



## **PLANNING COMMISSION WORK SESSION AGENDA**

**Monday, July 24, 2023 - 6:00 PM**

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

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All public meetings of the City of Newport will be held in the City Council Chambers of the Newport City Hall, 169 SW Coast Highway, Newport. The meeting location is accessible to persons with disabilities. A request for an interpreter, or for other accommodations, should be made at least 48 hours in advance of the meeting to Erik Glover, City Recorder at 541.574.0613, or [e.glover@newportoregon.gov](mailto:e.glover@newportoregon.gov).

All meetings are live-streamed at <https://newportoregon.gov>, and broadcast on Charter Channel 190. Anyone wishing to provide written public comment should send the comment to [publiccomment@newportoregon.gov](mailto:publiccomment@newportoregon.gov). Public comment must be received four hours prior to a scheduled meeting. For example, if a meeting is to be held at 3:00 P.M., the deadline to submit written comment is 11:00 A.M. If a meeting is scheduled to occur before noon, the written comment must be submitted by 5:00 P.M. the previous day. To provide virtual public comment during a city meeting, a request must be made to the meeting staff at least 24 hours prior to the start of the meeting. This provision applies only to public comment and presenters outside the area and/or unable to physically attend an in person meeting.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

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### **1. CALL TO ORDER**

*Bill Branigan, Bob Berman, Jim Hanselman, Gary East, Braulio Escobar, John Updike, Marjorie Blom, Dustin Capri, and Greg Sutton.*

### **2. UNFINISHED BUSINESS**

- 2.A City Center Revitalization Project Update and Revised Scope of Work.**  
[Memorandum](#)  
[Project Schedule](#)  
[Revised Scope of Work](#)

### **3. NEW BUSINESS**

- 3.A DLCD Grant Application for Rental Housing Maintenance Code.**  
[Memorandum](#)  
[Council Resolution No. 3990](#)  
[HPS Project Description and Implementation Schedule](#)  
[DLCD Application Pamphlet for Housing Grants](#)

- 3.B Use of Affordable Housing CET Funds for Market-Rate Multifamily Incentives.**  
[Memorandum](#)  
[Affordable Housing CET Fees Paid by Large Multi-Family](#)  
[Housing Production Strategy Action Item #D](#)

- 3.C Planning Commission Work Program Update.**  
[PC Work Program - 07-21-23](#)

### **4. ADJOURNMENT**

### Memorandum

To: Planning Commission/Commission Advisory Committee  
From: Derrick Tokos, Community Development Director   
Date: July 21, 2023  
Re: City Center Revitalization Project Update and Revised Scope of Work

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Enclosed is an updated scope of work and schedule for the City Center Revitalization Project. I'd like to take a few moments at the work session to review the scope and schedule and discuss any minor changes that are needed before this goes to ODOT contracts to prepare a grant agreement.

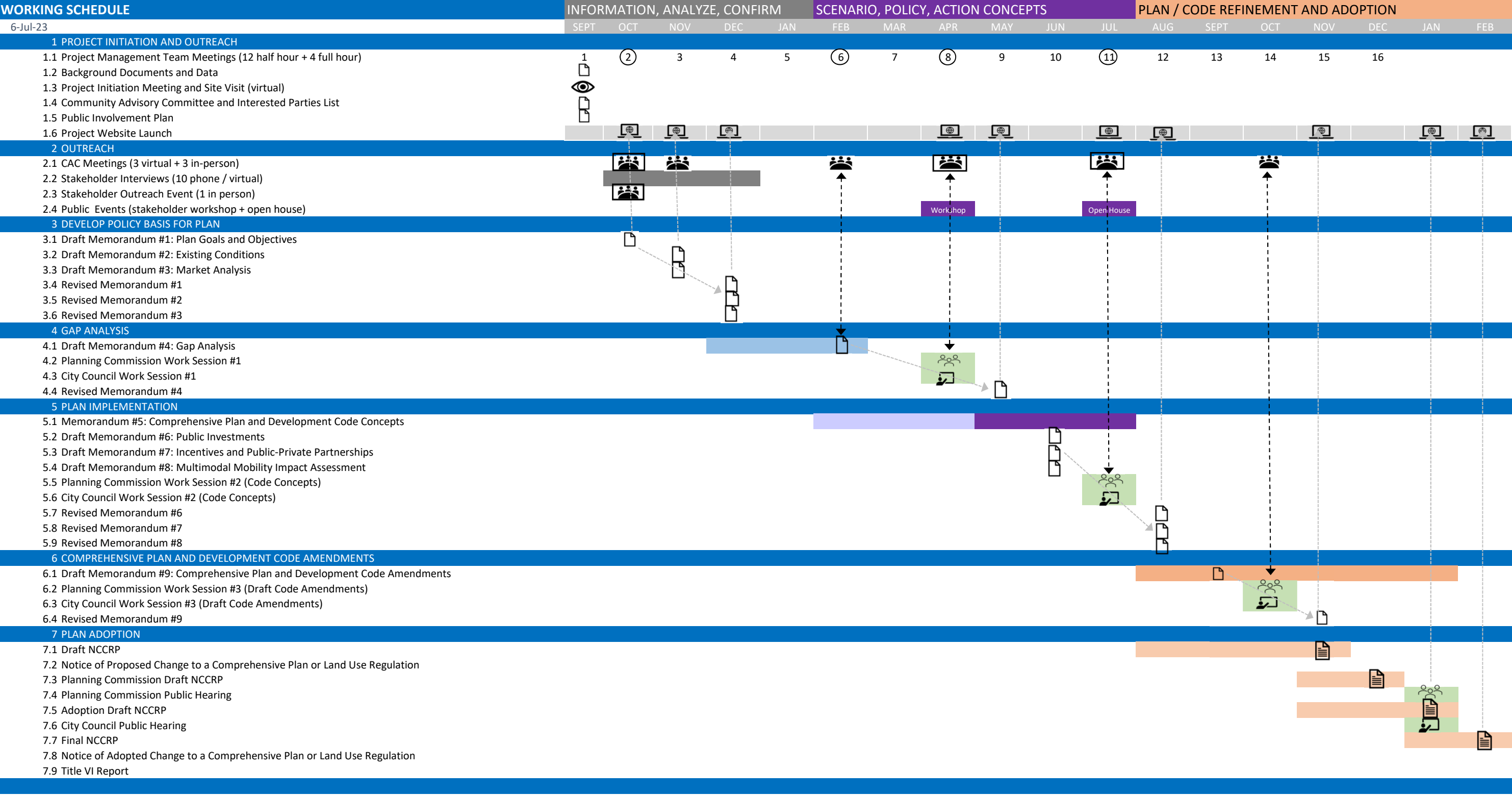
As most of you know, this project builds off of the Northside Transportation System Plan by further refining the two options for realigning US 101 through City Center and identifying the option that best supports desired development patterns; developing a set of amendments to the City's Comprehensive Plan and development code to encourage desired development patterns; and identifying public investments and incentives needed to encourage desired development and improve livability.

The Newport Urban Renewal Agency, through the City, applied for and received approval of a Transportation Growth Management (TGM) grant to offset a portion of the project costs, with such approval occurring in the fall of 2021. These types of grants are managed by the Oregon Department of Transportation (ODOT) via a partnership between that Agency and the Department of Land Conservation and Development. A preliminary scope of work was developed and ODOT issued an RFP to qualified firms. Proposals were received and scored, and a preferred consulting team was selected in the fall/winter of 2022. ODOT has since been working with the consultant team and City staff to finalize the scope of work and budget so that a contract can be executed and the work started. The budget for the project is \$330,000, with \$150,000 coming from the Newport Urban Renewal Agency and \$180,000 from the TGM program.

The project will kick-off in September and wrap-up toward the end of 2024.

Attachments  
Project Schedule  
Revised Scope of Work

CITY CENTER REVITALIZATION PLAN, CITY OF NEWPORT, OREGON



**STATEMENT OF WORK (or) SUMMARY of TASKS, DELIVERABLES & SCHEDULE**  
**STATEMENT of WORK and DELIVERY SCHEDULE**  
**for TGM 2D-21**  
**City of Newport**  
**Newport City Center Revitalization Plan**

**Project Management Team (“PMT”):**

<b>Name:</b> <b>Address:</b> <b>Phone:</b> <b>Email:</b>	<b>Agency Project Manager (“APM”)</b> David Helton ODOT Area 5 2080 Laura Street Springfield, OR 97477 (541) 726-2545 David.I.Helton@odot.state.or.us	<b>Name:</b> <b>Address:</b> <b>Phone:</b> <b>Email:</b>	<b>Consultant Representative</b> James Hencke David Evans and Consultants, Inc. 2100 S River Parkway Portland OR 97201 503-223-6663 jahe@deainc.com
<b>Name:</b> <b>Address:</b> <b>Phone:</b> <b>Email:</b>	<b>Local Agency Representative</b> Derrick Tokos City of Newport 169 SW Coast Highway Newport, OR 97365 (541) 574-0626 d.tokos@newportoregon.gov	<b>Name:</b> <b>Address:</b> <b>Phone:</b> <b>Email:</b>	

**A. PROJECT DESCRIPTION and OVERVIEW of SERVICES**

**Acronyms and Definitions**

Agency/ODOT	Oregon Department of Transportation
APM	Agency Project Manager
CAC	Citizens Advisory Committee
City	City of Newport
NCCRP	Newport City Center Revitalization Plan
PMT	Project Management Team
Project	Newport City Center Revitalization Plan
TSP	Transportation System Plan

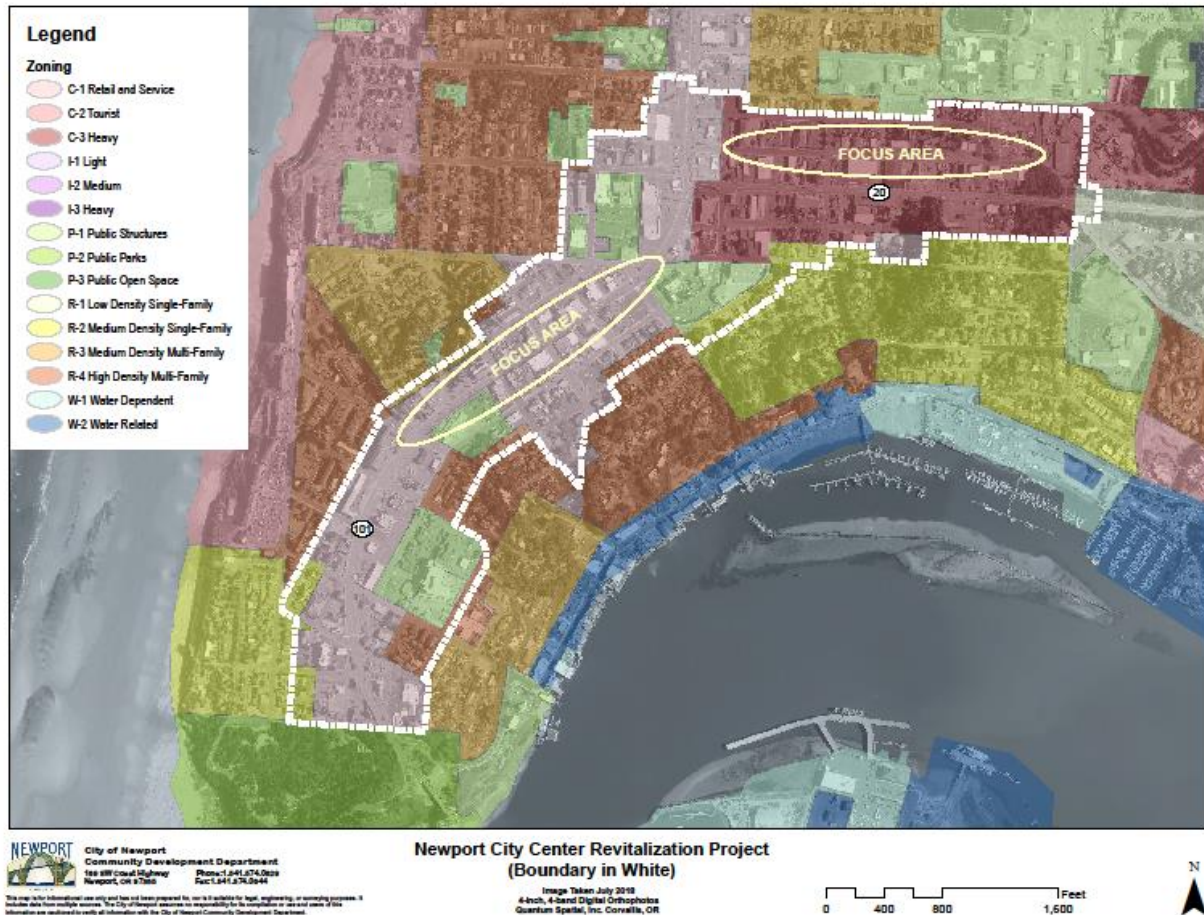
**Project Purpose/Transportation Relationship and Benefits**

The Newport City Center Revitalization Plan Project (“Project”) will develop a set of land use policies and regulations, with financial incentives, to support reinvestment in the City of Newport’s (“City”) city center, which is concentrated along the US 20/101 commercial corridors between the east entrance and the Yaquina Bay Bridge. Project will identify transportation solutions that compliment proposed land use policies to promote mixed use development to create a live-work environment where residents have convenient access to employment and essential services.

