



OFFICE OF THE CITY MANAGER
City of Newport, Oregon
169 S.W. Coast Hwy.
Newport, OR 97365
541-574-0603
s.nebel@newportoregon.gov

MEMO

DATE: March 29, 2016
TO: Mayor and City Council
FROM: Spencer Nebel, City Manager
SUBJECT: Status Report for the two-week period ending Friday, March 25, 2016

Over the next three weeks, I will be heavily into the budget review and development process in order to prepare a budget for review by the Budget Committee for the end of April. I appreciate everyone's patience during this very busy time period.

HIGHLIGHTS OF ACTIVITIES:

Highlights of activities during the past two weeks include the following:

- Met with Tim Gross, Mike Murzynsky and Steve Rich regarding a calculation error for charges for additional biological loading by Rogue Brewery. Rogue Brewery was actually nice enough to point this miscalculation out to us. We have corrected the error and will meet with Rogue to discuss their willingness to address previous bills that miscalculated the BOD loading surcharges assessed to Rogue.
- Mike Murzynsky and I met to discuss the ending fund balance policy that we are revising for the Budget Committee and City Council's consideration.
- Derrick Tokos and I met with Dr. Birgitte Ryslinge of Oregon Coast Community College to discuss an opportunity to expand the offerings at the Newport campus of OCCC for technical training skills and child care programs. They will be making application to the State for funding for a 20,000 square foot building to house these activities. Derrick Tokos has provided the required land use letter from the local jurisdiction indicating that this use is compatible with the city's land use plans.
- Met with Steve Rich, Peggy Hawker, Barb James, Cindy Breves, Jim Salisbury and Cheryl Atkinson to discuss the various efforts we are trying to address with several quarter time positions that have previously been budgeted as it might relate to establishing a Deputy Recorder's position to address both future transitional issues and work load issues within the recorder's office. We looked at all the various jobs that we try to do in this office, (i.e. City Manager, Recorder, HR and City Attorney) and wrote those

individual job responsibilities on three by five cards and tried to arrange them in a way that would make sense for dealing with the varied work responsibilities looking at several potential combinations of job responsibilities. We will continue to review this as we develop the proposed budget for 2016-17.

- Met with Lance Vanderbeck to review various operations at the Airport. The FBO building is really taking great shape with floor staining, wood work and other efforts to complete this facility. If you have not visited the Airport lately, please drop by and take a look at the work that has been done by the contractors addressing the long standing water and mold issues, as well as with the Airport staff in making a welcoming entry point to the City of Newport.
- Mark Miranda, Jason Malloy, Mike Murzynsky, Steve Rich and I met with Mike Goff of TCB Management Group, Inc. regarding the potential of contracting out the parking violation bureau to TCB Management Group, Inc. The city currently utilizes TCB in order to provide parking enforcement at various locations within the city. We have had a chronic problem of providing a meaningful collection system for delinquent parking fines. This has been due in part to the limitation of tools the city has in order to collect those fines, manpower and problems in accurately and timely reporting the parking tickets that are paid back to TCB so they can follow through with delinquent notices. Under the conceptual agreement, TCB would become the location in which tickets would be paid by the public, TCB would receive compensation equal to 22% of the face value of the tickets, and TCB would provide the necessary information to customers if they wish to appeal their ticket through municipal court. The city would only deal with those tickets that are appealed to municipal court. TCB would then proceed with sending out collection notices for unpaid tickets with TCB being entitled to the late fee portion of those tickets with the city receiving 100 percent of the face value of any delinquent tickets collected. We will be reviewing this with the municipal court judge to see what issues or concerns he may have with this setup. Based on our initial analysis, it appears the city's time and efforts in dealing with parking tickets would be reduced with this cost being made up with a more effective effort to collect delinquent tickets. Let me know if you have any thoughts, ideas or concerns regarding this potential arrangement.
- Barb James, Steve Rich and I attended an Employee Committee meeting to discuss concerns over the way new employee policies are implemented within the city. Currently we provide notice to the three bargaining units regarding any new employee policies that are being developed for the employee handbook. Under State statute, the bargaining units have an opportunity to provide comments and objections to any new employment rules if those rules impact any issues subject to bargaining. We have laid out a more detailed process for the vetting of new policies in the city that will now include the Employee Committee with any new policies being forwarded to the chair person on the Employee Committee. Furthermore, the draft policy will be sent to all employees who receive city e-mail for their review and notice as well. The employee committee will have the opportunity to determine whether they wish to provide any comments on any draft policies once they receive this notice. If there are no comments received, then the policy takes effect. If comments are received, they will be considered

and the groups will be notified as to what response incurred as a result of those comments. I think this will be a more transparent process in the development of various employee policies within the city organization.

- Steve Rich, Barb James, Tim Gross and I met with the Newport Employee's Association to finalize the list of cities that will be used for the city's salary study effecting the NEA employees. A second meeting was held with department heads to review these communities as well to receive any comments or suggestions they may have had regarding the cities that will be used in this study. Interestingly enough, State law prescribes a process for communities undertaking salary studies with approximate population and geography being key factors in conducting a valid salary compensation study.
- Prepared materials for the preliminary budget committee meeting that was held on Wednesday, March 16. Please note the Budget Committee has agreed to move the meeting dates up a day for each of three meetings. The meetings will now be held on Tuesday, April 26 at 5:00 PM, Tuesday, May 10 at 5:00 PM and Tuesday, May 17 at 6:00 PM. Please correct your schedules if you had listed the original proposed dates for these meetings.
- Tim Gross and I met with Katherine Rickbone and Mark McConnell regarding the construction projects going forward with the PAC for the 2016-17 Fiscal Year. The PAC is preparing its final specifications for the reconstruction and expansion of the lobby and expansion of the women's restroom. The PAC has raised the funding for these projects, utilizing in part the tourism facility funds provided earlier by the city from the Room Tax Fund. Since these are improvements to a city facility, they will be bid as a city project with the PAC providing the funds to the city to pay contract expenditures. This is similar to how several previous PAC projects have been completed.
- Worked on various agenda reports for the March 21 City Council meeting.
- Mike Murzynsky, Linda Brown and I met with various department heads on capital outlay and equipment requests for the 2016-17 Fiscal Year.
- Participated in a meeting with ODOT, following ODOT's meeting with Destination Newport, to discuss the upcoming closures of US Highway 20. I have suggested to a number of the stakeholders (Doug Hunt – County, Lorna Davis – Chamber of Commerce, Kevin Greenwood – Port of Newport) that we should provide specific recommendations to ODOT on the hours that US Highway 20 should be shut down and the day of the week that work that should be suspended on the project going forward. Overall there seems to be a consensus that the work suspension day should be Friday since that is when lots of traffic comes across US Highway 20 for weekend visits to Newport and the closure calendar should be shifted back from 6 PM at night to 8 PM at night if possible in order to accommodate day trip individuals from the valley who then can have dinner and get back to the valley before the closure occurs. I think that it would be helpful for ODOT if we can communicate with one voice what the consensus is on the hours for the closure of US Highway 20 during the final construction work that will take place in 2016.
- As a member of the Oregon City/County Management Association Board of Directors, (OCCMA) I attended a meeting with our counterparts in Washington State on Bainbridge

Island on Friday, March 18 to discuss the Washington City/County Management Association's experience in hosting the International City/County Management Association's (ICMA) annual convention in Seattle this fall. ICMA has picked Portland to be the 2021 annual convention location. As part of this effort, the Oregon managers will need to raise substantial dollars (\$300,000+) as part of the host committee's responsibilities towards the convention. It was a good opportunity for us to pick the minds of our Washington colleagues while the conference is still fresh in their minds, in order to begin laying out strategies for the 2021 ICMA convention that will be held in Portland. Between the ICMA members, exhibitors and guests, the ICMA convention draws approximately 4,000 people each year to host city.

- Peggy Hawker, Steve Rich and I met with the representatives from the Farmer's Market on the morning before the March 21 City Council meeting regarding the legal challenges that may have been made to the city regarding locating the Farmer's Market on Angle and Second Street, and its potential impact on the startup of the 2016 Farmer's Market at this location. We asked the Farmer's Market to be prepared to indicate their position as to their wishes on how to proceed based on the potential legal challenge to a decision to locate the Farmer's Market at the same location as last year. The Farmer's Market indicated they could not risk a delay in starting up at that location since that would create significant confusion among the customers. After hearing what comments Bret Fox would make at the Council meeting later that evening, they said they would be prepared to share with the Council what their desires as far as moving forward for 2016. I believe that the ultimate location will work quite well for the 2016 Farmer's Market. We will be working with the Farmer's Market to facilitate this move.
- Held a routine department head meeting.
- Met with the City Council in a work session to discuss a paperless agenda system and to receive an update on the Airport Master Planning process.
- Met with Mayor Roumagoux to review the agenda to prepare for the March 21 City Council meeting.
- Met with Tim Gross and Derrick Tokos regarding the major capital outlay public works type projects proposed for 2016-17 Fiscal Year.
- From Tuesday, March 22 through Friday, March 25, Mike Murzynsky, Linda Brown and I spent quality time with each of the department heads on their proposed budgets, staffing modifications, fee schedules and to discuss how they plan to address the goals outlined by the City Council as part of their proposed 2016-17 Fiscal Year. This is a long, and time consuming process, but it really does help me better understand the needs, priorities and relative importance of the various requests coming from all of the departments as I develop a proposed budget for the Budget Committee's consideration.
- Tim Gross, Derrick Tokos and I met regarding the potential leasing of parking spaces that will be developed on the south side of Angle Street from City Hall by developer, Ed Wiles. We will be meeting with Mr. Wiles this next week.
- Derrick Tokos and I met with FEMA, the State of Oregon, and representatives of the 70th Drive property owners who own property that is either yellow tagged or red tagged as a result of the slide that occurred in December 2015. This is a follow up to the City

Council's authorization to apply for a special pool of funds to help remediate existing and future hazards in the city. Dennis Sigrist, Hazard Mitigation Officer for the Oregon Office of Emergency Manager, gave Derrick Tokos and the City of Newport, high praise for the efforts that have been undertaken to help provide funding for these property owners who have lost their homes, or are threatened with losing their homes as a result of the slide. Both Dennis and Brandon Sweezea, Hazard Mitigation Specialist from FEMA Region 10, were relatively optimistic that the city's grant will be funded for the mitigation project. Again under this project, the home owners would receive 75% of the pre-disaster value of their property, less any insurance benefits that have been paid to any of the property owners. It appears that all of the home owners, except possibly one, are very interested in pursuing this option. One home owner believes that his home is not in danger of sliding, since it was built on native material not fill material like the other homes were. Please note, we have received one report from the geo-engineer indicating that one of the yellow tagged homes is in imminent threat of sliding in the next five-year period. This meets the standard required by FEMA for funding those homes. We expect to see reports on other homes in the not too distant future.

