

MINUTES
City of Newport Joint City Council and Planning Commission
Work Session
Newport City Hall Council Chambers
November 14, 2022
6:00 p.m.

Planning Commissioners Present: Jim Patrick, Bob Berman, Braulio Escobar, Bill Branigan, Gary East, and John Updike.

Planning Commissioners Absent: Jim Hanselman (*excused*).

City Councilors Present: Dietmar Goebel, Ryan Parker, CM Hall, Jan Kaplan, and Cynthia Jacobi (*by video*).

PC Citizens Advisory Committee Members Present: Annie McGreenery.

PC Citizens Advisory Committee Members Absent: Dustin Capri, and Greg Sutton.

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

Consultant Present: Beth Goodman, ECONorthwest.

1. **Call to Order.** Chair Patrick called the joint City Council and Planning Commission work session to order at 6:00 p.m.
2. **New Business.**
 - A. **Housing Capacity Analysis Component of the Newport Housing Study.** Tokos introduced Beth Goodman with ECONorthwest. Goodman reviewed why Newport needed a Housing Capacity Analysis and Housing Production Strategy; the components of the project; outcomes of the Housing Capacity Analysis; engagement with the community and stakeholders; the project schedule and primary tasks; and the cost burden by tenure in Newport; Parker asked where the statistics for the cost burden were from. Goodman reported they were from the 2016 to 2020 US Census time periods. Goebel asked if they were saying that 28 percent of the population owned housing. Goodman explained they were saying 28 percent of owners were cost burdened. The ownership statistics in the report were considerably higher with more than 60 percent of households being owner occupied.

Goodman reviewed the cost burden by tenure and income, and the financially attainable housing in Newport. Parker asked if the teacher income listed was for the county. Goodman explained it was an average and a generalization. This showed that many working households were at mid and low income levels. Goebel asked if this was based on a single income family. Goodman reported it was based on the average of 1.2 to 1.4 working persons in a household. Berman asked if they had given any thought to how these numbers would change due to the dramatic changes in mortgage rates recently. Goodman confirmed they did and reviewed the existing households by income level for Newport. She then reviewed how housing needs would often differ by group. Escobar asked how they counted people that were homeless but were sheltered. Goodman explained when the point in time counts were done, they looked at people who were sheltered and others who were unsheltered, such as living on

the streets. This had been done for the county. They also looked at information from the school district on students who were experiencing homelessness. Kaplan asked if they counted people who were doubled up with other families. Goodman reported the County counted these people and she didn't believe they were included in the homeless counts. She explained that counting people experiencing homelessness was an underestimate because they were hard to find.

Goodman reviewed the methodology for data on the buildable lands inventory; the maps of the buildable land inventory areas; and the unconstrained vacant and partially vacant lands. Hall questioned if they really needed all the commercial spaces when businesses were moving to online storefronts, and she asked if they took this into account. Goodman explained they had and pointed out it was hard to see how things would go over a 20 year period. She explained there had been broad assumptions in this.

Goodman reviewed the purpose of the constructability analysis, and the subareas map. Nebel asked if Area 1 on the map for the cost of infrastructure was based on fully developing properties that were determined to be buildable sites. Goodman explained they did three different estimates for Area 1. They looked at the area for multifamily, medium density, and low density. There were a lot of ways this could have gone. The most they looked at was the development of the vacant parcels. Hall asked what Area 7 was. Tokos explained this was a smaller area on Hurbert Street between Olive and 3rd Streets. They wanted to make sure that they weren't just looking at large undeveloped tracts, and finding some opportunity areas where they strategically made investments in infrastructure in these areas, they might utilize a meaningful number of housing units of some types there. Tokos explained Area 7 was an example of these infill areas. They were areas where a small number of units could be built but their capacity to pay for infrastructure was less. Hall asked if they were saying that 40 percent of the roughly 900 acres were buildable. Tokos explained what this meant was that of the land that was identified as buildable they would be under 40 percent slope. If it was over 40 percent slope, they were ruled out. Hall asked if they were counted in the buildable lands inventory. Tokos confirmed this was correct.

Goodman reviewed the infrastructure costs versus the residual value of development. Tokos explained that what they did for each of the different housing types was to come up with the best case scenarios for a developer in terms of what they could sell them for, based on the interviews they had with the development community. What resonated was that if the cost of the infrastructure was too high there wouldn't be enough money left over to buy the land, and they wouldn't be able to do the project. Goebel asked if Wolf Tree would ever be a resort. Tokos explained it came down to the State of Oregon asking how we could serve it. A destination resort was all or nothing and required a full commercial build out with transient housing and their own wastewater treatment plant to serve them. The City had no way to serve it and there were significant service constraints in the area.

Goodman reviewed the alternative housing forecast for the Newport Urban Growth Boundary from 2022 to 2042; the forecast for an additional 626 new dwelling units; the land sufficiency table; and the existing unmet housing needs. Nebel asked if the estimate of mortgage rates were factored in the affordability numbers. Goodman thought it could be noted, but reminded it was hard to predict what mortgage rates would be in a 20 year period. Berman asked if the forecast growth and population took into account the 70 percent of workers that wanted to live in Newport but couldn't find a place to live. Goodman didn't think it did. Tokos thought they needed to make it clear in this analysis on how underwater they were on this currently.

Goodman reviewed the focus of the Housing Production Strategy next. She thought the Committee might not be able to answer the geographic questions in the strategy for the second home market. It

was something to post to the City Council as a future decision on where they should put investments in areas that were less desirable for second homes.

Tokos covered the next steps for the Housing Capacity Analysis adoption process. Goebel asked for clarification on what would be changed by resolution. Tokos explained the Housing Production Strategy would be adopted by resolution. Parker asked if the gatekeeping device for state and federal grants would go towards multifamily projects. Tokos explained both documents could be used to secure state and federal money for housing projects. Having accurate information and a clear policy path would make Newport more competitive moving forward. Parker asked how tax payers would earn back the money that was spent on the study. Tokos explained tax payers used these policies to generate more housing. If these were effective at guiding policy and lead to more housing, it meant they had done a good job. Some of this may be shown through securing money from state federal sources or subsidized housing; making investments in infrastructure to support additional housing with urban renewal funds; adjusting tax incentive programs; or forming a regional land banking authority with partners like Lincoln County and Lincoln City. Nebel asked if second story residential over commercial was considered. Tokos explained it had been and he expected the Housing Production Strategy policies to direct where and how this should happen.

3. **Adjourn.** The meeting adjourned at 7:00 p.m.

Respectfully submitted,



Sherri Marineau,
Executive Assistant