## Project Area

Project Area is US Highway 101 and adjacent properties between the north end of the Yaquina Bay Bridge and US Highway 20, and US Highway 20 and adjacent properties between US Highway 101 and the eastern City Limits. Project Area is shown in Figure 1. Project Area may vary slightly in Project memoranda.

**Figure 1: Project Area**



## Background

Many of the properties in Project Area are underutilized or in economic distress with vacant storefronts and aging, poorly maintained buildings. The City established an urban renewal district in 2015 to generate funding to revitalize the City Center area, and has partnered with Oregon Department of Transportation ("ODOT") on a Transportation System Plan ("TSP") update (adopted August 2022) to identify how the transportation system can be redefined to catalyze economic development and provide infrastructure needed to support additional density. The 2022 TSP identified two alternatives for improving transportation facilities within the Project Area along US 101. This Project will identify which of those alternatives, or variations of the alternatives, will best support Project objectives.

## **Project Objectives**

The Newport City Center Revitalization Plan (“NCCRP”) seeks to encourage development and redevelopment in the Project Area to create a vibrant urban center. The NCCRP seeks to achieve this objective by:

- Refine the two TSP options for realigning US 101 through City Center and identify the option that best supports desired development patterns.
- Development of amendments to the City’s Comprehensive Plan and development code to encourage desired development patterns.
- Identification of public investments and incentives needed to encourage desired development and improve livability.

## **B. STANDARDS and GENERAL REQUIREMENTS**

### **1. Standards**

#### **a. Planning, Survey, Preliminary Engineering and Design Manuals, Standards and Guidance:**

### **2. Design Criteria and Project Assumptions/Conditions**

### **3. Software Requirements**

### **4. Professional Licenses, Registrations and Qualifications**

### **5. General Requirements**

- The Oregon Department of Transportation’s (“ODOT”) Agency Project Manager (“APM”) (or such other individual identified in specific tasks or as designated in writing to Consultant) is the primary contact on behalf of Agency for this Project.
- To the extent possible, all transmittals from Consultant to Agency must include as applicable the Project name and the Project file code.

Unless otherwise specified in tasks:

## **General Requirements for Project Management**

City shall provide a Project Manager throughout the Project and other adequate staff to complete the Project in accordance with the anticipated timeline. City shall maintain effective communication and coordination between Agency and Consultant throughout the Project.

APM, City’s Project Manager and Consultant Project Manager shall serve as the Project Management Team (“PMT”) and may invite others to participate.

Consultant and City shall use Basecamp, a project management application administered by ODOT, to store project-related files, facilitate project-related communications, and coordinate review of project deliverables.

## **General Requirements for Written and Graphic Deliverables**

Project memoranda and meeting materials must be developed in a manner suitable for their eventual incorporation into the Newport City Center Revitalization Plan (“NCCRP”).

Consultant shall write materials intended for the public, such as meeting presentations, at no higher than a high school grade level using the Flesch–Kincaid Grade Level Formula. Consultant will translate online public event and other event materials into Spanish. CAC materials will not be translated.

Stakeholder outreach meeting materials will be provided in English with an in-person Spanish interpreter.

### **General Requirements for Final Deliverables**

Final deliverables must not include names and logos of Consultant, Transportation and Growth Management Program, ODOT, or Oregon Department of Land Conservation and Development or project codes. These items are only allowed on the acknowledgement page.

The following text must appear in the final version of all final deliverables:

“This project is partially funded by a grant from the Transportation and Growth Management (TGM) Program, a joint program of the Oregon Department of Transportation and the Oregon Department of Land Conservation and Development. This TGM grant is financed, in part, by federal Fixing America’s Surface Transportation Act (FAST Act), local government, and the State of Oregon funds.

The contents of this document do not necessarily reflect views or policies of the State of Oregon.”

### **General Requirements for Meetings and Public Involvement**

Meeting arrangements include but are not limited to: scheduling meeting dates and times with meeting participants, distribution of agendas and meeting materials in advance of the meeting, reserving a suitable meeting location, placing advertisements in local media, and posting notices in public locations (such as City buildings and libraries).

Conducting meetings includes but is not limited to: preparing agendas and meeting materials, making presentations, facilitating discussion of relevant issues, and preparing meeting summaries.

City shall, in accordance with City standards regarding meetings, prepare and distribute all staff reports, agendas, relevant materials, necessary public notices, and notifications, and provide public outreach for community involvement. City to arrange, schedule and pay for meeting room accommodations; coordinate and pay for meeting materials including but not limited to food, printed materials including postcards that will be mailed to residents (postage also paid by City), and coordinate, print and distribute advertising materials and information in City social media accounts, citywide utility bills and other City controlled medium.

Project meetings must be held on-line unless an in-person format is specified in the subtask. Project meeting locations for in-person meetings must be accessible by people with disabilities. Notices for in-person meetings must include an offer to make accommodations for people with disabilities with sufficient advance notice, with contact information for such notification. City will pay for additional accommodations beyond the specific items that are called out below for Spanish translation or interpretation. City will pay for additional incentives or thank you gifts for public participation including but not limited to gift cards, bus passes, meals, refreshments, etc., if offered.

Consultant shall compile email addresses and comments provided by visitors to the Project Website and provide these to City before each Project Management Team meetings. Consultant will coordinate and pay for translation and interpretation services into Spanish for identified events and

meetings in the tasks below. Consultant will pay for up to 50 copies of comment cards, factsheet for each event, as well as up to 10 display boards (up to 24" by 36") for each meeting.

The online open houses will be accessible in an asynchronous format with up to 15 questions (not including demographic questions) per online open house.

### **General Requirements for Traffic Analysis**

All Traffic analysis must comply with the following requirements:

- Consultant, by and through an Oregon-registered professional engineer (civil or traffic), shall perform or oversee all traffic analysis services. Final memoranda containing traffic analysis must be stamped by a Professional Engineer.
- Traffic analysis software must follow Highway Capacity Manual 7th Edition procedures. Signalized intersection volume to capacity ratios must be manually calculated. Traffic analysis must comply with ODOT's Analysis Procedures Manual available at: <https://www.oregon.gov/odot/Planning/Pages/APM.aspx>
- Traffic analysis at non-state intersections must be compatible with ODOT procedures and must follow standard engineering procedures and practices.
- Project must use a planning horizon of 2040 for analysis of future conditions.
- Consultant shall coordinate all analysis with the City, ODOT's Transportation Planning Analysis Unit, and Region 2 Traffic.

### **C. REVIEW, COMMENT AND SCHEDULE OVERVIEW**

- Consultant shall provide a draft of all Project memoranda to the City and APM in electronic format at least 21 days prior to public distribution. Consultant draft memoranda must be substantially complete and any changes or revisions needed to address comments are expected to be minor.
- City shall provide a consolidated set of comments from its reviewers to Consultants within seven days from the date a deliverable is received.
- Consultant shall return the revised deliverables to City and APM, with comments incorporated, within seven days of Consultant's receipt of City's and Agency's comments. City approval is required before distribution of Project memoranda for public review and comment.
- City shall provide consolidated comments of public and other reviewers to Consultant before preparation of revised memoranda.
- Consultant shall provide a draft of Presentation Materials to the City and APM in electronic format at least ten business days prior to the associated meeting. City shall provide a consolidated set of comments from its reviewers to Consultant within five business days of receipt of the material. Consultant shall revise materials as directed for meeting use.
- Consultant shall post Public Draft Project Memoranda, Revised Project Memoranda, and Presentation Materials on the Project Website concurrent with their availability to the public.

### **D. FORMAT REQUIREMENTS**

- Consultant shall submit all written (text) and graphic deliverables (draft and final) electronically in Microsoft Word (.doc) and final deliverables in Microsoft Word (.doc) and Portable Document Format (.pdf). Written deliverables must include the project name, a title that refers to the contract deliverable and date of preparation. Any deliverables specified for posting on the Project Web Site must be submitted in .pdf Each draft and final spreadsheet-based deliverable must be

provided in MS Office file formats (i.e., MS Word, Excel, etc.) and must be fully compatible with version used by Agency.

- Graphic deliverables submitted for review must be converted to .pdf for readability. All graphic deliverables must be well documented, with project name, a title that corresponds to the contract deliverable, draft number, a legend, and the date of preparation.
- Electronic versions of base and plan maps must be in color and display-sized maps must be printed in color when important to public comprehension.
- Maps must be at scale legible in the final document and include details necessary to ensure usability, such as city limits, Urban Growth Boundaries, street names, relevant environmental and cultural features, legend, date, etc.
- Consultant shall also submit all graphic files accompanying reports separately in .jpg or .tif formats unless specified differently by Agency.
- Display-sized maps for Project meetings must be printed in color when important to public comprehension and must be mountable on foam core to allow display on an easel or wall.
- Consultant shall provide City and APM with any Geographic Information Systems (“GIS”) data sets or updated data sets developed for this Project.
- Additional format requirements may be listed with specific tasks/deliverables in the SOW or in the PA.

## **E. TASKS, DELIVERABLES and SCHEDULE**

### **TASK 1 PROJECT INITIATION AND OUTREACH**

#### **1.1 Project Management Team Meetings**

The Project Management Team (PMT) consists of the Consultant Project Manager, City Project Manager, and Agency Project Manager. Consultant shall arrange and conduct 12 PMT meetings (approximately once a month), of 30 minutes and 4 PMT Meetings of one hour in duration, via phone or video conference. Meeting topics are expected to include scope/schedule/budget; deliverables review; preparation for Citizen Advisory Committee meetings, Outreach Meetings, and Public Events; confirmation of decisions and direction; and other project topics as they arise. Consultant Project Manager must attend each PMT Meeting unless an alternative representative is approved by the City Project Manager at least one day before the PMT Meeting. PMT members can invite other staff members from their respective agencies or consultant team to participate in any PMT Meeting. Consultant shall prepare and distribute a bullet point summary of action items after each meeting.