- Worked with Mark McConnell on several aspects of the 50th anniversary of the Mombetsu/Newport Sister City relationship. A sizeable delegation from Mombetsu (about 22 individuals, including the Mayor, Chairman of the City Council, and the Sister City Chairperson from Mombetsu, along with city staff members and citizens from Mombetsu will be participating in this trip.) Councilor Swanson has designed a special commemorative flag recognizing the Sister City relationship. We hope to be able to, both fly this flag during the time when the delegation is in Newport, and present to the delegation a flag that they can use to celebrate the 50th anniversary when the delegation from Newport arrives in Mombetsu. We are also working to have a commemorative marker made recognizing the 50th anniversary of this important relationship utilizing local Oregon basalt for this purpose. One of these memorials will be located in the City of Newport with one being shipped to Mombetsu as part of the city's gift for the 50th anniversary. Please note on Wednesday, May 18 at 5:00 PM we will be holding a special City Council meeting to formally receive the Mombetsu delegation. At this meeting, the Council will approve a resolution commemorating the 50th anniversary of the Sister City relationship, and the city will confer honorary Mayor status to the Mombetsu Mayor, Honorary Council President status to the Chairperson of the Assembly, and Honorary Citizen status to the balance of the delegation visiting Newport at this special Council meeting. This will be followed by a dedication of the 50th anniversary memorial out in the plaza area outside of the Council chambers. The Council will be invited to participate in a potluck dinner at the Yacht Club following the Council meeting with the delegation. The banquet recognizing the 50th anniversary of the Sister City relationship will be held at the Hallmark Resort on Friday evening. Please let Cindy know if you and your spouse are able to participate in this important event.

UPCOMING EVENTS:

Over the next few weeks, I will be intensely involved with the development of the recommended budget for the 2016-17 fiscal year for the City. This period of time will run

through the middle of April, when the budget has to be completed and ready for printing and review by the Budget Committee. I would certainly request that the Council hold off on any significant initiatives during these next few weeks, since I will have very limited time to deal with issues outside of the day-to-day operations and the budget. I have carved out of my schedule a number of days in April when I am planning to work from home on the budget development. As I have indicated before, I take the budget development very seriously since this really outlines the management plan for the City from a financial standpoint for the next year. It is important this be done as thoroughly and correctly as possible.

- I will be attending the Oregon/Washington City Manager's Spring Conference, which is being held in Stevenson, Washington from March 29 through April 1. Ted Smith will be Acting City Manager during this time. I will be available via cell phone and e-mail.
- On April 5, the Lincoln County Workforce Housing Panel Discussion will take place at the Library from 9:30-11:30 AM. This would be a good opportunity for Council members to hear a number of perspectives on addressing housing issues in Newport.
- The City of Newport's Volunteer Dinner is scheduled for April 19 at the Oregon Coast Aquarium beginning at 6 PM.
- The proposed budget for the 2016-17 Fiscal Year is scheduled to be distributed on April 19.
- The first budget meeting is scheduled for Tuesday, April 26 at 5 PM.
- On April 29 at 3 PM, Safe Haven Hill will be formally dedicated.
- The second budget meeting is scheduled for Tuesday, May 10 at 5 PM.
- Election day will occur on May 17 on the fluoridation issue, as well as the Oregon primary and other initiatives scheduled for this election.
- The third budget meeting is scheduled for Tuesday, May 17 at 6 PM.
- On May 18 at 5 PM, there will be a special City Council meeting to welcome the Mombetsu delegation in recognition of the 50th anniversary of the Newport/Mombetsu Sister City agreement. The Council is invited to participate in a potluck dinner following the meeting. Visiting city officials will be sworn in as honorary Mayor and Council members at the meeting.
- May 20, 2016, the City of Newport will be hosting the Sister City 50th anniversary dinner at the Hallmark. Please let Cindy know if you are able to attend.
- I will be taking vacation time at the end of June through the 4th of July to head back to Michigan for a week or so. There will be no Council meeting on the first Monday of July.
- There will only be one Council meeting in July, and that will occur on Monday, July 18, which the Council has excused by attendance.
- Angela and I are planning to participate in the 50th Anniversary visit to Mombetsu. We are scheduled to leave on Thursday, July 14 and return on Monday, July 25. As in the case with all adult ambassadors from Newport who are participating in the Sister City visits, we are personally responsible for our own travel expenses. This will be a great experience!
- The League of Oregon Cities Annual Conference will be held at the Salem Convention Center on September 29 through October 1st, 2016 (Please let Peggy know if you plan to attend, so that we will have the opportunity to book rooms and have an appropriate count for that convention).

- November 8, 2016, is election day for the Mayor, and Council positions for City government, as well as for State and Federal officials.

ATTACHMENTS:

- ❖ Newport/Mombetsu Sister Schedule for the 50th anniversary visit
- ❖ NPD Media Release on Districted Driving Traffic Safety Campaign
- ❖ Letter from Oregon Dept. of Consumer & Business Services, Bldg. Code Division regarding application for city to assume administration of mechanical inspection program
- ❖ E-Mail from Barb James – Employment Practices Deductible
- ❖ Seattle’s Housing Deal, Political shift may provide Portland a blueprint article
- ❖ Lincoln Community Land Trust letter
- ❖ Notice of the Lincoln County Workforce Housing Panel Discussion

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. Nebel", is written over a light blue circular stamp.

Spencer R. Nebel, City Manager
City of Newport

Newport / Mombetsu Sister City Exchange
50th Anniversary Visit 1996-2016

May 18 Wednesday

- 4:00-5:00 p.m. Mombetsu Visitors Arrive at City Hall
Meet Host Families, Luggage, Snacks
- 5:00 p.m. Special Newport City Council Meeting
Introductions and seating of Mombetsu City Officials
Speeches from the Mayors and Committee Chairs
Ceremony outside City Hall to Commemorate 50th Anniversary
Tree Planting—Monument Unveiling
Speech to commemorate the Monument.
- 6:00 p.m. Welcome Potluck Dinner at the Visual Arts Center

May 19 Thursday

- 9:00 a.m. Morning Activity
- 12:00 p.m. Rotary Luncheon and Celebration at Shilo Inn
Historic Presentation from Newport and Mombetsu Delegates
- 1:30 p.m. Afternoon Activity
- 5:00 p.m. Dinner with Host Families

May 20 Friday

- 9:00 a.m. Morning Activity
- 12:00 p.m. Chamber of Commerce Luncheon
Introduction of Delegation and Speech
- 1:30 p.m. Free Time
- 6:00 p.m. Banquet at Hallmark Resort
Exchange of Gifts and Speeches by Delegation

May 21 Saturday

- 8-9:00 a.m. Departure from City Hall

Activities Options:

- Visit Coast Guard Station
- Visit Maritime Museum
- Visit Marine Science Center
- Visit OMSI Science Camp
- Visit Oyster Farm
- Visit Toledo Boat Works
- Visit Fishing Community and Port
- Visit Siletz Tribal Headquarters
- Visit OSU Extension Service
- Oregon Coast Aquarium
- Shopping
- Golf
- Hiking/Walking
- Kayaking Beaver Creek
- Scenic Tour to Cape Perpetua / Waldport Bridge Museum
- Scenic Tour to Lighthouses



Newport Police Department

169 SW Coast Highway
Newport, Oregon 97365

NPD MEDIA RELEASE

03/18/2016 9:00 a.m.

Incident: Distracted Driving Traffic Safety Campaign

Location: Newport

Date/Time: 5:00 p.m. 03/18/2016 through 5:00 p.m. 04/03/2016

Details: The Newport Police Department will be conducting a Traffic Safety Campaign beginning 03/18/2016 at 5:00 p.m., and ending 04/03/2016 at 5:00 p.m. The campaign will concentrate on distracted driving-related offenses during this Spring Break time period. Enforcement efforts will focus on violations of the motor vehicle code attributed to distracted driving.

Distracted driving continues to be a major contributing factor to motor vehicle crashes resulting in property damage, injury, and death. This epidemic is not only occurring in our community, but nationwide. According to Distraction.gov, in 2013, 3,154 people were killed in distracted driving crashes. An additional 424,000 suffered injuries.

Distracted driving is defined as any activity that could divert a person's attention away from the primary task of driving. All distractions endanger driver, passenger, and bystander safety. Some examples of types of distractions include:

- *Texting
- *Using a cell phone
- *Talking to passengers
- *Grooming
- *Reading, including maps
- *Using a navigation system
- *Watching a video
- *Adjusting a radio, CD player, or MP3 player

Drivers cited during this Traffic Safety Campaign will be offered a diversion course of education on the dangers of distracted driving. To be eligible for diversion, drivers must possess a valid driver's license, have current insurance, have not participated

in the distracted driving diversion program in the past, and the distracted driving offense must not have been a contributing factor to a motor vehicle crash.

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Information Released By: Officer Brad Purdom, 541-265-4849



Oregon

Kate Brown, Governor

Department of Consumer and Business Services
Building Codes Division
1535 Edgewater Street NW
P.O. Box 14470
Salem, OR 97309-0404
503-378-4133
Fax: 503-378-2322
bcd.oregon.gov

March 18, 2016

VIA REGULAR MAIL

Derrick Tokos
Community Development Director
City of Newport
169 SW Coast Highway
Newport, OR 97365

Re: Application to assume administration of mechanical inspection program – City of Newport

Dear Mr. Tokos,

The Building Codes Division (Division) completed its review of the City of Newport's (City's) application to assume administration of the mechanical inspection program. After review of the record, the Division approves the City to assume the mechanical inspection program and administer a comprehensive building inspection program in compliance with ORS 455.148.

One of the requirements for program assumption approval under ORS 455.148 is that the applicant must administer and enforce all of the programs listed in ORS 455.148(1)(a). Those programs areas are as follows:

- The state building code, as defined in ORS 455.010, except as set forth in paragraph (b) of ORS 455.148(1).
- Manufactured structure installation requirements under ORS 446.155, 466.185(1) and 446.230.
- Manufactured dwelling parks and mobile home parks under ORS chapter 446.
- Park and camp programs regulated under ORS 455.680.
- Tourist facilities regulated under ORS 446.310 to 446.350.
- Manufactured dwelling alterations regulated under ORS 446.155.
- Manufactured structure accessory buildings and structures under ORS 446.253.
- Boilers and pressure vessels described in rules adopted under ORS 480.525(5).

The program assumption approval will begin on July 1, 2016, and continue for the remainder of the City's current reporting period that will end on June 30, 2019.

