant or pump station;**
- (e) A natural gas compressor station;**
- (f) A liquid natural gas terminal or storage facility;**
- (g) A telecommunications central switching office;**
- (h) A port, railroad switching yard, trucking terminal or other freight transportation facility;**
- (i) A gas processing plant, including a plant used in the processing, treatment or fractionation of natural gas;**
- (j) A transmission facility used by a federally licensed radio or television station;**
- (k) A steelmaking facility that uses an electric arc furnace to make steel;**
- (L) A dam that is classified as a high hazard by the Water Resources Department;**
- (m) Any portion of an aboveground oil, gas or chemical pipeline that is enclosed by a fence or other physical barrier that is obviously designed to exclude intruders; or**
- (n) A correctional facility or law enforcement facility**



Additional requirements

- 2016 Changes from HB 4066 ORS 837.300
 - No interference with aircraft using UAS
 - Public body must publish use of UAS on website
 - Must be available to public
 - Policies and procedures
 - Length of time data will be stored
 - Specification for 3rd party storage
 - Policy on disclosure of data through IGAs

- Amends ORS 163.700 (Invasion of privacy) statute to include recording data using a UAS



Registration

- **837.360 Restrictions; civil penalties; registration; fees; rules.**

(1) A public body may not operate a drone in the airspace over this state without registering the drone with the Oregon Department of Aviation.

(2) The Oregon Department of Aviation may impose a civil penalty of up to \$10,000 against a public body that violates subsection (1) of this section.

(3) Evidence obtained by a public body through the use of a drone in violation of subsection (1) of this section is not admissible in any judicial or administrative proceeding and may not be used to establish reasonable suspicion or probable cause to believe that an offense has been committed.

(4) The Oregon Department of Aviation shall establish a registry of drones operated by public bodies and may charge a fee sufficient to reimburse the department for the maintenance of the registry.

(5) The Oregon Department of Aviation shall require the following information for registration of a drone:

(a) The name of the public body that owns or operates the drone.

(b) The name and contact information of the individuals who operate the drone.

(c) Identifying information for the drone as required by the department by rule.

(6) A public body that registers one or more drones under this section shall provide an annual report to the Oregon Department of Aviation that summarizes:

(a) The frequency of use of the drones by the public body during the preceding calendar year; and

(b) The purposes for which the drones have been used by the public body during the preceding calendar year.

(7) The State Aviation Board may adopt all rules necessary for the registration of drones in Oregon that are consistent with federal laws and regulations.



Rulemaking

- **738-080-0045 Public Agency Registration of Unmanned Aircraft System (UAS)**
 - All public departments, public agencies, public schools, and public entities must register each UAS with the Federal Aviation Administration prior to registration with ODA. Registration with ODA must be completed prior to UAS flight. Fees to register each UAS weighing less than 55lbs shall be \$25. Fees to register each UAS weighing 55lbs or more shall be \$50.
 - Exception for K-12 education – 2017 by rule
 - Public Aircraft Operations are limited by federal statute to certain government operations within U.S. airspace. Title 49 U.S.C. § 40102(a)(41) provides the definition of "Public Aircraft" and § 40125 provides the qualifications for public aircraft status. Whether an operation qualifies as a public aircraft operation is determined on a flight-by-flight basis, under the terms of the statute. The considerations when making this determination are aircraft ownership, the operator, the purpose of the flight, and the persons on board the aircraft. https://www.faa.gov/uas/public_operations/



Oregon UAS Regulations

— ORS 837 Highlights

- Public agencies must register with Dept of Aviation (ORS 837.360)
 - Fee = \$25 annually
 - Failure to register fine = up to \$10,000/evidence inadmissible
 - Must report annually to Aviation on:
 - » Name of the public body
 - » Contact information
 - » Frequency and purpose of use
 - Dept of Aviation must report info annually to Legislature
- Warrant required for law enforcement (ORS 837.310)
- Written consent required from property owner (ORS 837.330)
- Emergency use clause for emergency use (ORS 837.335)
- Civil penalties for overflight of private property (ORS 837.380)
- May be used in criminal investigation/5 day retention (ORS 837.340)
- State preemption – only OR Legislature may regulate (ORS 385.385)
- Careless and reckless subject to penalty (ORS 837.080/998)
- No overflight of critical infrastructure (ORS 837.

Looking into the Crystal Ball



- More regulation of privacy – altitude protection over private property
- Protection of critical infrastructure on a national level – more restricted areas
- Increase in anti-drone technology for law enforcement, private security companies
 - Jamming
 - Electronic capture and rerouting
 - Kinetic countermeasure
 - Radio Frequency ID
- Huge increase in UAS use for commercial operations
- Autonomous operations for routine things
 - Periodic bridge, power line inspections
- Increase in water, land based Unmanned Systems
- Increased use of coordinated swarms of micro UAS
- Passengers?

Questions?





Links

https://www.youtube.com/watch?v=hKTK_cVJHko WTNH News 8 shooting drone

<https://www.youtube.com/watch?v=ZIHNM37maK0> sense and avoid

<https://www.youtube.com/watch?v=83Y14qgITCY> NASA Google UTM airspace

<https://www.youtube.com/watch?v=OZnJeuAja-4> Pirker