#### **1.2 Background Documents and Data**

City shall provide Consultant with background documents and data for use in preparing Project deliverables. Background data and materials must include, but is not limited to, the following items:

- Comprehensive Plan
- 2022 TSP
- Development Code
- GIS data
- Any pedestrian, bicycle, and motor traffic counts for streets and paths
- Demographic data related to Title VI populations
- any available tourism related data

- a list of key property owners in the area
- commercial vacancy information

City shall coordinate with Consultant to confirm receipt of all documents and data relevant to the Project. Background Documents and Data are limited to material that is readily available to City and shall be provided in any format City deems suitable (such as paper copies, electronic files, or links to documents available on the internet). Subsequent analyses conducted by Consultant shall consider information provided by City and any other information Consultant believes relevant to this task. Consultant shall produce no new GIS data or conduct any additional facility inventories.

Agency will provide Consultant with guidance on applicable plans and policies as needed during Project, including the following:

- Statewide Planning Goals
- Transportation Planning Rules
- Blueprint for Urban Design
- Oregon Highway Plan
- Oregon Bicycle and Pedestrian Plan

Consultant shall also download the most recent five complete calendar years of crash data within the Project Area from the ODOT website.

### **1.3 Project Initiation Meeting and Site Visit**

City shall arrange and Consultant shall ~~conduct~~ participate in a Project Initiation Meeting with City, APM, and others invited by City. City Project Manager shall present an overview of City's goals for the Project and provide a virtual tour of key sites in the Project Area. City shall coordinate virtual tour logistics, such as pre-located destination 'pins' on Google Earth (or similar software) ~~including route and transportation options, and provide safety equipment (e.g., safety vests), where appropriate, for attendees use.~~ Consultant shall review the Project schedule and identify additional background data and materials needed for Project at the Project Initiation Meeting.

The meeting and tour shall, in total, be two ~~to four~~ hours in duration. At least two Consultant staff shall attend the meeting in-person. Consultant shall provide bulleted summary to City and APM within five business days of the Project Initiation Meeting and Site Visit.

### **1.4 Community Advisory Committee and Interested Parties List**

City shall compile a list of potential stakeholders and invite them to participate on a Community Advisory Committee (CAC) for the Project. Stakeholders invited to participate in the CAC should include topic area experts in the type of development City is seeking to attract, and representatives of public agencies, community organizations, and directly affected parties such as:

- City Council and Planning Commission
- Lincoln County
- Lincoln County School District
- Fire and Emergency Service Providers

- Local Business and Agency Representatives
- Faith Based Organizations
- Mixed-Use or Multi-Family Housing Developers
- Lending Institutions
- Architect or Engineering Design Professionals
- Centro De Ayuda
- Oregon Department of Land Conservation and Development

City may invite any other community members interested in Project-related issues and local organization(s) representing equity interests but should aim for a committee of no more than 18 members. CAC will meet to review Project deliverables and provide guidance on the development of Project deliverables.

City shall maintain an Interested Parties List that includes CAC members and other parties expressing interest in the Project for notification of Project progress, meetings, presentations, and outreach opportunities.

Consultant will assist in reviewing the list of members and making recommendations or helping to secure participation of up to two members requiring more support.

### **1.5 Public Involvement Plan**

Consultant will develop a Public Involvement Plan that outlines all outreach methods, responsibilities and roles for all team members, and a schedule for successful completion of the outreach deliverables in this SOW. The Public Involvement Plan must identify outreach methods, roles and responsibilities for team members, and a schedule that is consistent with this Statement of Work. Coordination will take place with City and APM to determine the outreach methods that result in the highest level of engagement, particularly from historically under-represented community members. Consultant shall use the ODOT [Equitable Community Engagement Guide](https://www.oregon.gov/odot/equity/HB2985/Equitable%20Community%20Engagement%20Guide.pdf) available at <https://www.oregon.gov/odot/equity/HB2985/Equitable%20Community%20Engagement%20Guide.pdf> for development of the Public Involvement Plan. Consultant shall provide City and Agency with a draft Public Involvement Plan for review. Consultant shall conduct one round of revisions to the Public Involvement Plan based on comments from the City and Agency.

### **1.6 Project Website Launch**

Consultant shall develop a Project Website that is available to the public for the entire duration of the Project. Consultant shall coordinate with the City to determine the structure and format for the Project Website. Consultant shall host and obtain a stand-alone URL for the Project Website. City shall maintain a link from City's website to the Project Website.

Consultant shall prepare initial content for the Project Website that includes a Project description, a Project schedule showing major Project tasks and tentative dates for public outreach opportunities, and ways to provide comment and to be added to the Interested Parties List established in Task 1.4. The Project Website must include a Spanish-language landing page with initial content in Spanish.

Consultant shall provide draft initial materials for the Project Website to City and APM and incorporate revisions resulting from one consolidated round of City and APM review before the Project Website is made available to the public. The City's and APM's review shall consist of a single list of non-contradictory comments (and specific direction for each comment).

## **TASK 2        OUTREACH**

### **2.1     CAC Meetings**

City shall arrange and Consultant shall host and facilitate six CAC meetings to provide an overview of the Project and review of project deliverables. CAC Meetings 1, 2, 4, and 6 to be held online; CAC Meetings 3 and 5 to be held in-person in Newport.

- Meeting #1 will provide an overview of the Project, adopt the committee charter, and review Draft Memoranda #1. Consultant shall facilitate a process at CAC Meeting #1 to refine goals, objectives, and project evaluation criteria in Draft Memorandum #1 and to rank the relative importance of those goals and objectives. At least one technical Consultant staff and one engagement Consultant staff shall attend the meeting.
- Meeting #2 will review Draft Memoranda #2 and #3. At least one technical Consultant staff and one engagement Consultant staff shall attend the meeting.
- Meeting #3 will review the gap analysis in Draft Memorandum #4. Consultant shall solicit members' views on the gap between likely future development and the goals / vision as well as on strategies or packages of strategies the City could use to address that gap. CAC Meeting #3 must occur at least one week before Public Event #1 to allow the event materials to be modified based on CAC feedback. At least one technical Consultant staff and two engagement Consultant staff shall attend the meeting.
- Meeting #4 will review the results of input on Draft Memorandum #4 at Public Event #1, Planning Commission Work Session #1, and City Council Work Session #1. Consultant shall seek CAC feedback on plan and code amendments, public investments, and incentives needed to address gaps identified in Draft Memorandum #4. At least one technical Consultant staff and two engagement Consultant staff shall attend the meeting.
- Meeting #5 (same day as Public Meeting #2) review Comprehensive Plan and Development Code amendment concepts in Draft Memorandum #5, proposed public investments in Draft Memorandum #6, and proposed incentives in Draft Memoranda #7. Consultant shall use the meeting to solicit input from CAC on the suitability of proposed measures in the Draft Memoranda, and issues related to development of Comprehensive Plan elements. At least one technical Consultant staff and one engagement Consultant staff shall attend the meeting.
- Meeting #6 will review the contents of Revised Memorandum #9 and the Draft NCCRP that will be considered for adoption. Consultant shall solicit input on the Draft NCCRP. At least one technical Consultant staff and two engagement Consultant staff shall attend the meeting.

CAC Meetings are expected to be 90 minutes to two hours in duration. For each CAC Meeting, Consultant shall prepare a draft agenda, hold a 30-minute review and preparation meeting online with City to review the agenda, make changes, and finalize materials. City shall send agenda and meeting materials to CAC members at least a week prior to the meeting as well as an email with the meeting summary following the meeting. Consultant shall provide meeting summaries of roughly two pages that include high-level key issues discussed at meetings and

any implications for Project Schedule or deliverables, to City and APM within 5 business days of each CAC Meeting; detailed meeting minutes will not be taken.

## **2.2 Stakeholder Interviews**

Consultant shall conduct 10 Stakeholder Interviews of roughly 30 minutes each to identify key issues of concern prior to preparation of Draft Memo \_\_, Alternatives Exploration. Consultant shall conduct Stakeholder Interviews by telephone or by virtual meeting software. City shall provide a preliminary list of stakeholders and contact information to Consultant for review and comment prior to Project Kickoff Meeting. Stakeholder Interviews should include a representative of a Title VI population (low-income or minority). Consultant shall provide a draft of the Stakeholder Interview questions to the City for review and comment prior to Stakeholder Interviews. Consultant shall submit one (1) no more than three (3)-page written summary that aggregates all Stakeholder Interviews. If desired, unedited notes may be included as an appendix.

## **2.3 Stakeholder Outreach Event**

Consultant shall conduct and facilitate a three-hour workshop that targets a broad cross section of the community, including groups and individuals that would not normally attend a CAC meeting, to gather input that will help inform the CAC members about community issues and concerns. At least one technical Consultant staff and two engagement Consultant staff shall attend. It will be held in-person in Newport. Consultant shall hold one subgroup discussion in Spanish to communicate with Spanish-speaking stakeholders invited by the City; this maybe held virtually or in-person at the same time or before/after the larger group meeting; based on recommendations from community organizations about the community's preference. However, the Spanish meeting will be held the same day to reduce travel costs for the Consultant team.

Consultant and City roles and responsibilities for this event will be the same as described in tasks 2.4 Public Events.

## **2.4 Public Events**

City shall arrange and Consultant shall conduct two Public Events. Public Events are expected to be in-person and intended to be engaging and to facilitate interaction between participants and the Project team. At least two Consultant team members must attend each Public Event.

- **Public Event 1: Stakeholder Workshop**

Consultant shall present findings from Draft Memoranda #1, #2, #3 and #4, including:

- proposed goals and objectives for the CCRP in Draft Memorandum #1,
- an overview of existing and future conditions in the Project Study Area in Draft Memorandum #2,
- results of the market analysis for development in the Project Study Area in Draft Memorandum #3,
- impediments to achieving the goals and objectives in Draft Memorandum #4, and
- potential policies and investments the City could use to achieve goals and objectives for the Project Study Area.

Consultant, supported by the City, shall facilitate an interactive scenario exercise to explore how transportation and development can be aligned. The exercise will be structured to help

refine and consolidate ideas for a preferred scenario(s) based on feedback and feasibility considerations. Initial implementation ideas – such as necessary steps, timelines, responsible parties, and funding sources – will also be covered. The workshop will conclude with a presentation summarizing the findings, preferred scenario(s), and initial implementation ideas, to gather final feedback, and discuss next steps.

- Public Event 2: Open House

Consultant shall present a summary of proposed policies and investments for the City to use to achieve the goals and objectives in Revised Memorandum #1, including:

- comprehensive plan and development code amendments in Draft Memorandum #5,
- public investments in Draft Memorandum #6, and
- public incentives for desired development in Draft Memorandum #7.

The Public Events shall include:

1. Postcard - Consultant shall prepare a postcard advertising Public Events. Postcard for Public Event #1 must include notice of Planning Commission Work Session #1, and City Council Work Session #1. Postcard for Public Event #2 must include notice of Planning Commission Work Session #2, and City Council Work Session #2. City shall print and distribute Postcards for each Public Event and conduct other outreach for the Public Events including posts on City social media accounts, advertising in City utility bills, and other means.
2. Presentation Materials - Consultant shall utilize text and graphics from relevant Project memoranda to prepare at least four and up to ten graphical displays and one- to four-page informational handouts. Presentation Materials must seek to engage participants in attendance at the Public Event. City shall print graphical displays for viewing at the Public Event. Consultant will publish presentation materials to the Project Website no later than the day of the Public Event. Presentation Materials for Public Event #2 must include illustrative “plan view” and three-dimensional renderings of proposed development in the Project Study Area.
3. Online Open House – Consultant shall provide a means for visitors to the Project Website to view Presentation Material for the Public Event and provide comments. Materials and commenting ability must remain live on the Project Website for a minimum of two weeks following each Public Event.