Please let me know if you have any questions.

Sincerely,

Brett S.

Brett Salmon, Manager
Policy and Technical Services
Oregon Building Codes Division
Brett.D.Salmon@oregon.gov

cc: Alden Eames, Building Official, Lincoln County

Barbara James

From: Steve Norman <snorman@cisoregon.org>
Sent: Thursday, March 10, 2016 11:31 AM
To: Barbara James
Subject: RE: Employment Practices Deductible

TH
Spencer

Hey Barb,

In other news, that doesn't involve recycle bins, I said I was going to send the new Pre-Loss Deductible language to you yesterday. Well, here it is today. This is what goes into effect July 1. If you have any questions, let me know.

A. CONDITIONAL DEDUCTIBLE: Employment Practices

The named member is responsible for the first \$15,000 of any settlement, judgment, or legal defense costs paid by the Trust on behalf of the member with respect to any claims arising out of the termination or suspension of employment of any employee of the named member. However, this deductible shall be waived if the member has consulted with a Pre-Loss attorney employed by the Trust, before such termination or suspension of employment, and has followed all reasonable advice provided to the member by the Trust's Pre-Loss attorney with respect to such termination or suspension of employment. The \$15,000 deductible, or the applicable portion thereof payable by the named member, will be charged to the named member by the Trust when the first \$15,000 of any settlement, judgment or legal defense cost is paid by the Trust.

If the Employment Practices deductible is charged to the same named member more than one time in its five most recent coverage years, the amount of the deductible charged to that named member will be as follows, and will be payable to the Trust as provided above:

- Second instance:\$30,000
- Third instance:\$45,000
- Each instance thereafter:\$60,000

-----Original Message-----

From: Barbara James [mailto:B.James@NewportOregon.gov]
Sent: Sunday, March 06, 2016 1:32 PM
To: Steve Norman <snorman@cisoregon.org>
Cc: Barbara James <B.James@NewportOregon.gov>
Subject: Employment Practices Deductible

Hi Steve,

It was so nice to see you at the conference. I felt it was a really great conference. It never seems like it is long enough; to talk to everyone you want to talk to and attend all the sessions you want.

I wanted to get the specifics on the changes in the Employment Practices Deductible that was announced at the conference. I want to provide the details to Spencer. I checked the website, but didn't see it. Could you forward me the details of the changes?

Thanks much, Barb

[<http://www.cisoregon.org/images/CISlogosmall.jpg>]<http://www.cisoregon.org> Steve Norman, JD, SPHR |
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Seattle's housing deal, political shift may provide Portland a blueprint



By **Luke Hammill** | [The Oregonian/OregonLive](#)

[Email the author](#) | [Follow on Twitter](#)

on March 26, 2016 at 7:00 AM, updated March 26, 2016 at 12:21 PM

SEATTLE — Before it was annexed into Seattle in 1907, the maritime city of Ballard was home to working-class Scandinavian immigrants who built boats and caught fish. Now one of the hippest neighborhoods in the city, Ballard is home to a throng of construction cranes cramming apartment towers between modest bungalows. A new two-bedroom apartment in the area, which can be nearly an hour's drive from downtown at rush hour, **rents for more than \$2,000 a month** on average.

The scenario may already sound familiar to Portlanders, who have seen neighborhoods transform and home values spike by double-digit percentages in recent years. But Seattle has been dealing with rapidly rising prices and massive population growth for even longer, perhaps providing a glimpse into Portland's not-too-distant future.

"We're two years behind San Francisco," said Peter Orser, director of the Runstad Center for Real Estate Studies at the University of Washington. "And you're about a year behind us."

Like Portland, San Francisco and a handful of other cities, Seattle is dealing with a housing-affordability crisis resulting from an exploding population and a limited supply of homes.

But unlike Portland and San Francisco, a unique and ambitious plan has taken shape here that sets Washington's largest city apart. It has upended traditional political alliances and played an outsized role in a recent election. And it may offer Portland — a city in the midst of its own effort to plan for growth and infill — a blueprint for dealing with a growing population that increasingly can't afford a place to live.

The path to a deal

In a moment of rare consensus, many of Seattle's developers, environmentalists and social justice advocates have coalesced around a city committee's 65 recommendations for battling the housing-affordability crisis.

But the unlikely marriage wouldn't have happened if the city and developers hadn't been at each other's throats first.

It all began in 2014, when City Councilor Mike O'Brien led the charge for a "linkage fee" on all new multifamily developments. The proposal would have required builders to pay into an affordable-housing fund. Developers responded by threatening to sue, claiming the fee would be illegal under state law. They also argued the proposal wouldn't work, since creating a disincentive to build was the last thing the city should do when it needed more housing.

Sensing a war was brewing, Seattle Mayor Ed Murray convened a 28-member committee to hammer out a Housing Affordability and Livability Agenda. The group became colloquially known as HALA (pronounced as one word) and included a wide range of developers, social justice advocates, environmentalists, neighborhood interests, renters-rights representatives and others.

"He [Murray] had them kind of go away and sit in a room and argue for 10 months," said Dan Bertolet, a senior researcher specializing in housing issues at the Sightline Institute, a Seattle-based think tank that advocates for sustainability and social justice. Sightline's executive director, Alan Durning, was a member of the HALA committee.

NORTHWEST NEWS

When it comes to this key demographic trend, Salem has an edge

Needier Oregonians will get first chance at \$72 million in college grants

Marion County woman, son killed in mobile home fire

Oregon Standoff: Occupiers and sympathizers revealed

Seattle's housing deal, political shift may provide Portland a blueprint

Success seemed improbable at first, as the members were all at odds. But in the final two months, they made progress and came to a "grand bargain": the developers agreed to either pay linkage fees or include affordable housing in all multifamily and mixed-use projects in return for relaxed zoning regulations that had limited building heights and density.

The impasse was resolved by a shift of alliances. Social justice, environmental and renters' rights groups – which had historically aligned with neighborhood-preservation interests – joined the developers this time, Bertolet said.

HALA's recommendations also included tenant protections, a doubling of the city's affordable-housing levy and a more efficient permitting process, among others. But one suggestion proved more controversial than all the rest combined.

A political shift

Last July, as the committee was wrapping up its work, an unfinished draft of the recommendations leaked to the local press. A proposal to increase density in Seattle's single-family neighborhoods – more duplexes, triplexes, cottages and in-law apartments – led to a severe backlash.

For about a month, Durning said, the mayor couldn't go anywhere without meeting angry protesters. So – to save the grand bargain and the rest of the recommendations – he and key city councilors backed down.

Orser summed up Murray's thinking this way: "To protect 64 good proposals, we're going to put this one on the backburner."

It seemed the neighborhood preservationists had won. Something interesting happened next, though. In the subsequent primary and general City Council elections, the anti-HALA candidates were "trounced," Durning said. The next day's **Seattle Times** **headline** read, "Urbanists appear to be big winners in Seattle election."

"The lesson was that neighborhood preservation groups are loud and well organized, but probably a smaller share of the voters of the city than elected officials previously realized," Durning said, adding that elected officials have since hinted they'll reconsider allowing more density in the single-family neighborhoods, too.

HALA ended up "flipping that narrative that's for so long been with us, that developers are the bad guys and people with white picket fences" are the heroes, Bertolet said. Durning emphasized that "we don't say that because we love developers. We say that because we need more housing."

In a phone interview, Murray said he was "heartened by the election returns that show the people who supported our affordable housing plan got elected." He said there still is "a larger discussion we need to have surrounding single-family zoning."

Murray, a University of Portland graduate, recently visited Portland to address a Metro-sponsored forum on affordable housing. In his speech, he called Portland and Seattle "the most conservative liberal cities in the world."

"People are incredibly committed to low-income housing," Murray said. "But maybe not in their single-family neighborhood."

Linda Melvin, a member of the neighborhood group **Livable Ballard**, contends low-income housing is precisely what she does support, but all the new construction she sees in Ballard is built for higher-income residents. She said Ballard has already exceeded city growth targets for 2024 and wonders if the neighborhood's infrastructure can support all the new transplants. City buses in Ballard, she said, are routinely standing-room only.

"The city just wants to let the developers take over," said Melvin, who moved to Ballard in 2009. She feels that Murray's HALA committee was too tight with developers and their political allies.

The City Council passed the grand bargain last fall and this year will solicit public feedback on the rest of the HALA plan. Meanwhile, a group called "**Seattle for Everyone**," composed of affordable-housing advocates, for-profit developers, social justice advocates, environmentalists and urbanists, has organized in support of the recommendations.

"This new coalition is really about the healing of this really divisive fight," said Leslie Price, who advises Murray on housing issues. None of the HALA recommendations are particularly new ideas, she said, but what is new is the comprehensive nature of the plan and the number of voices that were at the table.

A blueprint?

Portland, meanwhile, is in the midst of rewriting its own plans for growth and infill. Mayor Charlie Hales and the candidates who want to replace him have said much about the need for affordable housing, but a HALA-like coalition has yet to take shape. Some of Hales' ideas, such as the erstwhile proposal to tax home demolitions, have alienated developers. Affordable-housing advocates criticized his **support for less density** in transit-friendly, close-in, affluent Eastmoreland, fearing it would push affordability and density issues elsewhere.

To be sure, Hales and the City Council recently passed renter protections stronger than those approved by the Oregon Legislature, and the mayor has pledged an additional \$67 million for affordable housing over the next decade.

Similar political problems plague San Francisco, the city with the nation's most expensive housing. Sonja Trauss, leader of the Bay Area Renters' Federation, said Seattle's HALA is "way more ambitious, definitely" than anything that's been attempted in San Francisco.

Back in Ballard, the surge of construction shows no sign of slowing. On a recent afternoon, Chris Bodan, 41, walked his dog along 22nd Avenue Northwest, where a new six-story apartment building is rising across from the public library. He moved from the tony Queen Anne neighborhood to Ballard with his wife in 2004 and works from his apartment as a freelance writer and editor.

He said he's "a little mixed" on the new development. "I think it's aesthetically and architecturally horrendous," Bodan said. The hulking apartment buildings look jarring next to old, one-story homes with narrow driveways.

But in the end, he "doesn't really have a problem with it," Bodan added. When the couple went from a rented house in Ballard to a newer apartment building nearby in 2010, "we moved to a building with three-pronged outlets, which was a nice change," Bodan said.

"I don't have a problem with density. ... We have really enjoyed living in the neighborhood," Bodan said. "Change happens."