For each Public Event, Consultant shall prepare a draft event plan and hold a one hour meeting online with City to review the event plan and Presentation Materials. Within 10 business days after each Public Event, Consultant shall provide City and APM with a memo under 10 pages that summarizes key issues raised at the Public Event and any implications for Project schedule or deliverables.

Consultant shall translate content of Postcard and Presentation Materials into Spanish. Consultant shall post Spanish-language materials on Project Website at the same time as the corresponding material in English.

City shall provide to Consultant any public comments received separately by City one week after the comment period for Public Events close. Consultant shall maintain a compilation of public comments received through the Project Website, from City, and at Public Events.

## **TASK 3      DEVELOP POLICY BASIS FOR PLAN**

### **3.1      Draft Memorandum #1: Plan Goals and Objectives**

Consultant shall prepare Draft Memorandum #1 that identifies potential goals and objectives for NCCRP. Goals and objectives in Draft Memorandum #1 must focus on suggested edits and additions to the currently adopted City goals and policies related to conditions in the Project Area, as well as City priorities identified at the Task 1 Project Initiation Meeting.

Draft Memorandum #1 must also include Evaluation Criteria (e.g., equity, gap closure, safety) for evaluating deliverables, policy and code options, and prioritizing recommended projects, based on goals and objectives. Consultant shall coordinate with City in the development of the Evaluation Criteria for the prioritization of projects. The 2022 TSP identified two alternatives for improving transportation facilities within the Project Area along US 101. Draft Memorandum #1 must make an assessment of those alternatives to identify the alternative, or variations of the alternatives, will best support Project objectives.

### **3.2      Draft Memorandum #2: Existing Conditions**

Consultant shall prepare Draft Memorandum #2 in the form of a PowerPoint presentation that catalogs sources of existing physical and socio-economic conditions. Draft Memorandum #2 must identify a proposed boundary for the analysis of Existing Conditions in the Project Area. The boundary must generally coincide with Figure 1. Data sources documented in Draft Memorandum #2 must include the following:

- Comprehensive Plan designations and zoning
- Pattern and amount of existing land uses by type and location
- Ownership of parcels
- Estimates of population, demographic conditions, and employment by type and, as available, by location

Draft Memorandum #2 must include slides with maps and tables showing the following characteristics of the Project Study Area:

- Location of major employers and trip generators
- Summary of key operational characteristics of existing transportation facilities based on the 2022 TSP
- Qualitative assessment of conditions for people walking, cycling, and using transit
- Location and type of public facilities, including schools, parks, and police/fire stations
- Planned public improvements, including any modifications to existing streets, sidewalks, and transit facilities
- Potential private developments that are known to the public

Draft Memorandum #2 must include slides with a general assessment of the capacity of utilities to serve growth in the Project Area, particularly water, stormwater, and wastewater, based on a review of existing assessments of these services and interviews with staff at utility agencies.

### **3.3 Draft Memorandum #3: Market Analysis**

Consultant shall prepare Draft Memorandum #3 that provides an overview of real estate market conditions and trends and identifies assets, barriers, and opportunities.

Draft Memorandum #3 must include the following elements:

- **Overview of real estate market conditions and trends** (e.g., building stock, vacancies, rents, deliveries, and development pipeline) for up to three housing and select commercial use types in Newport and Lincoln County. We will incorporate information compiled from the HPS or HCA where possible. This analysis will incorporate findings about existing and future conditions from previous efforts such as from the Housing Capacity Analysis and Economic Opportunity Analysis.
- **Identification of assets, barriers, and opportunities** for:
  - Attracting a set of complementary, viable potential uses to the study area
  - Potential changes to local regulations that could improve the environment for development in the Project Area (based on stakeholder interview findings).
  - How the study area can help advance the City's overall economic development goals
  - What role could this area play as the city builds out over the next 20 years

In preparing assessment of market conditions, Consultant shall conduct a field visit of the Project Area during the Project Initiation Meeting and Site Visit (Task 1.3) and conduct a series of phone or Zoom interviews with at least five area contacts identified by the City.

### **3.4 Revised Memorandum #1**

Consultant shall revise Draft Memorandum #1 after Public Event #1 to incorporate comments by reviewers and from the public per direction by City and APM. Revised Memorandum #1 must identify a set of goals, vision statements, and policies specifically for the Project Area and the areas recommended for inclusion in the NCCRP. Revised Memorandum #1 must identify a preferred alternative for improvement of the US 101 corridor in the Project Area.

### **3.5 Revised Memorandum #2**

Consultant shall revise Draft Memorandum #2 after Public Event #1 to incorporate comments by reviewers and from the public per direction by City and APM.

### **3.6 Revised Memorandum #3**

Consultant shall revise Draft Memorandum #3 after Public Event #1 to incorporate comments by reviewers and from the public per direction by City and APM.

## **TASK 4: GAP ANALYSIS**

### **4.1 Draft Memorandum #4: Gap Analysis**

Consultant shall prepare Draft Memorandum #4, documenting the analysis of the gap between the vision for future land use and transportation characteristics in Revised Memorandum #1 and the characteristics that are likely to result from development and redevelopment that is consistent with current adopted policies, standards, regulations, and existing and planned public facilities. To support the Consultant's efforts, the City will provide an annotated list of development code and public works standards that could be affected by, and may need to be amended, due to NCCRP changes.

In preparing Draft Memorandum #4, Consultant shall:

#### **Identify a Baseline Future Condition:**

- Develop a Baseline Future by estimating the likely type and intensity of future land uses and transportation conditions in the Project Area, consistent with current adopted policies, standards, regulations, and existing and planned public facilities. The transportation baseline future will be based on the planning horizon used in the 2022 Newport TSP.
- Assess consistency of Baseline Future conditions with the goals and objectives in Revised Memorandum #1.
- Identify impediments to achieving the goals and objectives in Revised Memorandum #1. Impediments may include market conditions, public facility and service capacities, and policies and regulations found in City's adopted Comprehensive Plan, existing Refinement Plans, 2022 TSP, and Development Code.

#### **Conduct an Alternatives Analysis:**

- Alternatives developed for Draft Memorandum #4 must include two alternatives for US 101 in the Project Study Area, one with the existing alignment and one with a couplet on US 101. Consultant shall work with the City to identify the alignment and extent of the proposed US 101 couplet. All alternatives must assume US 20 remains in its current alignment.
- For each transportation alternative, Consultant shall develop at least two alternatives for land use development in the Project Study Area that show a range of development intensities and a mix of land uses consistent with Plan Goals and Objectives in Revised Memorandum #1.

#### **Develop an Implementation Strategy:**

- Describe potential measures City could use to implement alternatives to achieve goals and objectives in Revised Memorandum #1. Potential measures may include plan policies, zoning districts, Development Code regulations, incentives, and public-private partnerships. Potential measures must include measures commonly used by municipalities in Oregon as well as less common and innovative measures such as form-based codes and design guidelines. Consultant shall consider development code concepts contained in the Transportation and Growth Management Program publications available at the Code Assistance site at <http://www.oregon.gov/LCD/TGM/Pages/codeassistance.aspx>.
- Assess the suitability of potential implementation measures, including an assessment of the strategy's legality in Oregon, relative administrative cost, potential market reaction, degree of goal and vision implementation, likelihood of citizen acceptance, and implications for other City policies and practices.

- Identify investments in public facilities and services, in addition to or revising those that are already planned, that are likely needed to support a land use pattern consistent with goals and objectives in Revised Memorandum #1. Additional public investments may include improvements to the transportation system, parks and recreation facilities and services, public safety, and utilities.
- Identify steps needed to implement potential measures and additional public investments to support goals and objectives in Revised Memorandum #1.
- Recommend specific boundaries for application of proposed policies and investments, if applicable and consistent with boundaries established in Revised Memorandum #2.

#### **4.2 Planning Commission Work Session #1**

City shall arrange and conduct a work session for the Planning Commission. Consultant shall attend the Planning Commission Work Session in person to present a summary of goals and objectives for the NCCRP from Revised Memorandum #1 and of findings from Draft Memoranda #4 including:

- impediments to achieving the goals and objectives in Revised Memorandum #1,
- potential implementation measures, and
- public investments needed to support desired development.

Consultant shall respond to questions from Commissioners.

#### **4.3 City Council Work Session #1**

City shall arrange and conduct a work session for the City Council. Consultant shall attend the City Council Work Session in person to present a summary of goals and objectives for the NCCRP from Revised Memorandum #1 and of findings from Draft Memoranda #4 including:

- impediments to achieving the goals and objectives in Revised Memorandum #1,
- potential implementation measures, and
- public investments needed to support desired development.

Consultant shall respond to questions from Councilors.

#### **4.4 Revised Memorandum #4**

Consultant shall revise Draft Memorandum #4 to incorporate comments by reviewers, Planning Commissioners, City Councilors, and the public as directed by City and APM. Revision of Draft Memorandum #4 must occur after Planning Commission Work Session #1, City Council Work Session #1, and Public Event #1. Revised Memorandum #4 must identify a preferred alternative for land use and transportation in the Study Area along with recommended implementation measures and public investments to support the preferred alternative.

## **TASK 5: PLAN IMPLEMENTATION**

### **5.1 Memorandum #5: Comprehensive Plan and Development Code Concepts**

Consultant shall prepare Draft Memorandum #5, to include recommendations and proposed conceptual amendments to City's Comprehensive Plan and Development Code necessary to implement the preferred alternative for plan and code amendments identified in Revised Memorandum #4.

Draft Memorandum #5 must include:

- A series of Area Plan Maps showing where the proposed Comprehensive Plan designations and zoning districts would be applied in the Project Area. Boundaries for application of plan designations and zoning must be composed of whole parcels with identifiable boundaries for individual parcels.
- A description of potential Comprehensive Plan designations and zoning districts, with a description of the types of allowed land uses and development requirements that will affect the type, density, and appearance of development in each designation and district. The Comprehensive Plan designations and zoning districts must be consistent with the preferred alternative identified in Revised Memorandum #4.
- A description of potential Development Code amendments to implement the preferred alternative in Revised Memorandum #4.

Consultant shall use applicable development code text contained in publications on the Transportation and Growth Management Program's Code Assistance web page at <http://www.oregon.gov/LCD/TGM/Pages/codeassistance.aspx> to prepare Conceptual Development Code amendment recommendations to implement the plan designations and zoning districts. Conceptual Development Code amendment recommendations must address critical aspects of site and building design, including:

- Parking requirements
- Pedestrian circulation
- Building Mass / Floor-to-Area Ratio
- Building Orientation
- Lot Size
- Setbacks
- Landscaping
- Height

Development of Memorandum # 5 must be coordinated with development of Draft Memoranda #6 and #7 to identify potential Comprehensive Plan and Development Code amendments that support implementation of Public Investments in Revised Memorandum #6 and Incentives and Public-Private Partnerships in Draft Memorandum #7.

## **5.2 Draft Memorandum #6: Public Investments**

Consultant shall prepare Draft Memorandum #6, which must include recommendations for public investments that are necessary and desired to support implementation of the preferred alternative for public investments in Draft Memorandum #4. Public investments must include improvements to the transportation system that will likely include the following elements:

- Sidewalk infill and improvement
- Creation and extension of multi-use paths
- Locations and facilities for transit stops
- Provision of bicycle facilities on arterial and collector streets
- Pedestrian crossing locations and improvements
- Intersection improvements including traffic control measures
- Reconfiguration of existing rights-of-way

Given the developed nature of the Project Area, expansion of existing right-of-way is not anticipated.

In addition to improvements to the transportation system, Draft Memorandum #6 must identify other public investments that are supportive or complementary to the vision in Revised Memorandum #1. Other public investments may include:

- Landscaping
- Wayfinding signage
- Sidewalk furnishings and fixtures
- Public art and gateway features
- Public parks and recreation facilities
- Plazas or similar public spaces

Draft Memorandum #6 must include a summary assessment of the need for investments in public utilities serving the Project Area. The assessment of public utility needs must be based on proposed increases in population and employment density in the Project Area, existing assessments and plans for those utilities, and the information gathered through contacts with utility staff. Draft Memorandum #6 will not include a detailed assessment of the condition or capacity of public utilities beyond that identified in existing documents, by utility staff, or known by City.

## **5.3 Draft Memorandum #7: Incentives and Public-Private Partnerships**

Consultant shall prepare Draft Memorandum #7, which must identify potential incentives the City could provide to private businesses and public-private partnerships with private businesses to implement the preferred alternative in Revised Memorandum #4. Incentives and public-private partnerships in Draft Memorandum #7 must be described in more detail than in Revised Memorandum #4 and include an assessment of costs and potential funding and financial strategies for these costs over the planning period.

## **5.4 Draft Memorandum #8: Multimodal Mobility Impact Assessment**

Consultant shall prepare Draft Memorandum #8, which must assess the implication of achieving the preferred alternative in Revised Memorandum #4 on mobility for all modes. Draft Memorandum #8 must assess future conditions under the preferred alternative using the planned transportation

system in the year 2040, including transportation investments included in Draft Memorandum #6. Draft Memorandum #8 shall use the future conditions forecast in the 2022 TSP as a baseline for assessment of future conditions with modifications to reflect transportation investments included in Draft Memorandum #6.

Draft Memorandum #8 must include an assessment of conditions at the following intersections in the Project Study Area:

- US 20 at NE Harney Street / SE Moore Drive
- US 20 at US 101
- US 101 at Second Street / Angle Street
- US 101 at Hubert Street / Canyon Way
- US 101 at Bayley Street

Consultant shall identify potential measures to address deficient or undesirable mobility conditions indicated by the analysis. Measures to address mobility conditions may include additional improvements to the transportation system, changes to mobility-related standards, or changes in plan and code amendments proposed in Draft Memorandum #5.

Prior to beginning analysis for development of Draft Memoranda #8, Consultant shall prepare a methodology memorandum documenting the methodology and assumptions to be used for Draft Memorandum #8. The methods and assumptions for development of Draft Memorandum #8 must be reviewed and approved by the ODOT Transportation Planning Analysis Unit and ODOT Region 2 Traffic before completion of Draft Memorandum #8.

### **5.5 Planning Commission Work Session #2 (Code Concepts)**

City shall arrange and conduct a work session for the Planning Commission. Consultant shall attend the Planning Commission Work Session in person to present a summary of Comprehensive Plan and Development Code amendment concepts in Draft Memorandum #5, proposed public investments in Draft Memorandum #6, incentives and public-private partnerships in Draft Memo #7, and future transportation conditions described in Draft Memoranda #8. Consultant shall respond to questions from Commissioners.

### **5.6 City Council Work Session #2 (Code Concepts)**

City shall arrange and conduct a work session for the City Council. Consultant shall attend the City Council Work Session in person to present a summary of proposed Comprehensive Plan and Development Code amendment concepts in Draft Memorandum #5, proposed public investments in Draft Memorandum #6, incentives and public-private partnerships in Draft Memo #7, and future transportation conditions described in Draft Memoranda #8. Consultant shall respond to questions from Councilors.

### **5.7 Revised Memorandum #6**

Consultant shall revise Draft Memorandum #6 to incorporate comments by reviewers, Planning Commissioners, City Councilors, and the public as directed by City and APM. Revision of Draft

Memorandum #6 must occur after Planning Commission Work Session #2, City Council Work Session #2, and Public Event #2. City Project Manager shall provide Consultant with compiled comments on Draft Memorandum #6 and provide guidance to Consultant to resolve any potentially conflicting viewpoints. Revised Memorandum #6 must include a set of recommended Public Investments to support implementation of the preferred alternative in Revised Memorandum #4.

#### **5.8 Revised Memorandum #7**

Consultant shall revise Draft Memorandum #7 to incorporate comments by reviewers, Planning Commissioners, City Councilors, and the public as directed by City and APM. Revision of Draft Memorandum #7 must occur after Planning Commission Work Session #2, City Council Work Session #2, and Public Event #2. City Project Manager shall provide Consultant with compiled comments on Draft Memorandum #7 and provide guidance to Consultant to resolve any potentially conflicting viewpoints. Revised Memorandum #7 must include a set of recommended incentives and public-private partnerships to support implementation of the preferred alternative in Revised Memorandum #4.

#### **5.9 Revised Memorandum #8**

Consultant shall revise Draft Memorandum #8 to incorporate comments by reviewers, Planning Commissioners, City Councilors, and the public as directed by City and APM. Revision of Draft Memorandum #8 must occur after Planning Commission Work Session #2, City Council Work Session #2, and Public Event #2. City Project Manager shall provide Consultant with compiled comments on Draft Memorandum #8 and provide guidance to Consultant to resolve any potentially conflicting viewpoints.

### **TASK 6: COMPREHENSIVE PLAN AND DEVELOPMENT CODE AMENDMENTS**

#### **6.1 Draft Memorandum #9: Comprehensive Plan and Development Code Amendments**

Consultant shall prepare Draft Memorandum #9 with Comprehensive Plan and Development Code amendments that implement the preferred alternative in Revised Memorandum #4, the public investments in Revised Memorandum #7, and the public-private partnerships in Revised Memorandum #8. Comprehensive Plan and Development Code amendments in Draft Memorandum #9 must reflect feedback on conceptual amendments from Planning Commission Work Session #2 and City Council Work Session #2. Comprehensive Plan and Development Code amendments in Draft Memorandum #9 must be indicated by underlined text for additions and strikeout text for deletions to City's existing Development Code and related documents.

#### **6.2 Planning Commission Work Session #3 (Code Amendments)**

City shall arrange and conduct a work session for the Planning Commission. Consultant shall attend the Planning Commission Work Session in person to present proposed Comprehensive Plan and Development Code amendment in Draft Memorandum #9. Consultant shall respond to questions from Commissioners.

### **6.3 City Council Work Session #3**

City shall arrange and conduct a work session for the City Council. Consultant shall attend the Planning Commission Work Session in person to present proposed Comprehensive Plan and Development Code amendment in Draft Memorandum #9. Consultant shall respond to questions from Councilors.

### **6.4 Revised Memorandum #9**

Consultant shall revise Draft Memorandum #9 to incorporate comments by reviewers, Planning Commissioners, City Councilors, and the public as directed by City. Revision of Draft Memorandum #6 must occur after Planning Commission Work Session #3 and City Council Work Session #3. City Project Manager shall provide Consultant with compiled comments on Draft Memorandum #9 and provide guidance to Consultant to resolve any potentially conflicting comments.

## **TASK 7: PLAN ADOPTION**

### **7.1 Draft NCCRP**

Consultant shall prepare Draft NCCRP to incorporate findings and recommendations from Revised Memoranda prepared for the Project. Consultant shall coordinate with City to determine content that will be included in the main body of the Draft NCCRP and content that will be provided in an appendix to preserve this information for future readers without requiring formal adoption of that material.

Prior to beginning work on the Draft NCCRP document, Consultant shall produce one annotated NCCRP outline, listing items and graphics to be included in the NCCRP document and solicit comments from City and APM.

### **7.2 Notice of Proposed Change to a Comprehensive Plan or Land Use Regulation**

City shall prepare and submit the required Notice to the Department of Land Conservation and Development at least 35 days prior to the first scheduled Planning Commission Public Hearing for the Draft NCCRP.

### **7.3 Planning Commission Draft NCCRP**

Consultant shall prepare a Planning Commission Draft NCCRP to incorporate comments CAC and Stakeholders as directed by City and APM.

### **7.4 Planning Commission Public Hearing**

City shall arrange and conduct Planning Commission Public Hearing to seek endorsement of the Planning Commission Draft NCCRP. Consultant shall develop a PowerPoint presentation that summarizes key elements of the Planning Commission Draft NCCRP. Consultant shall attend Planning Commission Hearing in person to present the PowerPoint summary of the Planning Commission Draft NCCRP and answer questions.

**7.5 Adoption Draft NCCRP**

Consultant shall prepare an Adoption Draft NCCRP with revisions to the Planning Commission Draft NCCRP that reflect comments and concerns of Planning Commission as directed by the City and APM.

**7.6 City Council Public Hearing**

City shall arrange and conduct City Council Public Hearing to consider adoption of the Adoption Draft NCCRP. Consultant shall attend in person to present a summary of the Adoption Draft NCCRP and answer questions from Councilors.

**7.7 Final NCCRP**

Consultant shall develop a Final NCCRP by revising the Adoption Draft NCCRP to make changes resulting from City Council actions during the public hearing.

**7.8 Notice of Adopted Change to a Comprehensive Plan or Land Use Regulation**

City shall prepare and submit the required Notice to the Department of Land Conservation and Development regarding adoption of the NCCRP.


**7.9 Title VI Report**

City shall prepare and submit to APM a report delineating Title VI activities, documenting Project process and outreach for all low income, race, gender, and age groups.

**TABLE 1: TASK SCHEDULE**

<b>Task</b>	<b>Title</b>	<b>Schedule</b>
Task 1	Project Initiation	Months 1-3 (and ongoing)
Task 2	Outreach	Months 1-16
Task 3	Develop Policy Basis for Plan	Months 2-5
Task 4	Gap Analysis	Months 4-9
Task 5	Plan Implementation	Months 6-12
Task 6	Comprehensive Plan and Development Code Amendments	Months 12-17
Task 7	Plan Adoption	Months 17-18

### Memorandum

To: Planning Commission/Commission Advisory Committee  
From: Derrick Tokos, Community Development Director   
Date: July 21, 2023  
Re: DLCD Grant Application for Rental Housing Maintenance Code

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On July 17, 2023, the Newport City Council adopted Resolution No. 3990, authorizing City staff to apply for a Department of Land Conservation and Development Commission technical assistance grant to secure funding to evaluate the feasibility of implementing a rental housing maintenance code.

When developing the HPS, the City reached out to the public to gauge the relative priority of the identified action items. The need for a rental housing maintenance code was flagged as a priority, and it was moved forward on the implementation schedule in response to that feedback. It is listed in the HPS as an action item that needs to be completed by the end of 2024.

The Oregon Department of Land Conservation and Development is seeking applications for Housing Planning Assistance Grants for the 2023-25 biennium. They are allocating \$2.5 million statewide and the deadline for applying is July 31, 2023. Grant awards will be made in the fall so that recipients can get consultants under contract around the first of the year. Projects must be completed by May 31, 2025. This lines up well with the City's HPS implementation schedule.

There is no cash match required; however, the provision of a match is a factor that DLCD will consider when evaluating the applications. The City Council seemed comfortable with a cash match of up to \$50,000, with the funds from the flex account in the City's Housing Fund.

This effort will require some of our Building Official's time, as he has direct experience in developing a rental housing maintenance code. His time is limited though, and the technical assistance gained with this grant will allow for a full vetting of the issue, with the Building Official being engaged strategically. A summary of the DLCD technical assistance grant process is enclosed. A description of the scope of the project is included in the HPS as Action Item M (pg. 53), and a copy of the project description and implementation schedule is attached.

The application deadline is July 31, 2023. With that in mind, I am looking for your feedback in terms of key issues that we need to address as part of this effort so that I can include them in the proposal.