-- Luke Hammill

lhammill@oregonian.com

503-294-4029

[@lucashammill](#)

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City of Newport Stone Monument Project
Newport-Mombetsu Sister City Friendship 1966-2016
Mark McConnell mcconn@charter.net 541-270-1313
Spencer Nebel, City Manager S.Nebel@NewportOregon.gov 541-574-0603

Goal: Create two similar memorial pieces that commemorate the 50th anniversary of the friendship.. Place one at City Hall in the back courtyard area and ship one to Mombetsu for installation there.

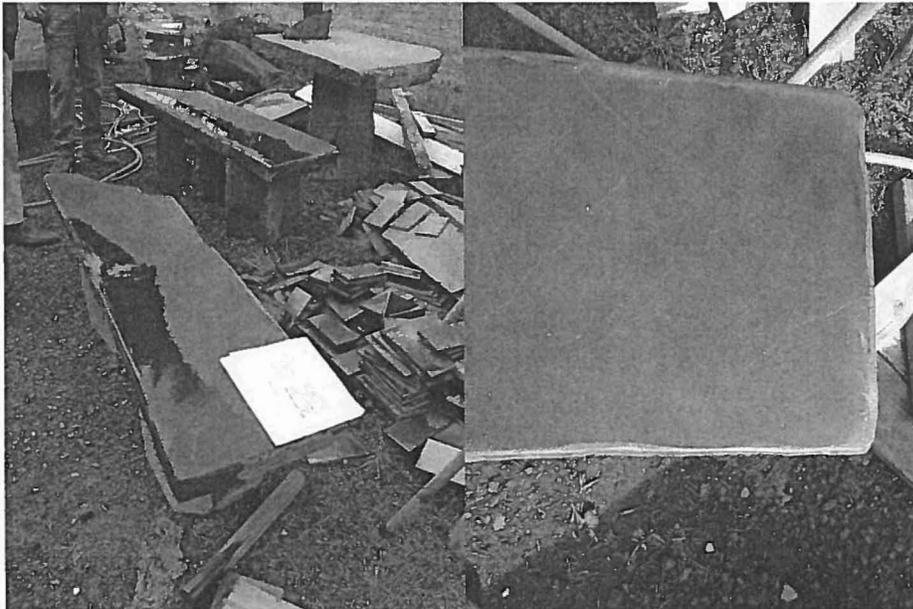
Timeline/Tasks: City Hall piece to be installed by May 18, 2016

- Purchase stone slabs and pedestals from Kelly Barker-Zen Stone Garden. Slabs still need to be polished to a glossy surface. Pedestals for Newport slab to be cut at angle for mounting and garden placement.
- Move the slabs and pieces to City Shops where they can be dried out and ready for sand blasting.
- Design the project with the assistance of OM Stone.
- Sand Blasting tentatively scheduled for Tuesday, April 19. OM Stone has a mobile operations and will do it on site. Rough estimate \$400-500.
- Shipping estimate and timeline for Mombetsu (decision to make 1 or 2?)
Shipping Date: ???

OM Stone <http://www.myomstone.com> 800-767-7866

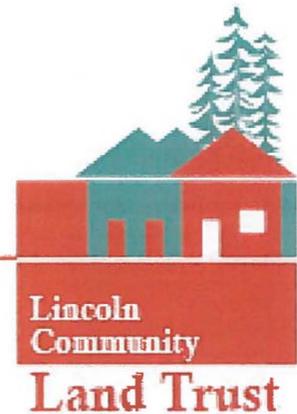
Contact: Sam Bronleewe sam@myomstone.com

Sample of stone mailed to: OM Stone c/o Sam Bronleewe
1299 NE 25th
Hillsboro, OR 97124



Dimensions 65" Longest part X 17" wide X 3" thickness. Columbia River Basalt.

RECEIVED
MAR 23 2016
CITY OF NEWPORT



March 16, 2016

Dear Members of the Newport Council and City Manager:

Please accept the enclosed Annual Report summary from the Lincoln Community Land Trust. We are also happy to provide a verbal presentation to the Newport City Council upon your request. We look forward to the opportunity to continue consistent communication about the role of the community land trust in helping meet the severe workforce housing needs in Lincoln County.

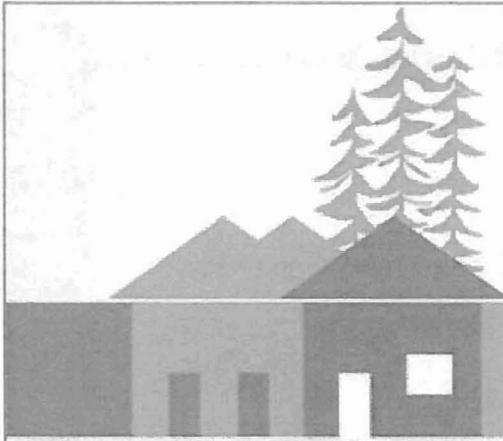
We are making progress as you can see from the report and, at the same time, the continued partnership and support of the jurisdictions is critical the creation of the homeownership opportunities we are working to achieve. We also offer the option to each jurisdiction of sending an ex officio representative to serve on the board to promote more interaction. We have and will continue to provide the monthly board packets to the elected officials of each jurisdiction.

Please let us know if you have questions or concerns.

Thank you, Lincoln Community Land Trust Board of Directors

Lincoln Community Land Trust
5288 N Interstate Ave, Portland, Oregon
(503) 493-0293 ex 16, Diane Linn, Managing Director
dianelinn@proudground.org
Website: www.lincolnclt.org

LCLT Annual Report 2015



Lincoln
Community
Land
Trust

Staff

Contracted through Proud Ground
Diane Linn, Executive Director

2015 Board Members

Bill Hall, President
Public Representative Seat, Newport

Curt Abbott, Vice President
Homeowner Rep. Seat, Waldport

Ron Tierney, Treasurer
General Membership Rep. Seat, Lincoln City

Derrick Tokos, Secretary
General Membership Rep. Seat, Newport

Max Glenn
Public Rep. Seat, Yachats

Lola Jones
Public Rep. Seat, Newport

Alison Robertson
General Rep. Seat, Lincoln City

Vacant
Homeowner Rep. Seat

Lincoln Community Land Trust
PO Box 2006
Newport, OR 97365
503-493-0293 ext. 17
www.LincolnCLT.org

Highlight of Activities

1. Review and evaluate the financial status and systems of LCLT

Completed the transfer of the non-profit administrative and financial structure from Community Services Consortium (CSC) to Proud Ground (PG), the contractor for LCLT's professional staffing. This relationship between LCLT and PG, which is about to enter its second year, provides significant resources and experience to bolster ongoing and future LCLT initiatives. Upgraded systems and operations and achieved systemized management of financial reports, lease payments, information exchange and extensive board of directors management.

2. Explore potential funding opportunities in Lincoln County for subsidy

Explored CDBG funding, state opportunities, use of buyer initiated grants approaches, and concluded that cross subsidy and use of donated or foreclosed land has the best potential for achieving the goal of providing permanently affordable homeownership opportunities in Lincoln County. Completed report for the Lincoln County Community and Economic Development Fund Grant received in 2012 for subsidy to bring down the cost of a LCLT home. Advocacy efforts ramped up aggressively to open to avenues for funding and development opportunities in the future.

3. Determine feasibility of the approaches to creating land trust homes

LCLT worked to pursue the development of permanently affordable homeownership units by performing an assessment of publically owned land (per the public partnership agreement) in Newport and Lincoln City. Several land options were identified that are well suited for the development of homes for working families and individuals in Lincoln County. LCLT and the city have worked out a process to move forward with possible development in Newport and LCLT submitted a letter of interest in response to a RFQ in Lincoln City to pursue further involvement in 2016.

4. Explore possible approaches and assess the process for building partnerships

Partnerships with potential developers were actively pursued. Discussions with the Habitat for Humanity of Lincoln County occurred and communication with the Willamette Valley Housing Center to provide outreach and pre-purchase support includes multiple conversations and a concept paper.

5. Manage operational and informational changes and tasks

Board meeting support and communication was managed through the year. All non-profit organizational requirements were met. Local, state and federal engagement on behalf of LCLT on a range of implications for homeownership funding and policy was achieved.



Working to make homeownership affordable for generations.

LincolnCLT.org



Lincoln Community Land Trust Financial Report
January 1 -December 31, 2015

Statement of Activity January 1 -December 31, 2015	Year to Date Actual	Year to Date Budget	Annual Budget
Income			
Municipal grants	\$ 90,000	90,000	90,000
Memberships - cities	\$ 500	4,373	4,373
Memberships - individuals	\$ 100	150	150
Lease fees-LCLT	\$ 1,200	1,200	1,200
Total Income	\$ 91,800	95,723	95,723
Operating Expenses			
Personnel			
Contract for Services	\$ 44,997	45,000	45,000
Other: consulting for professional services	\$ 3,402	10,000	10,000
Total	\$ 48,399	55,000	55,000
General Operating Expenses			
Office Space			
Utilities			
Phone			
Travel	\$ 3,803	5,200	5,200
Postage			
Printing			
Supplies			
Total	\$ 3,803	5,200	5,200
Education and Partnership			
Technical assistance fee for systems	\$ 3,000	3,000	3,500
Education and Partnerships (includes brochures)	\$ 163	250	250
Miscellaneous (includes PO Box)	\$ 203	250	250
Membership Dues (includes domain name registration)	\$ 537	1,000	1,000
Total	\$ 3,902	4,500	5,000
Project Development	\$ 0	30,000	30,000
Total Operating Expenses	\$ 56,104	95,200	95,200
Net LCLT Activity	\$ 35,696	523	523

Balance Sheet December 31, 2015

ASSETS	Unrestricted	Permanently Restricted	Total
Cash-Umpqua Chknng	61,566		61,566
Receivables			-
Total Assets	61,566	129,130	190,696
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts Payable to Proud Ground	3,884		3,884
Accounts Payable other			
Prepaid lease fees			
Maintenance Reserve	3,400		3,400
Total Liabilities	7,284		7,284
Net Assets:			
Beginning Fund Balance (from CSC)	18,587	129,130	147,717
YTD gain/(loss)	35,696		35,696
Total Net Assets	54,282	129,130	183,412
Total Liabilities & Net Assets	61,566	129,130	190,696

Note on the Permanently Restricted asset: this is the subsidy in the land trust homes, based on land value when LCLT acquired the lot.

Amendment March 25, 2015
Memorandum of Understanding
By and Between
Lincoln Community Land Trust, a 501(c)(3) nonprofit
and
the City of Newport, the City of Lincoln City and Lincoln County

Note this Amendment to the Original MOU between the parties provides that each Public Partner will provide "up to" \$30,000 annually and that funding will be used for professional staffing and deletes references to a full time staff person and references attached e-mail.