#### Attachments

Council Resolution No. 3990  
HPS Project Description and Implementation Schedule  
DLCD Application Pamphlet for Housing Grants

**CITY OF NEWPORT**

**RESOLUTION NO. 3990**

**A RESOLUTION IN SUPPORT OF A DEPARTMENT OF  
LAND CONSERVATION AND DEVELOPMENT TECHNICAL  
ASSISTANCE GRANT TO RESEARCH THE FEASIBILITY OF  
A RENTAL HOUSING MAINTENANCE CODE**

**WHEREAS**, on May 15, 2023, with Resolution No. 3978, the City of Newport adopted a Housing Production Strategy (HPS) consistent with applicable provisions of ORS Chapter 197 and OAR Chapter 660, Division 8; and

**WHEREAS**, the HPS lists a number of actions the City will pursue to facilitate the provision of needed housing; and

**WHEREAS**, researching the feasibility of a rental housing maintenance code is identified as one of the action items, as such a maintenance code could help ensure that Newport's rental housing stock is well maintained, improving the health, safety, and well-being of its residents; and

**WHEREAS**, the need for a rental housing maintenance code was identified by members of the community as a priority relative to other action items identified in the HPS, indicating that there is public support for the concept and that an assessment of its feasibility should be promptly undertaken; and

**WHEREAS**, pursuing a feasibility study of this nature will provide the City an opportunity to engage (separately and collectively) local property management companies, property owners, tenant rights organizations, and community organizations to better understand the relationship between property maintenance, tenant safety, and individual well-being; and

**WHEREAS**, further such a study provides an opportunity for the City to identify its proper role in addressing maintenance problems, which could include the adoption of a rental maintenance code that is scaled so that it can be reasonably implemented by a community of Newport's size; and

**WHEREAS**, the City does not possess sufficient staff resources or expertise to evaluate the feasibility of a rental housing maintenance code without technical assistance; and

**WHEREAS**, Newport has sufficient funds and is prepared to dedicate its limited staff resources, as needed, to fulfill its obligations related to this grant application should DLCD award the grant.

Based upon these findings:

**THE CITY OF NEWPORT RESOLVES AS FOLLOWS:**

**Section 1.** The Community Development Director of the City of Newport is authorized to apply for a Department of Land Conservation and Development technical assistance grant to secure funding to evaluate the feasibility of implementing a rental housing maintenance code; and

**Section 2.** The effective date of this resolution is July 17, 2023.

Adopted by the Newport City Council on July 17, 2023.

CITY OF NEWPORT



Jan Kaplan, Council President

ATTEST:



Erik Glover, Asst. City Manager/City Recorder

## M. Research rental housing maintenance code feasibility

### Rationale

Adoption of a Rental Housing Maintenance Code could help ensure that Newport's rental housing stock is well maintained and could improve the health, safety, and well-being of residents that rent in Newport. Advisory Committee members and other stakeholders cited the condition of Newport's housing stock as a concern.

### Description

Oregon landlord-tenant law requires that rental properties are kept in habitable condition, including specific standards for heat, water, plumbing, weather protection, and more. A local Rental Housing Maintenance Code is an adopted ordinance which requires landlords to maintain their rental properties to habitability standards. A maintenance code can help renters and property owners communicate and resolve issues without City involvement / legal action. It may allow the City to resolve landlord-tenant disputes more effectively regarding the conditions of a dwelling rather than solely relying upon the nuisance abatement process.

The City of Newport could consider implementing a similar Rental Housing Maintenance Code as the City of Eugene's which covers 10 subject areas: heating, plumbing, security, electrical, appliances, smoke detection, structural integrity, weatherproofing, carbon monoxide alarms, and pest control for rats. The Eugene Code allows for complaints to be filed and investigated by the City. If the complaint is valid, the City notifies the property owner or the owner's agent of the violation that includes directions about how to resolve the violations (required repairs) and when they are to be completed. A property owner or the owner's agent have due process appeal rights under the program. The Program is funded by property owners registering their property(ies) and paying an annual \$20/unit fee to the City, which offsets the administration costs of the program. The Program also exempts payment of the fee (but not compliance with standards) for deed-restricted affordable units for households at or below 60 percent of AMI, for rentals that have been approved by the City for an exemption from some other property taxes for low-income housing, and for properties of the Housing Authority.

The City could research the feasibility of implementing such a program at the City of Newport by engaging (separately and collectively) local property management companies, property owners, tenant rights organizations, and community organizations. The City could engage with anonymous tenants aware of the relationship between property maintenance, tenant safety, and well-being. After understanding any problems, the City would seek feedback from stakeholders on how to address property maintenance problems, which may include the adoption of a Rental Maintenance Code by the City, and report findings to the City Council.

### City Role

Conduct outreach and research; draft ordinance and resource requirements.

### Partners and their Role

Engage renters and property to understand challenges and develop solutions.

### Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low, very-low, low-, and moderate-income residents	All income levels	Renter	Small

### Potential Risks

This could require considerable amount of staff time to monitor and enforce and could raise the cost of rental housing.

### Implementation Steps

- Develop an inventory of rental properties with contact information of property managers and owners.
- Conduct outreach with renters, owners, property managers and other affected stakeholders to determine the extent of property maintenance problems, how they affect tenant safety and well-being, and if City rental housing maintenance regulations might be effective in addressing the issues.
- Identify the resources needed to implement a rental housing maintenance code program, including relevant regulations, staff, and equipment requirements.
- Engage policy makers to determine if a rental housing maintenance program should be pursued and how it would be funded.
- Develop and implement the rental housing maintenance code, which may require engagement of a consultant with expertise in this area.

### Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
Feasibility study complete by December 2024	Depends on the results of the feasibility study	Depends on the results of the feasibility study

### Funding or Revenue Implications

The city would need to cover the costs of the program, which could include a fee on rental properties. In addition, enforcing this code could require a substantial amount of staff time.

### Exhibit 13. Implementation Schedule

Actions	2023	2024	2025	2026	2027	2028	2029	2030	2031	
A. Use Urban Renewal to support housing and infrastructure development	Ongoing implementation of existing URA						Evaluate changes to URA or feasibility study for new district; Potential Official Action by City Council end of 2031			
B. Implement the Homebuyer Opportunity Limited Tax Exemption			Adoption	Implementation						
C. Reduce development code barriers to housing development		Adoption	Implementation							
D. Adjust the allocation of the Construction Excise Tax to support affordable housing development		Official City Council Action	Implementation							
E. Lobby the Legislature for more resources to support housing development and remove regulatory barriers to housing development	Ongoing City Council will discuss and review annually									
F. Establish a low-barrier emergency shelter and warming center in Newport	Development and opening of facility by end of 2026				Implementation					
G. Support development of a regional housing entity focused on low- and moderate-income housing development				Ongoing local and regional discussions		Official City Council Action	Implementation			
H. Participate in the regional homelessness action plan	Plan Development		5-Year Plan Implementation							
I. Pay System Development Charges (SDC) for workforce housing	Develop Distribution Plan		Implementation							
J. Grow partnerships with Community Land Trusts	Ongoing; Will require City Council action for specific projects as needed City Council will discuss and review annually									
K. Support outreach and education to promote equitable housing access	Ongoing, likely to focus on involvement for actions such as B, C, D, F, G, H, I, and M.									
L. Pursue an Urban Growth Management Agreement (UGMA) with the County				Adoption	Implementation					
M. Research rental housing maintenance code feasibility		Adoption								

# Department of Land Conservation and Development



## Application for Housing Planning Assistance Grants & Consultant Support

**2023-2025**

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## PLANNING ASSISTANCE

### PROGRAM DESCRIPTION

The Department of Land Conservation and Development (DLCD) provides resources to help Oregon communities prepare and update local land use plans and implementing ordinances to respond to growth management and resource protection issues and changes in state agency programs and requirements.

By the end of the 2023 legislative session, DLCD anticipates the Oregon Legislature to appropriate funds to DLCD for the purpose of providing planning assistance to local governments to:

- 1) Develop, adopt, and implement plans needed to support housing production, affordability, and choice, including housing capacity analyses (HCA) and housing production strategies (HPS) under Goal 10.

*Please note: DLCD does not recommend commencing a housing capacity analysis in the 2023-25 biennium as administrative rules will be updated by January 1, 2025, consistent with [House Bill 2001 \(2023 Session\)](#). If your city has an upcoming HCA deadline, please contact the housing team.*

- 2) Develop, adopt, and implement urbanization and public facilities plans to support development readiness or amend an Urban Growth Boundary where a need is identified.
- 3) Update local development codes and comprehensive plans to comply with applicable state housing statutes and reduce regulatory barriers to housing production.

DLCD is appropriated these funds until the end of the 2023-25 biennium (June 30, 2025), at which point unspent funds are reverted to the General Fund. To provide as much time as practicable to support project timelines, DLCD is beginning the application process before the beginning of the 2023-25 biennium to provide jurisdictions as much time as possible to complete this work.

**Please note that, at the time of publication of these application materials, the Legislature has not yet approved funding for certain kinds of housing planning assistance. As such, while DLCD can confirm some funding availability, the full scope and amount of funding availability is tentative at this time.**

The deadline for all housing planning applications is **July 31, 2023**.

### WHO CAN APPLY

Planning Assistance applications will be accepted from the following applicant types. For applicants requesting multiple services, please submit a separate application form for each project.

### Cities and Counties

- Any city or county with an applicable statutory requirement related to housing, including:
  - Goal 10 planning (housing capacity analysis and housing production strategy) for cities above 10,000 population
  - Goal 14 planning (UGB amendments, land exchanges, and urban/rural reserves) where a need has been identified
  - Middle housing requirements under ORS 197.758
  - Other housing-related statutory requirements, such as accessory dwelling units, manufactured/prefabricated homes, and clear and objective standards.
- A city or county optionally seeking to facilitate housing production, affordability, and choice within their community.

*Note: A third party may apply on behalf of a city or county. Grant or consultant support awarded to a city or county will be contingent on the ability of the city or county to manage and participate in a project.*

### Regional Entities

- Counties, regional governments, or councils of government seeking to pursue a regionally-based project or support one or more cities or counties with a housing-related project or projects.

## GRANT PROGRAM CONTACTS

DLCD staff are available to answer your questions regarding application requirements and status. **The first point of contact is the regional representative for your jurisdiction.** You can find the regional representative assigned to your jurisdiction or region at <https://www.oregon.gov/lcd/CPU/Pages/Regional-Representatives.aspx>.

If you cannot contact your regional representative, please contact:

For housing-related questions, please contact the housing team:  
[Housing.dlcd@dlcd.oregon.gov](mailto:Housing.dlcd@dlcd.oregon.gov)

For grant- or application-related questions:  
Angela Williamson, Grants and Periodic Review Administrative Specialist  
[DLCD.GFGrant@dlcd.oregon.gov](mailto:DLCD.GFGrant@dlcd.oregon.gov) or (971) 239-2901

## ELIGIBLE PROJECTS AND EVALUATION CRITERIA

Planning Assistance is used to help complete projects necessary for local governments to achieve the following priorities:

### Project Evaluation Criteria and Priorities

1. The project fulfills a housing-related statutory obligation.
2. The project facilitates housing production, affordability, and choice where it is needed most.
3. The project emphasizes fair and equitable housing outcomes.

The Planning Assistance evaluation review criteria, explained in sections 1 through 5 below, address program priorities, considerations to ensure appropriate use of funds, and other program objectives. Please address these, as applicable, in your application attachment.

Projects are not expected to satisfy non-mandatory criteria, but those that rate well under one or more of them will have an improved likelihood of receiving grant or consultant support.

## 1. Project Objectives

The *project objectives* are clearly stated; address the problem, need, opportunity, and issues; are defined in a manner consistent with the statewide planning goals; and directly relate to a clear statement of expected outcomes. The project objectives need to be reasonably achievable.

## 2. Program Priorities

The project addresses the *program priorities* as follows:

### **1. The project fulfills a housing-related statutory obligation.**

First priority for grant and consultant support will be for projects fulfilling a housing-related statutory obligation, including the on-going implementation of Goal 10 and related provisions. Funding will be awarded in consideration of statutory applicability, deadlines, and local capacity to fulfill statutory requirements. Examples of projects include, but are not limited to projects in which a local government is required to:

- Develop a housing capacity analysis in accordance with ORS 197.296 or ORS 197.297 and OAR chapter 660, divisions 7 and 8.  
*Please note: DLCD recommends against a city commencing a housing capacity analysis in the 2023-25 biennium as administrative rules will be updated by January 1, 2025, consistent with House Bill 2001 (2023 Session). If your city has an upcoming HCA deadline, please contact the housing team.*
- Adopt a housing production strategy in accordance with ORS 197.290 and OAR chapter 660, division 8.
- Adopt a housing coordination strategy in accordance with House Bill 2001 (2023 Session).
- Amend local development codes to comply with the provisions of ORS 197.758 allowing middle housing.
- Amend local development codes to comply with other housing-related statutory requirements, including:
  - ORS 197.307 – clear & objective requirements
  - ORS 197.312 – accessory dwellings
  - ORS 197.314 – manufactured/prefabricated housing
  - Other housing-related statutory requirements
- Amend an Urban Growth Boundary when a housing need is identified in a housing capacity analysis.

## **2. The project facilitates housing production, affordability, and choice where it is needed most.**

Additional prioritization will be given to projects that substantially encourage housing production, affordability, and choice, especially in communities facing severe disparities in cost burden and other housing outcomes. This includes prioritization for smaller, capacity-constrained jurisdictions seeking to support housing production. Examples of potential projects include, but are not limited to:

- Any project included in criterion #1 that is not statutorily required.
- Develop or adopt a plan or action that facilitates housing production, affordability, and choice, such as a code audit/amendment, local affordable housing funding strategy, or local program related to housing.
- The adoption of urban reserves to facilitate future Urban Growth Boundary amendments where a need is identified.
- Facilitate an Urban Growth Boundary land exchange to bring land into the UGB that is more likely to support the development of needed housing.
- Adopt or amend a concept area & development readiness plan that enables and facilitates housing production in an identified area within an Urban Growth Boundary.

## **3. The project emphasizes fair and equitable housing outcomes.**

Additional prioritization will be given to projects that emphasize equitable outcomes & engagement and affirmatively further fair housing, which means:

“meaningful actions that, when taken together, address significant disparities in housing needs and access to opportunity and replace segregated living patterns with truly integrated and balanced living patterns to transform racially and ethnically concentrated areas of poverty into areas of opportunity and foster and maintain compliance with civil rights and fair housing laws.”

## **3. Project Description**

The *approach, budget (if requesting a direct grant), products, and timing* are defined for every task and are reasonable considering the benefits of the project and the work proposed is reasonably likely to achieve the project objectives.

A sample work program is provided as a template that jurisdictions may use for this purpose. If an applicant expects the project to look substantially similar to the template, they do not need to submit a separate project scope. However, if the applicant expects the project to include significant differences from the provided templates, they must submit a project scope thoroughly tailored to the expected work for the project (see the attached application for detail on what to include).

Priority will be given to proposals that provide detailed project descriptions with well-defined tasks, products, and timelines.

#### 4. Grantee Capacity

The application and past performance on grant-funded projects (where applicable) demonstrate that there is *adequate local capability* to successfully manage the project. Past performance on grant-funded projects will affect the prioritization of submitted proposals.

#### 5. Leverage

The applicant demonstrates commitment to the project through contribution of *matching contributions*. Matching funds are *not mandatory* for an application to be successful, but a demonstration of local commitment can tip the balance in favor of some proposals. Matching funds do not need to be from the applicant's budget – they could come from another state agency, a federal agency, or a foundation. In-kind and other non-cash match are also considered, such as staff time dedicated to a project.

### **REVIEW PROCESS**

Applications will be reviewed considering the evaluation criteria explained above. The department will award those applications that best satisfy these criteria.

The department will notify applicants of award decisions at the earliest time possible. To start projects as soon as possible, DLCD is aiming to notify applicants of award decisions within 30 days, but this is subject to change. Unsuccessful applications may be reconsidered if additional assistance becomes available.

Once awards are determined, the DLCD grant manager will work closely with the grantee to complete the scope of work and execute a grant agreement. Again, this will be completed at the earliest time possible; it usually takes 60 to 90 days after the award to complete a grant agreement and several months to execute a contract with a DLCD-provided consultant. DLCD staff aims to **execute grant agreements by approximately November 1, 2023 and consultant contracts by January 1, 2024**. This process can take longer depending on the complexity of the scope of work.

### **ELIGIBLE COSTS**

Grant funds may be expended only for direct project-related costs associated with the funded project. Eligible costs include salary of staff assigned to the project, consultant fees, postage, supplies, and printing. Equipment purchases and indirect costs, including general administrative overhead and software costs, are not eligible.

**Costs incurred prior to signing a grant agreement are not eligible project costs.** This includes costs of preparing the grant application, preparing a statement of work for the grant agreement, and any other work completed before grant agreement execution.

Grant funds are provided on a reimbursement basis for products in accordance with the reimbursement schedule specified in the grant agreement.

## APPLICATION INSTRUCTIONS

**1. Complete the grant application.** Be specific and thorough in describing all proposed grant products as described in the application form. Submit application materials **by July 31, 2023** to:

By e-mail to: [DLCD.GFGrant@dlcd.oregon.gov](mailto:DLCD.GFGrant@dlcd.oregon.gov)

*Please note that we will not be accepting applications by mail. If your jurisdiction requires special accommodations, please reach out to a Grant Program Contact as soon as possible.*

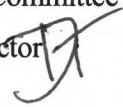
**2. Include a resolution or letter from the governing body of the city or county demonstrating support for the project.** The application must include a resolution or letter from the governing body of the city or county demonstrating support for the project. If the applicant is a regional entity proposing a joint project including multiple local governments, a letter from the local government governing body or administrator with authorization to execute intergovernmental agreements supporting the application may be included in lieu of a resolution. The letter of support may be received by DLCD after the application submittal deadline, but it must be received before planning assistance is awarded.

3. DLCD will confirm receipt of applications by e-mail, review applications promptly, contact applicants if additional information is needed to complete review, and notify applicants of our decision.

### Important Planning Assistance Dates

Date	Planning Assistance Milestone
June 1, 2023	Application period opens; materials distributed
June 5, 2023   10:30a – 12p	Open Forum for follow-up question & answer <a href="#">Zoom link</a>   Meeting ID: 265 799 1542   Passcode: 664570
July 31, 2023	Application period closes; materials submittal deadline
September 1, 2023	Anticipated funding decision; award notices sent
October – November 2023	Direct grant agreements anticipated execution
November – December 2023	Consultant contract anticipated execution
May 31, 2025	Project completion deadline

### Memorandum

To: Planning Commission/Commission Advisory Committee  
From: Derrick Tokos, Community Development Director   
Date: July 21, 2023  
Re: Use of Affordable Housing CET Funds for Market-Rate Multifamily Incentives

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Action Item D in the newly adopted Housing Production Strategy calls for the City to adjust the allocation of the Affordable Housing Construction Excise Tax to provide as much flexibility as possible for policymakers. This will involve redirecting commercial and industrial collections to the flexible affordable housing account, as opposed to allocating them the same as the residential collections. Construction Excise Tax (CET) collections for residential development are required to be allocated such that 15% is reserved for Oregon Housing and Community Services down payment assistance, 50% for developer incentives for multi-family housing, and 35% for flexible affordable housing initiatives. This will require amendments to the Affordable Housing CET Code in NMC Chapter 3.20.

This effort is also an opportunity to consider how the City should distribute funds for affordable housing incentives in a programmatic manner to support market-rate multifamily development (i.e. the 50% pool of funds). These incentives are limited to larger projects with 20+ units. The City has had three such projects since the Affordable Housing CET was adopted and a list showing the affordable housing CET that they paid is attached.

One thought that I have is that, moving forward, the City could pay down a percentage of a projects system development charges and building fees with its available CET funds to drive down the overall cost of permitting charges. This would be in exchange for rent reductions in a certain number of units. This is what I would like to discuss with you on Monday. There are new 60 and 90 unit market-rate multifamily projects in the planning stages, so the topic is timely.

#### Attachments

Affordable Housing CET Fees Paid by Large Multi-Family  
Housing Production Strategy Action Item #D

<b>Multi Family Developments Since 2017</b>	<b>Affordable Housing - Developer incentives</b>	<b>Affordable Housing - Housing and community services</b>	<b>Affordable Housing - Programs and incentives</b>	<b>Affordable Housing Construction Excise Tax - Admin Fee - Res Use</b>	<b>Total CET Fees</b>	<b>Development CET Totals</b>
Wyndhaven Phase 1 - Bldg 1	\$ 7,599.52	\$ 2,279.85	\$ 5,319.66	\$ 633.29	\$ 15,832.32	
Wyndhaven Phase 1 - Bldg 2	\$ 633.29	\$ 1,386.51	\$ 3,235.18	\$ 385.14	\$ 5,640.12	
Wyndhaven Phase 1 - Bldg 3	\$ 6,354.58	\$ 1,906.37	\$ 4,448.21	\$ 529.55	\$ 13,238.71	
Wyndhaven Phase 1 - Bldg 4	\$ 9,498.19	\$ 2,849.46	\$ 6,648.73	\$ 791.52	\$ 19,787.90	
Wyndhaven Phase 1 - Bldg 5	\$ 6,586.96	\$ 1,976.09	\$ 4,610.87	\$ 548.91	\$ 13,722.83	\$ 68,221.88
Wyndhaven Phase 2 - Bldg 1	\$ 12,000.00	\$ 3,600.00	\$ 8,400.00	\$ 1,000.00	\$ 25,000.00	
Wyndhaven Phase 2 - Bldg 2	\$ 12,000.00	\$ 3,600.00	\$ 8,400.00	\$ 1,000.00	\$ 25,000.00	
Wyndhaven Phase 2 - Bldg 3	\$ 12,000.00	\$ 3,600.00	\$ 8,400.00	\$ 1,000.00	\$ 25,000.00	
Wyndhaven Phase 2 - Bldg 4	\$ 12,000.00	\$ 3,600.00	\$ 8,400.00	\$ 1,000.00	\$ 25,000.00	
Wyndhaven Phase 2 - Bldg 5	\$ 5,760.00	\$ 1,728.00	\$ 4,032.00	\$ 480.00	\$ 12,000.00	
Wyndhaven Phase 2 - Bldg 6	\$ 12,000.00	\$ 3,600.00	\$ 8,400.00	\$ 1,000.00	\$ 25,000.00	
Wyndhaven Phase 2 - Bldg 7	\$ 12,000.00	\$ 3,600.00	\$ 8,400.00	\$ 1,000.00	\$ 25,000.00	\$ 162,000.00
Wilder Phase 2 - 4-plex - Bldg 510	\$ 1,647.78	\$ 494.33	\$ 1,153.45	\$ 137.32	\$ 3,432.88	
Wilder Phase 2 - 4-plex - Bldg 520	\$ 1,647.78	\$ 494.33	\$ 1,153.45	\$ 137.32	\$ 3,432.88	
Wilder Phase 2 - 4-plex - Bldg 610	\$ 1,647.78	\$ 494.33	\$ 1,153.45	\$ 137.32	\$ 3,432.88	
Wilder Phase 2 - 4-plex - Bldg 620	\$ 1,647.78	\$ 494.33	\$ 1,153.45	\$ 137.32	\$ 3,432.88	
Wilder Phase 2 - 4-plex - Bldg 710	\$ 1,647.78	\$ 494.33	\$ 1,153.45	\$ 137.32	\$ 3,432.88	
Wilder Phase 2 - 4-plex - Bldg 720	\$ 1,647.78	\$ 494.33	\$ 1,153.45	\$ 137.32	\$ 3,432.88	
Wilder Phase 2 - 4-plex - Bldg 730	\$ 1,647.78	\$ 494.33	\$ 1,153.45	\$ 137.32	\$ 3,432.88	\$ 24,030.16
<b>Totals</b>	<b>\$ 119,967.00</b>	<b>\$ 37,186.59</b>	<b>\$ 86,768.80</b>	<b>\$ 10,329.65</b>	<b>\$ 254,252.04</b>	