This Memorandum of Understanding (MOU) is entered into by The Lincoln Community Land Trust (LCLT), a 501(c)(3) nonprofit organization and the City of Newport, the City of Lincoln City and Lincoln County (together the Public Partners) pursuant to ORS Chapter 190. It is intended to establish base funding by the Public Partners for administrative services to be provided by LCLT in supporting LCLT's mission to provide permanently affordable homeownership for working individuals and families within Lincoln County.

The Public Partners, subject to annual appropriations through their individual local budget processes, will each annually on July 1 provide up to \$30,000 to LCLT beginning July 1, 2014 and continuing through June 30, 2017 (total of \$90,000 per public partner and \$270,000 by all the Public Partners for the three fiscal years). (See the attached e-mail communication from Lincoln County Commissioner Bill Hall to Newport City Manager Spencer Nebel, dated March 3, 2015). The funding will support professional staffing for the LCLT and associated administrative support services. It is intended that the funding will cover all costs associated with the position and services and LCLT will be responsible for covering any shortfalls between actual costs and the funding provided. If LCLT should for any reason not be able to fulfill its obligations, any remaining funds will be returned to the Public Partners.

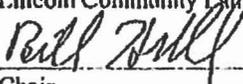
In addition to the funding support for LCLT's mission, the Public Partners, without a specific commitment of resources or properties, agree to give a high priority, within requirements under law, to providing surplus or foreclosed land held by them and/or revolving loan funds to the LCLT for housing development. Without committing to a specific number of homes in specific locations, LCLT commits to making a priority to distribute housing units throughout the county with as much equity as possible.

It is intended that the funding provided by this MOU is temporary in nature and that LCLT will work towards full budgetary self-sufficiency by the end of this funding allocation. Towards that end, LCLT shall provide annual reports by July 1 of each year and a final report to the Public Partners, no later than December 1, 2016, detailing its accomplishments to that date, funding for services after July 1, 2017 and how it intends to be fully funded for services thereafter.

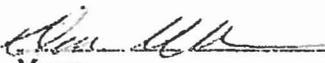
The parties understand that the law reserves certain decisions to the governing bodies of the respective parties, and nothing in this agreement shall divest those governing bodies of their authority.

So Understood and Agreed this 13 day of February 2015:

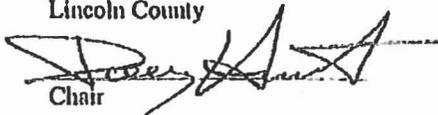
Lincoln Community Land Trust


Chair

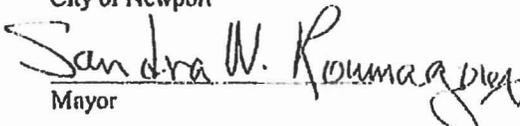
City of Lincoln City


Mayor

Lincoln County


Chair

City of Newport


Mayor

Solving the Affordable Homeownership Gap

Winter 2016



About Proud Ground

Proud Ground is a nonprofit organization that provides affordable homeownership opportunities for people who live and work in this community. Proud Ground was founded in 1999 to fulfill a role that the market could not: provide middle-income families with the opportunity to buy homes at affordable prices.

Many different kinds of people buy their first home through Proud Ground, and they all share a common goal: a home of their own. Proud Ground gives moderate-income, first-time homebuyers the opportunity to own a home at a price they can afford.

Because Proud Ground homes are forever-affordable, family after family has access to the stability and wealth-building that come with homeownership, and our region has a growing supply of homes that are affordable for generations to come.

Acknowledgements

ECONorthwest: Analysis and Document Production
econw.com

DHM Research: Survey Design and Interviews
dhmresearch.com

Brink Communications: Infographic Design and Branding Efforts
brinkcomm.com

ECONorthwest
ECONOMICS • FINANCE • PLANNING

dhm RESEARCH
DAVIS • MERRIFIELD • BAINBRIDGE • HILL

BRINK

Proud Ground Contact Information

5288 N. Interstate Ave. | Portland, OR 97217

503-493-0293

info@proudground.org

proudground.org



Proud Ground would like to recognize **Bank of America's** support as underwriter of this report and longtime advocate for our work. Bank of America has recognized Proud Ground as a Neighborhood Builder award recipient, invested financially in our organization and supported staff development, and bank employees have given hundreds of hours in support of Proud Ground's programs and services.

Bank of America 

bankofamerica.com/Oregon

The Need for Affordable Homeownership Now and in the Future

Affordable homeownership is a critical component of a forward-thinking regional affordable housing strategy.

While the Portland region's home prices have increased significantly over the past decade, household incomes have not kept pace.

Ensuring that middle-income families in our region have the opportunity to buy homes is an important part of creating a diverse, livable, and equitable community. Proud Ground's permanent-affordability model is an effective tool in opening homeownership to people of all backgrounds, professions, and incomes.

This document provides analysis related to the need for affordable homeownership in the region, including the benefits that homeownership can bring to families and communities.

Solving the region's affordable housing crisis requires a multi-pronged approach. Affordable homeownership is an essential component of a complete housing continuum, and permanently-affordable homeownership is one of the most effective tools to address the minority homeownership gap and mitigate displacement.

1. Reignite investment in affordable homeownership.

Regional governments have made significant investments in affordable homeownership in the past and can do so again.

2. Create effective and efficient solutions that focus on long-term return on investment.

3. Explore and adopt policies that make a real difference in the affordability of our housing market.

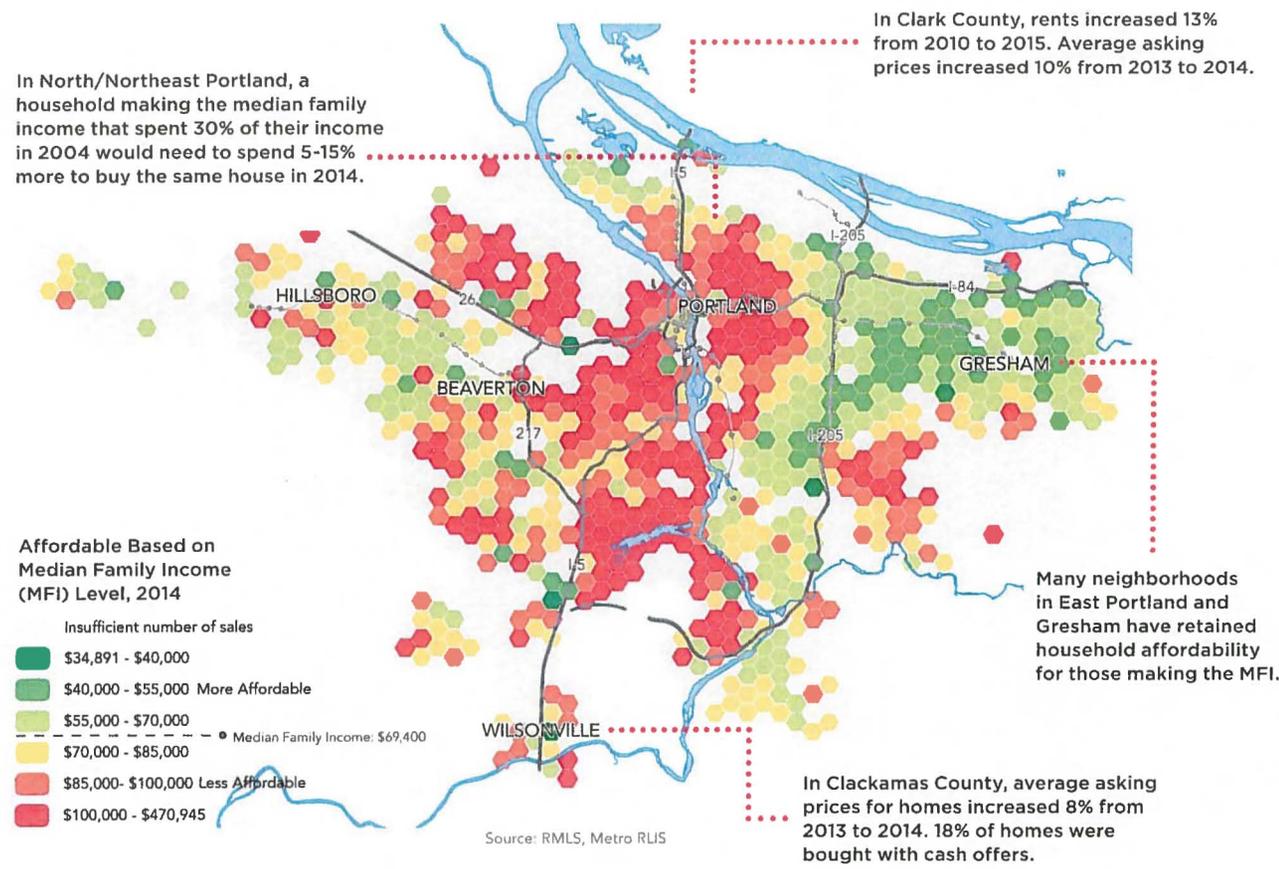


Tlachinolli & Yaotl, children of Proud Ground homeowner Yesika.

A Changing Landscape for Regional Housing Affordability

Sistus Report for Two Week Period Ending Friday, March 25, 2016

Since 2000, housing prices and rents in the Portland region¹ have increased more than incomes. As the region's core neighborhoods appreciate, low- and moderate-income households are priced out and must find affordable housing to rent or buy further out, further away from work and from preferred schools and neighborhoods. Unfortunately, even areas outside of the city core have seen price increases. This map shows the minimum income needed to afford a home in each area.



Between 2000 and 2014, the Portland region's housing market saw a sharp increase in rental and home prices, but only a small increase in median family income.

- 77% increase in single-family home prices
- 79% increase in median apartment rents
- 29% increase in median family income

For this analysis, the cost of homeownership was defined as not only the mortgage (assuming a 20% down payment and a 30-year amortizing loan), but also property taxes, insurance, and utilities. Affordability was defined as spending no more than 30% of the family's income to purchase and live in a single-family house, condominium, or townhome.

¹The Portland region referenced in this report includes Clackamas, Clark, Multnomah, and Washington counties.

Effects on Middle-Income Workers

Who are the Middle-Income Workers?

Attaining homeownership is increasingly difficult for middle-income households. Since 2000, household incomes in the Portland Metro region have shifted slightly downward. This trend stems from a decline in household sizes and a decline in the number of middle-income jobs in the Portland Metro area, which is a trend that many other regions in the United States are seeing.

For the purposes of this report, we defined middle-income jobs as those earning between \$35,000 and \$47,000 per year, which is 60-80% of Median Household Income (MHI). Within the Portland region, there are about **48,000 households** in this bracket, an increase of about **5,800 households**¹ since 2000. Regionally, 35% of households with more than two people support their families with a single wage earner.