## Exhibit 1. Summary of HPS Actions

Actions	What is it?	How does the action help?
A. Use Urban Renewal funding to support housing and infrastructure development	The City would use urban renewal funds for infrastructure development or for programs that lower the costs of housing development.	Provides a flexible funding tool to support many actions in the HPS if used within the urban renewal area.
B. Implement the Homebuyer Opportunity Limited Tax Exemption	The City would provide low- and moderate-income homebuyers a 10-year property tax exemption for homes valued at or below 120% of city's median sales price.	Helps low- and moderate-income households build wealth and achieve homeownership.
C. Reduce development code barriers to housing development	City can revise the development code to make housing development easier, less time consuming, and less costly.	Allows for more development and housing options and can reduce the cost of developing housing.
<b>D. Adjust the allocation of the Construction Excise Tax to support affordable housing development</b>	<b>The City could use CET funds to support a variety of affordable housing programs, such as those actions described in this table.</b>	<b>Provides a flexible funding source for many actions in the HPS that benefit lower- and moderate-income households.</b>
E. Lobby the Legislature for more resources to support housing development and remove regulatory barriers to housing development	The City could advocate for initiatives that would make it easier to raise local funds for affordable housing, access state funding, and reduce regulatory barriers to alternative housing types.	Expands the tools and funds available to support affordable housing development.
F. Establish a low-barrier emergency shelter and warming center in Newport	The City could reduce land use barriers to shelter locations, partner with a service provider to run the shelter, and provide resources to support shelter development.	Provides a first step towards stabilizing people experiencing homelessness and is a step towards accessing long-term housing.
G. Support development of a regional housing entity focused on low- and moderate-income housing	The City could partner with other agencies to help meet regional housing needs by pooling resources and staff for programs such as land banking.	Pools resources from city, county, and local partners to support low- and moderate-income housing needs on a regional level.
H. Participate in the regional homelessness action plan	The City would work with the county and partners to develop and implement the 5-year strategic plan to reduce homelessness.	Develops a regional approach to addressing homelessness.
I. Pay System Development Charges (SDC) for workforce housing	The City can pay SDC fees on behalf of the developer to encourage the development of affordable housing.	Reduces development costs and can incentivize development of qualifying housing types.
J. Grow partnerships with Community Land Trusts	The City could expand partnerships with land trusts and provide resources or land to support affordable homeownership.	Provides opportunities for homeownership that remain affordable over the long term.
K. Support outreach and education to promote equitable housing access	The City could engage in community outreach to better understand housing needs and share existing housing resources, as well as get input on City-lead housing initiatives, such as developing or revising housing policies.	Supports a common understanding of affordable housing, development obstacles, and available resources.
L. Pursue an Urban Growth Management Agreement (UGMA) with the County	The City would create an agreement with Lincoln County that describes the roles, responsibilities, and agreements for managing land between city limits and the UGB.	Provides a common understanding about how land that may eventually be in the city limits will be managed and makes it easier to annex into city.

## D. Adjust the Allocation of the Construction Excise Tax (CET) to support affordable housing development

### Rationale

CET is one of few options to generate additional, locally controlled funding for affordable housing. It is a flexible funding source, especially for funds derived from commercial/industrial development and offers the ability to link industrial or other employment investments, which generate new jobs and demand for new housing, with funding for housing development.

### Description

The City adopted a Construction Excise Tax (CET) in 2017, which is levied on new residential, commercial, and industrial development. The City charges the maximum allowed by State law for new residential development (1% of the permit valuation) as well as 1% of commercial and industrial permit values.<sup>11</sup> The CET has created a dedicated source of funding for affordable housing in Newport, which collected a little more than \$540,000 since its inception.

The allowed uses for CET funding are defined by state statute:

- The City may retain up to 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, depending on whether the CET is on residential or commercial and industrial development.
- **For a residential CET:**
  - **50% must be used for developer incentives for multifamily housing. These incentives could include City payment of permit fees and SDCs for development, tax abatements, or finance-based incentives. The City may use the CET to fund voluntary developer incentives that:**
    - **Increase the number of affordable housing units in a development**
    - **Decrease the sale or rental price of affordable housing units in a development**
    - **Build affordable housing units that are affordable to households with incomes equal to or lower than 80% of MFI.<sup>12</sup>**
  - 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.
  - 15% flows to Oregon Housing and Community Services for homeownership programs that provide down payment assistance in Newport
- The State allows for more flexible use of commercial/industrial CET:
  - 50% of the funds must be used for housing-related programs, as defined by the jurisdiction (note that these funds are not necessarily limited to affordable housing).
  - The remaining 50% is unrestricted.

The City currently allocates all CET funds toward affordable housing according to the percentages required for the residential CET. However, the City has not fully determined how to spend its CET funds, only spending: (1) the 15% of funds that flows to Oregon Housing and Community Services for homeownership programs and (2) matching state funding to Proud Ground for down payment assistance grants. The City had a balance of about \$540,000 beginning Fiscal Year 2022.

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<sup>11</sup> There is no cap on the rate applied to commercial and industrial construction.

<sup>12</sup> Based on information in ORS 197.309(7).

Currently CET funds are designated for the following uses:

	Current Allocations of Residential CET funds	Current Allocations for Commercial and Industrial CET funds	Total
Affordable Housing – Flexible Use (35%)	\$159,096	\$23,517	\$182,613
OHCS Down Payment Assistance (15%)	\$68,118	\$10,763	\$78,881
Affordable Housing – Restricted to developer incentives (50%)	\$226,047	\$34,641	\$260,688
Total	\$453,261	\$68,921	\$522,182

The City needs to decide:

- **How to spend the existing funds.** These funds could be used to backfill SDC costs or development fees for housing affordable to households with incomes of 80% to 120% of MFI. Some of these funds could be spent on programs to address homelessness, like establishing a low-barrier emergency shelter. There are many other ways that these funds could be spent for affordable housing.
- **Should the City spend commercial/industrial CET differently than residential CET.** The City should consider changing how to spend the funds from the commercial/industrial CET, which constituted about 13% of collections between 2017 and 2022, to dedicate more funds for flexible use. This would allow the City to spend on specific housing priorities, like establishing a low-barrier emergency shelter, supporting affordable homeownership as part of a community land trust, or other priorities. Based on collections between 2017 and 2022, this would have generated about \$69,000 for flexible use.

In the “Potential Allocation” example below, the change from the City’s current allocation is allocating all the commercial and industrial CET to the Affordable Housing Flexible Use category.

***CET Collections Scenario (using CET collections between 2017 and 2022)***

	Current CET Allocations (residential and commercial/ industrial)	Potential Allocation (with all commercial/ industrial CET to flexible use fund)	Change
Affordable Housing – Flexible Use (35%)	\$182,613	\$228,017	\$45,404
OHCS Down Payment Assistance (15%)	\$78,881	\$68,118	(\$10,763)
Affordable Housing – Restricted to developer incentives (50%)	\$260,688	\$226,047	(\$34,641)

### City Role

The City would implement the plans for using CET funds for affordable housing development. Given the pace of collections, it may be advisable to allow them to accrue for a few years between periods when they are used.

### Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low-, very low-, low- and moderate-income households	0-120% MFI	Renter and Owner	Moderate

### Potential Risks

Since the revenue is generated from building permits, when new development activity slows, less revenue is collected.

### Implementation Steps

- Adjust the allocation of the commercial/industrial CET funds to be used in the affordable housing flexible use fund. This would give the City flexibility to spend the funds on specific housing priorities, like establishing a low-barrier emergency shelter, supporting affordable homeownership as part of a community land trust, or other priorities.
- Use CET flexible funds on an as-needed basis to leverage other opportunities, recognizing the pace of accrual of funds over time.
- **Begin to distribute funds for affordable housing incentives in a programmatic manner to support market-rate multifamily development based on policy direction from the City Council.**
- Continue to partner with land trusts or organizations that offer similar services for affordable homeownership to fully leverage the CET funds that go to OHCS for down payment assistance.

### Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact
Official City Council Action by December 2024	2025	Ongoing

### Funding or Revenue Implications

CET funding relies on an active construction cycle and, as such, fluctuates from year to year. Can only be used for capital projects. Funds can be used for preservation or for new construction.

# Tentative Planning Commission Work Program

*(Scheduling and timing of agenda items is subject to change)*



July 10, 2023

Regular Session

- Findings and Final Order on Conditional Use Permit for Samaritan Drug/Alcohol Rehab Facility Offices
- Findings and Final Order on Sign Variance for Port of Newport at Port Dock 1
- Hearing on File 3-VAR-23, Front Yard Variance for J.T. Roth Construction at 1515 NW Spring Street

July 24, 2023

Work Session

- City Center Revitalization Project Update and Revised Scope of Work
- Review Concept for DLCDC Grant Application to Evaluate Feasibility of a Rental Housing Maintenance Code
- Discuss Options for Amending Affordable Housing CET Code and Market Rate Multi-Family Incentives

July 24, 2023

Regular Session

- Final Order & Findings for File 3-VAR-23, Front Yard Variance for J.T. Roth Construction at 1515 NW Spring St

August 14, 2023

Work Session

- Review 2023 State of Oregon Legislative Changes (Land Use and Related Bills)
- Outreach Plan for Bayfront Parking Management Plan Rollout
- Second Review of Amendments to Special Parking Area Regulation (Relates to Bayfront Pkg Management Plan)

August 14, 2023

Regular Session

- Initiate Legislative Amendments to Special Parking Area Regulations (Relates to Bayfront Pkg Management Plan)

August 28, 2023

Work Session

- Initial Review of Land Use Amendments to Facilitate Needed Housing (Implementing the HPS)
- Review Draft Amendments to Affordable Housing CET Code (Implementing the HPS)
- Status of South Beach Island Annexation Project

August 28, 2023

Regular Session

- TBD

September 11, 2023

Work Session

- Discussion about potential craft/cottage industry code language for Nye Beach, City Center, and the Bayfront (Carol Shenk/Janet Webster).
- Schedule for Fall Outreach and Engagement for City Center Revitalization Project
- Review of Legislative Amendments to Comply with 2023 Oregon Legislative Mandates

September 11, 2023

Regular Meeting

- Initiate Legislative Amendments to Comply with 2023 Oregon Legislative Mandates

September 25, 2023

Work Session

- Second Review of Land Use Amendments to Facilitate Needed Housing (Implementing the HPS)
- Discuss HOLTE Homebuyer Incentives and Changes to Affordable Housing Excise Tax (HPS Recommendations)

September 25, 2023

Regular Session

- Hearing on Amended Final Development Plan for OSU Student/Faculty Housing in Wilder
- Hearing on Amendments to Special Parking Area Regulation (Relates to Bayfront Pkg Management Plan)
- Initiate Legislative Land Use Amendments to Facilitate Needed Housing (Implementing the HPS)

October 9, 2023

Work Session

- Placeholder for Land Use Training (DLCDC Staff)