The Road to Homeownership is Paved with Challenges



Kelli and her two kids pay \$1,200 to rent a two-bedroom apartment in NE Portland. Kelli makes \$42,000 as an office manager, enough to make a \$1,270/month mortgage payment on a \$210,000 house. Kelli has been saving to afford a 5% down payment.



It takes a long time, but they find a home in their price range in East Portland.



They put in an offer on a home. It has 10 other offers.



They start looking for other options.



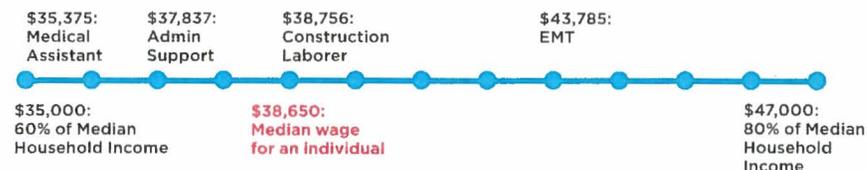
Many families are supported by single, middle-income wage earners that rent. Households are currently spending on average about \$435 more in rent than they were in 2000, and \$308 more than in 2010. Half pay more than 30% of their income toward housing costs.

Just 7.3% of all homes sold in 2013 would have been affordable to lower middle-income households making \$35,000-\$47,000. That's just 2,309 homes, compared to 48,000 households in Kelli's income bracket. Most of these homes are outside of the region's core.

In 2013, 34% of homes listed for under \$200,000 were sold to cash offers, or 2,500 homes. That trend continued in 2014 and 2015.

Middle-Income Workers in Context

The chart below shows average incomes for several occupations. The Portland region's median wage was about \$38,000 in 2014.



Because the Census does not offer granular data on Median Family Income (MFI), this analysis uses household income estimates. There are some key differences between these data types.

Families comprise two or more people (one of whom is the householder) who are related by birth, marriage, or adoption, and reside in the same housing unit.

Households include all people who occupy a housing unit, regardless of relationship. A household may consist of a person living alone or multiple unrelated individuals living together.

¹To obtain these estimates, ECONorthwest used American Community Survey 1-year Public Use Microsample Data for 2000 and 2013 for the seven-county Portland region. The median household income in 2013 for the region was \$58,700

Proud Ground's Approach

Sistius Report for Two Week Period Ending Friday, March 25, 2016

34

Proud Ground has helped more than 300 families realize the dream of homeownership. Homebuyers have steady incomes and can qualify for a mortgage, but with a median annual household income of 62% (\$45,800 for a family of four), their incomes are not high enough to purchase a home the traditional way.

Proud Ground homes are truly affordable. The 2015 median sales price of a Proud Ground home is \$152,750, versus \$305,000 for a market-rate home in the region. Monthly house payments for Proud Ground homes purchased in 2015 are between \$600 and \$1,300 per month.

Proud Ground has not lost a single home to foreclosure. Education and counseling ensure that Proud Ground's first-time homebuyers know the ins and outs of homeownership, maintenance, and upkeep.

Proud Ground preserves affordability throughout the region. Proud Ground homeowners live in Clackamas, Multnomah, and Washington counties in Oregon, and in Clark County, Washington.

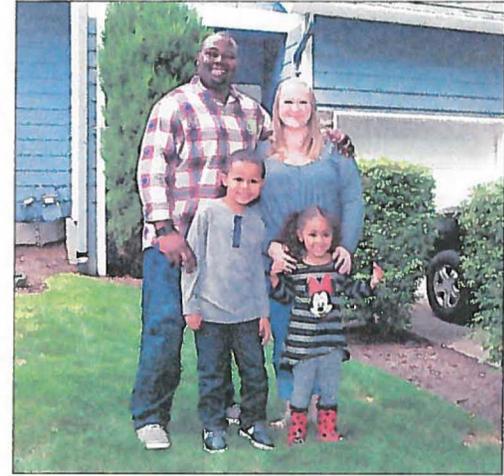
Proud Ground homes are forever-affordable. The community land trust model of shared-appreciation means that Proud Ground homes remain affordable, while allowing fair return to the seller. With minimum down payments of just \$500, after at least 10 years of homeownership, a Proud Ground homeowner would earn an average of \$60,000 at resale.

Bridging the minority homeownership gap. Communities of color face barriers to homeownership beyond sales prices and are disproportionately affected by displacement. Proud Ground's strategic outreach and culturally-competent education and counseling practices ensure effective service to underserved communities of color.

A Place of Their Own Humphrey and Jenna

Jenna and Humphrey Mumba had moved three times in five years, and they were tired of it. They wanted their children, Elijah, 7, and Lizelle, 3, to be able to stay in the same school. "To make matters worse," says Jenna, "rent was always going up. So we decided that in order for us to make sure that our kids stayed in one school district, we needed to buy a house and establish ourselves in one area that we both loved. And we also wanted a place that we can call our own! A place that would allow us to personalize it the way we wanted."

The Mumbas got everything they wanted for just \$117,400. They purchased a 1,300-square foot, three-bedroom, 2.5-bath townhome in Beaverton's Sexton Mountain neighborhood, valued at \$182,500.



The Mumbas are the 300th household served by Proud Ground and the seventh Proud Ground homebuyers served by the City of Beaverton's Community Development Block Grant (CDBG) funds. "Now we can raise our family in a neighborhood like we have always hoped for," says Jenna.

\$819

Median monthly housing cost for all Proud Ground homeowners

\$1,308

Median monthly rent in the Portland Metro Region (2014)

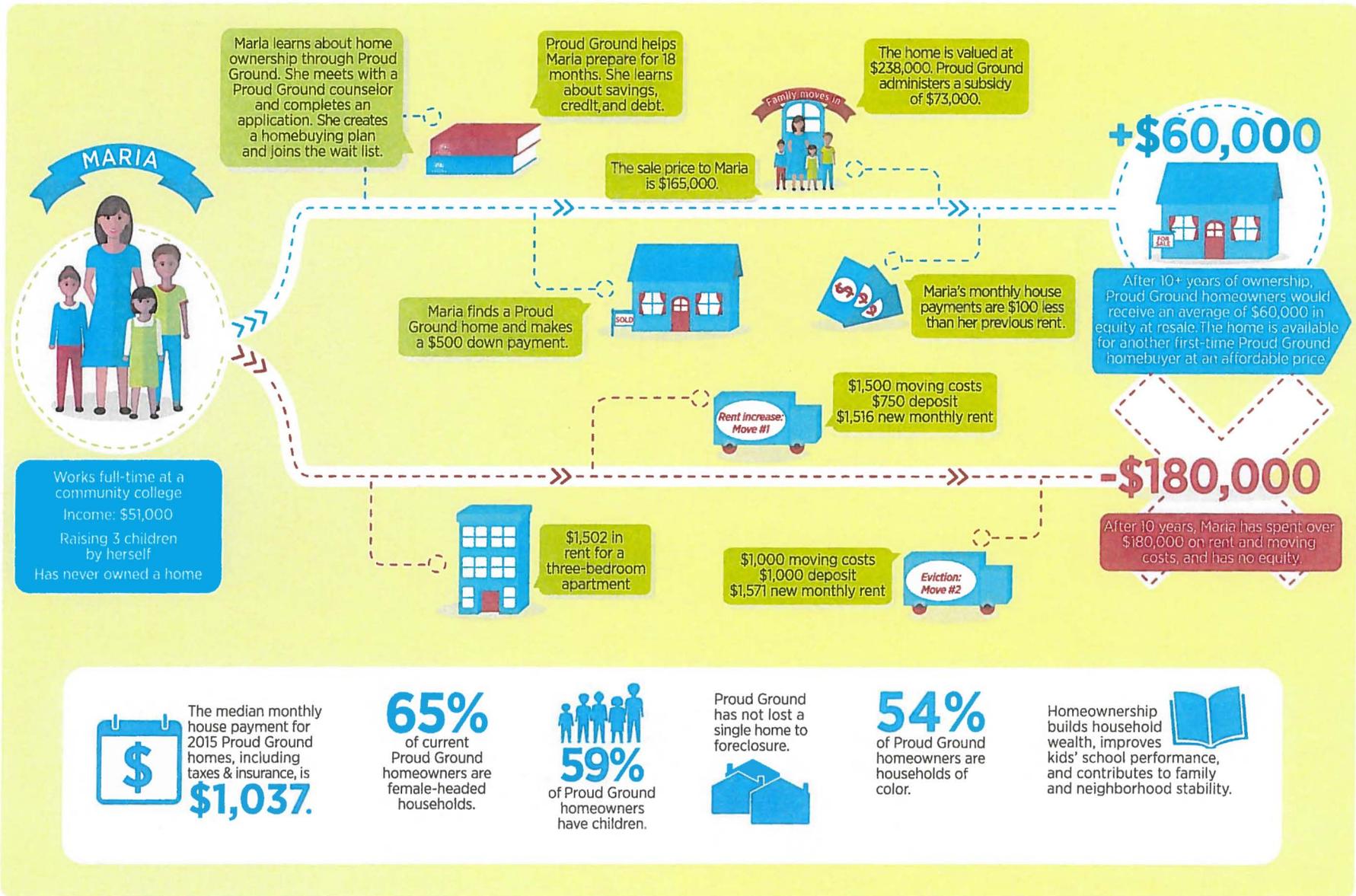
Proud Ground currently has 292 households on its homebuyer waitlist, including:

- 70% households of color
- 66% with a female head of household
- 68% households with children

These represent just a fraction of the people who would be interested in Proud Ground's offerings if households knew that buying a home was an option at the lower-middle income bracket.

Proud Ground's Approach

Sistus Report for Two Week Period Ending Friday, March 25, 2016



The median monthly house payment for 2015 Proud Ground homes, including taxes & insurance, is **\$1,037.**

65% of current Proud Ground homeowners are female-headed households.

59% of Proud Ground homeowners have children.

Proud Ground has not lost a single home to foreclosure.

54% of Proud Ground homeowners are households of color.

Homeownership builds household wealth, improves kids' school performance, and contributes to family and neighborhood stability.

Impacts of Homeownership

In Summer 2015, Proud Ground worked with DHM Research to conduct a survey of 68 Proud Ground homeowners. This section summarizes findings from the literature on the impacts of homeownership, as well as findings from the survey.

Homeownership contributes to increased household stability, which creates positive effects for families and benefits neighborhoods.

Household Wealth

Financial stability is a key benefit of homeownership. Proud Ground tracks wealth accumulation among all homeowners. As of 2015, homeowners who have lived in their homes at least 10 years have earned an estimated average of **\$60,000 in equity in their home.**

What Proud Ground homeowners say:

Several respondents compared their steady mortgage payments to their previous rent payments, which had been less predictable. New homeowners were also eager to build equity and credit. For many respondents, financial stability has led to simpler and more effective budgeting. New homeowners spend more on their homes, but are also more confident that these expenses are being put to good use.

“My monthly budget is, for the most part, unchanging. The money I would have had to pay in rent hikes is now going into savings.”

-Proud Ground homeowner



A Proud Ground home (at right) in North Portland.



Proud Ground homeowner Neahe with his son Makhi.

“I feel like owning a house has changed us. Before, we were in a holding pattern, and now we’re over the hump and we feel like we’re really living.”

–Proud Ground homeowner

Family Stability and Growth

In a report on the social benefits of homeownership, the National Association of Realtors (2012) emphasizes the connection between owning a home and stability within a community. From 2010 to 2011, fewer than 5% of homeowners moved, compared to 26% of renters. The authors argue that housing stability, in turn, has a positive effect on parenting and family stability; parents who own homes have the time and resources to engage more with their children at home and at school.

What Proud Ground homeowners say:

Employment outcomes. 51% of homeowners feel homeownership has positively affected employment outcomes. Two aspects of employment that have positively changed include pay increases or bonuses (71% of those feeling their situation has improved) and additional job responsibilities/duties (also 71%). 47% have pursued additional education or workforce training since becoming a homeowner.

Health outcomes. Physical and emotional health benefits stem from improved housing conditions, the ability to grow food, and the lack of stress associated with instability. **About 28% of homeowners attribute these health benefits to their homeownership.**

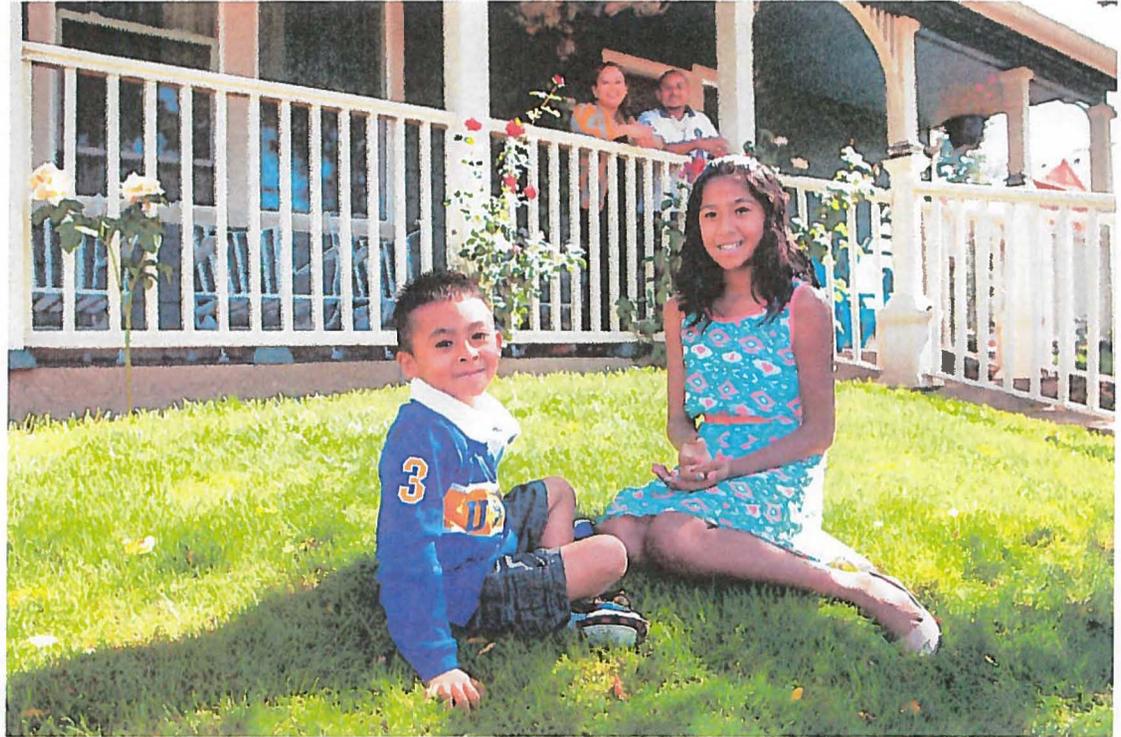
Impacts of Homeownership

School Performance

Homeownership and housing stability correlate positively with educational outcomes. A study by researchers at Harvard University's Joint Center for Housing Studies (Haurin et al. 2001) describes the positive impacts of homeownership over renting on test scores and student behavior. Controlling for a range of demographic variables, researchers found that children of homeowners scored 7-9% higher on reading and math exams. Housing stability, a result of homeownership, has a positive relationship with educational achievement. According to the National Association of Realtors (2012), past studies linking homeownership and school performance should be understood as evidence of the positive effect of stability.

What Proud Ground homeowners say:

Homeownership has translated into better outcomes at school for children of Proud Ground homeowners. **Almost half of Proud Ground homeowners with children feel homeownership has positively affected education outcomes.** With stable housing, children are able to attend and stay in a nearby school. This security boosts confidence and performance. Proud Ground homeowners with children have seen positive impacts on school attendance (44%).



Christian and Ashley, children of Francisco and Rosa, Proud Ground homeowners.

“We live close to a great school and my kids are thriving there.”

-Proud Ground homeowner

“With homeownership, I became a stakeholder in my community and neighborhood.”

-Proud Ground homeowner

Neighborhood Involvement

Some studies have explored how the external benefits of owning a home contribute to a wider community. Civic participation is more common among homeowners, who participate in elections and volunteer at rates higher than renters (DiPasquale and Glaeser 1998; Manturuk et al. 2010). Other studies suggest that homeownership has health benefits and is associated with lower crimes rates (Rohe et al. 2001; Glaeser and Sacerdote 1999).

What Proud Ground homeowners say:

Becoming a Proud Ground homeowner has dramatically increased how individuals and families relate and connect with their neighborhood. **Many respondents (78%) cited an increase in neighborhood connectedness and sense of community as a result of homeownership.** About 40% had participated and given back to family or community since becoming a homeowner. There were reports of feeling less isolated, and actively taking advantage of new opportunities to work with neighbors.



Proud Ground emphasizes choosing homes that are close to amenities such as parks and mass transit.

The Geography of Affordable Homeownership

The lack of housing affordability, driven by the gap between rising home prices and stagnant middle incomes, has grown more acute as the Portland region has recovered from the Great Recession. To find a home they can afford to purchase, middle-income families must increasingly look outside of the region's core, far from job centers for middle-income jobs.

- Not all populations are affected equally by changing prices. The map to the right shows the areas where vulnerable populations are concentrated and will likely continue to feel the effects of displacement.
- The need is growing throughout the region. Since areas like Gresham are currently more affordable, households throughout the region will continue to move where housing can be found within their means.

Given the shaky ground that many renters face, *forever-affordable* homeownership is one of the most effective anti-displacement tools available.

There is a substantial gap in homeownership between minority households and non-minority households. Overall, about 60% of all households in the Portland region own their home, compared to 40% of African-American households, and 32% of Latino households in the Portland region.

Staying Connected to Family Amanda

"It took a very long time before I found a place to rent within a neighborhood that was close to my parents' home, my work, and my kids' schools. The house I ended up renting cost \$300 more per month than my current home loan payment for the same size and style—and even on the same street!

"The month that my rent went up \$100 in 30 days, I decided that I could no longer afford to be a source of profit for someone else. I didn't want to be caught moving whenever the rent goes up; I knew I needed a permanent space we could call our own.

"I was walking in my neighborhood and I saw a Proud Ground house for sale. It looked quite lovely and had a price that actually fit my budget. I was in shock! The cost to OWN that house was \$300 less than my monthly rent. At that point, I decided it was possible to be a homeowner. The most shocking thing that happened after putting in my notice

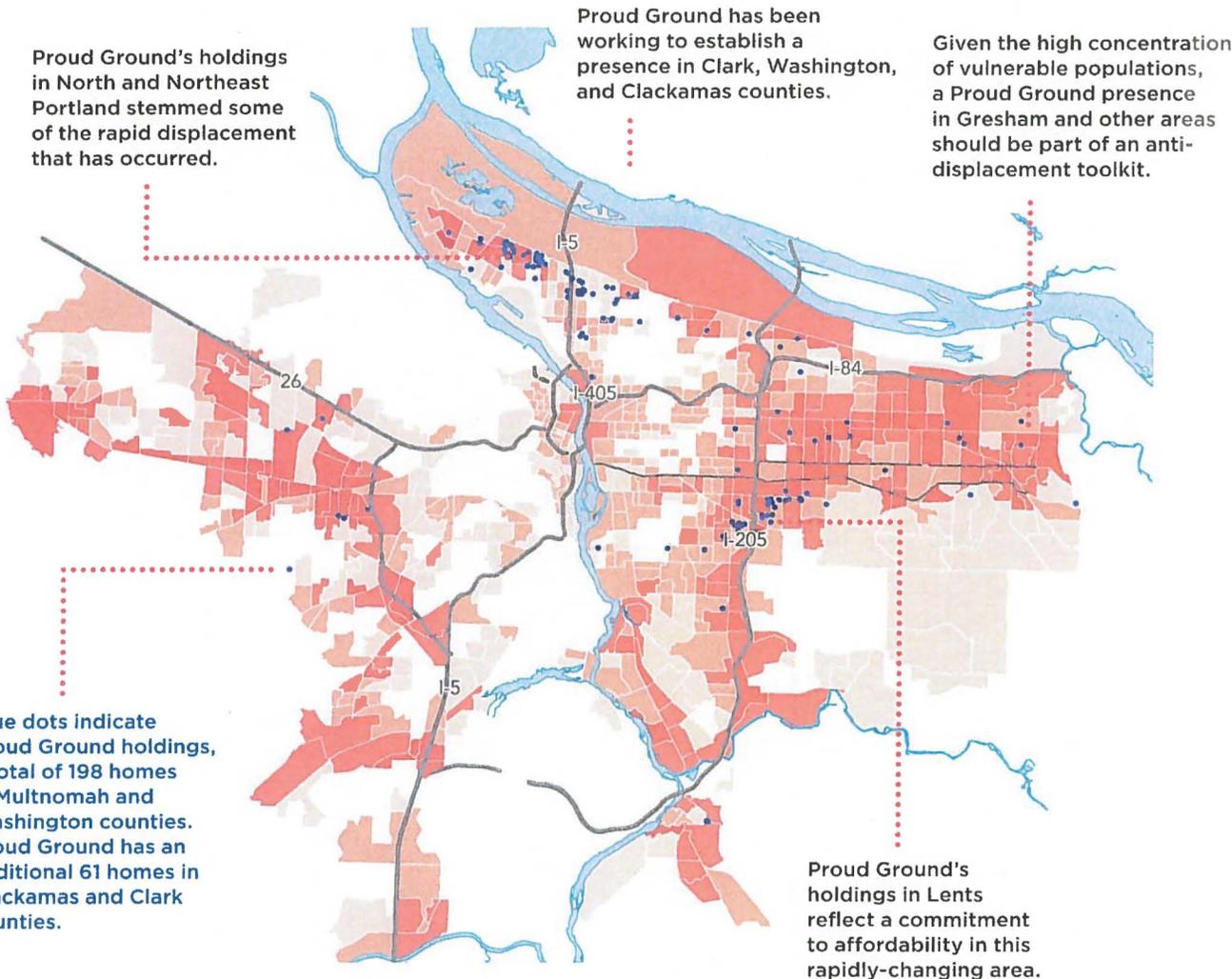


to move was finding my own rental house listed for \$600 more a month than what I'm paying for my new home! I am so happy to no longer be tied to rental inflation.

"I love Proud Ground. I wouldn't have been able to buy a home of my own without this program. Purchasing a house through Proud Ground also reduces stress, not only financially, but emotionally. The people of Proud Ground truly want to help homeowners feel confident in their purchases."

The Geography of Affordable Homeownership

Using the methods developed by the City of Portland, ECONorthwest has been studying the distribution of vulnerable populations in the Portland region. This map shows the areas within the region's core with higher-than-average populations that are least likely to absorb the impact of increased housing costs.



Vulnerability Score Methodology:

In 2012, the City of Portland led a study to identify census tracts within the City of Portland that have higher-than-citywide average populations with characteristics that make resisting displacement more difficult.* ECONorthwest expanded this methodology to include all Census tracts within the Portland Urban Growth Boundary.

Data on the following four risk factors was gathered from the 2013 five-year American Community Survey for the three-county area. Estimates were adjusted to the lower boundary of the given margin of error. Every block group was scored based on the following system:

Risk Factor	Evaluation Criteria
% Renters	Is the proportion of renters greater than 39.06%?
% Non-White	Is the proportion of non-white individuals greater than 24.57%?
% without Bachelor's degree	Is the proportion of population 25+ without a bachelor's degree greater than 64.04%?
% Households with income at or below 80% Median Family Income	Is the proportion of households with income at or below 80% of median family income greater than 46.38%?

The darker the shade of red, the more vulnerability factors exist in that Census tract.

*For more information please visit: <https://www.portlandoregon.gov/tps/66107>

Call to Action

A comprehensive approach to the housing crisis includes affordable homeownership.

Solving the region's affordable housing crisis requires a multi-faceted approach. Now that the community has recognized the desperate need for affordable housing, affordable homeownership is an essential component of a complete housing continuum. Furthermore, permanently affordable homeownership is one of the most effective anti-displacement tools available. To build comprehensive, effective, and fair solutions, regional policymakers should:

Reignite public/government investment in affordable homeownership.

Local, regional, and state governments have made significant investments in affordable homeownership in the past and can do so again. Future investments must have a long-term return.

- Prioritize aggressive housing strategies that include affordable homeownership to create more diverse and equitable neighborhoods. These strategies should address the needs of underserved communities of color while mitigating displacement and ensuring that hardworking families have opportunities to anchor in our community.
- Partner with the Welcome Home Coalition, a team of 113 endorsing community organizations that is researching policy strategies and new dedicated funding sources for a range of affordable housing solutions.
- Consider the return on investment of affordable homeownership in policy conversations. Creating an affordable home does not require more public investment than creating an affordable rental unit. In fact, it costs less. And when investments in permanently-affordable homeownership are made through tried and true mechanisms like the community land trust shared equity model, that one-time public investment pays off by creating a home that is affordable today and that stays affordable, resale after resale.

Create effective and efficient solutions.

- Implement strategies to acquire land and homes in areas of the region that have populations that are at greatest risk for housing displacement. Affordable homeownership is an important anti-displacement tool.
- Direct city and county bureau and department staff to facilitate partnerships for affordable homeownership across the public, nonprofit, and private sectors.

Explore and adopt policies that make a real difference.

Policymakers should be united in support of policy changes that will begin to return affordability to our housing market and establish this region as a national leader in housing policy. Regional leaders should conduct research on the impacts of new policies such as:

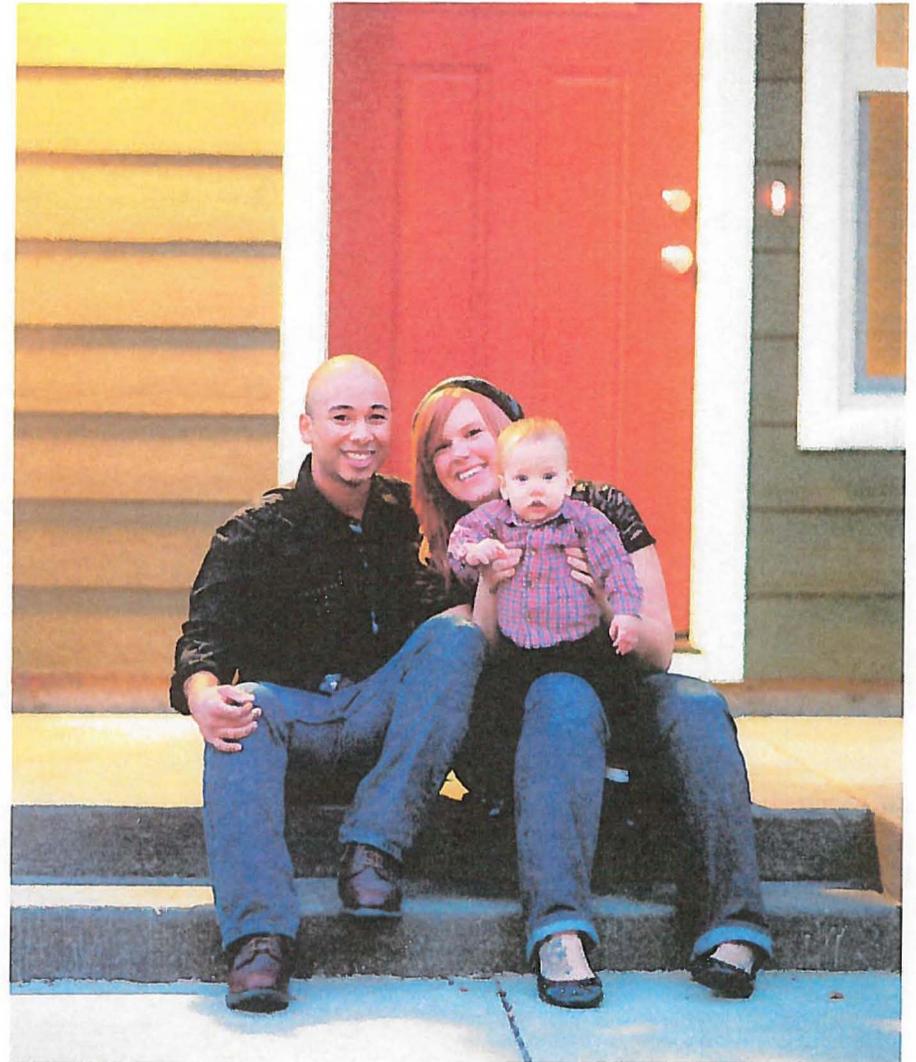
- Inclusionary zoning
- Development fees
- Streamlined processes to remove barriers to the permitting and construction of affordable units
- Incentives that allow the private market to respond quickly to a public need
- A surplus land strategy that allows municipalities and government agencies to quickly turn unused land into affordable housing

Supply-side initiatives, such as increasing density in low-density areas and supporting infill development, also play an important role and should be considered.

Proud Ground's Role

Proud Ground works every day to meet the huge need for more homes that working families in our region can afford. Our 2015-2020 strategic plan lays out a set of ambitious actions. Going forward, we will continue and strengthen efforts to:

- **Create and maintain partnerships with like-minded and mission-connected organizations that help us scale up our efforts.** Proud Ground works with nonprofits that deliver housing, including Habitat for Humanity Metro/East. In addition, we seek to broaden our partnerships with culturally-specific and other organizations, including the Native American Youth & Family Center, Hacienda CDC, the African American Alliance for Homeownership, the Asian and Pacific Islander Community Improvement Association, and the Community Housing Resource Center (Vancouver/Clark County, WA). We will continue to work with these organizations and others to meet the ever-growing need for affordable homes for our region's moderate-income residents and to help bridge the minority homeownership gap.
- **Innovate with new solutions.** We will continue to pursue partnerships and support new ways to generate a diversified revenue stream that can stretch every dollar of public investment we receive. One goal will be to mitigate the impacts of displacement by investing in areas that are likely to see further housing price increases.
- **Provide collaborative input toward our collective goal: achieving a continuum of programs, services, and properties that provide housing affordability for all income levels.** Our success as a region rests on our ability to collaborate across organizations and governmental boundaries. Proud Ground will continue to work with all stakeholders to provide input on processes and incentives that will help the region respond to its housing affordability challenges.



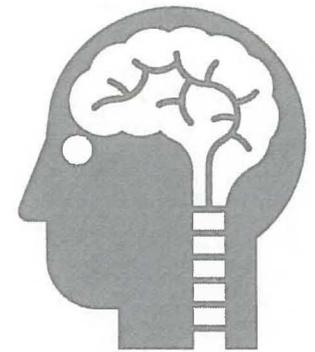


**LINCOLN COUNTY
WORKFORCE HOUSING PANEL DISCUSSION
APRIL 5, 2016**

9:30 - 11:30 AM, NEWPORT PUBLIC LIBRARY

35 NW NYE ST, NEWPORT

Entrance at lower level parking lot



HEAR FROM EXPERTS ABOUT OPTIONS FOR AND EXPERIENCES WITH DEVELOPING HOUSING THAT IS AFFORDABLE TO WORKING FAMILIES IN NEWPORT, TOLEDO, AND SURROUNDING AREAS.

PANEL DISCUSSION WITH Q&A, FEATURING:

Julie Cody, Oregon Housing and Community Services

Bill Hall, Lincoln County Board of Commissioners

Pegge McGuire, Community Services Consortium

Jim Moorefield, Willamette Neighborhood Housing Services

Joanne Troy, Housing Authority of Lincoln County

CONVENED BY THE ECONOMIC DEVELOPMENT ALLIANCE OF LINCOLN COUNTY

FOR MORE INFO: www.lincolncounty.gov or 503-845-4500. **Status Report for Two Week Air Pollution Finding From March 25, 2016**