

MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Council Chambers
July 24, 2023
6:00 p.m.

Planning Commissioners Present: Bill Branigan, Jim Hanselman, John Updike, Bob Berman, Braulio Escobar (*by video*), and Marjorie Blom (*by phone*).

Planning Commissioners Absent: Gary East (*excused*).

PC Citizens Advisory Committee Members Absent: Dustin Capri (*excused*), and Greg Sutton.

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

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

2. **Unfinished Business.**

A. **City Center Revitalization Project Update and Revised Scope of Work.** Tokos reviewed the staff memorandum and noted the Commission was given the most current draft of the scope of work for the project and the schedule. He noted this project would be a high priority for the Commission and City Council and built off of the Transportation System Plan (TSP) that was just completed. This would further refine the two options for realigning US 101 through the City Center with emphasis on whether or not they would go with a short couplet or not. The long couplet option had been eliminated.

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, which was administered by the state. 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 was \$330,000, with \$150,000 coming from the Newport Urban Renewal Agency and \$180,000 from the TGM program.

Tokos reviewed the working schedule of the project that included stakeholder engagement; putting together information needed for a charrette; and conducting an online survey or open house. He reported that the product of this would be nine tech memos that would be reviewed during the outreach. Tokos reviewed the remaining schedule that included developing a policy basis for the plan; performing a gap analysis; working on the plan implementation; completing the Comprehensive Plan and code amendments; and finalizing the plan adoption. Tokos reported they would be starting the process in September and it would run through 2024 when the TGM Grant needed to be fully realized. He asked for comments on the scope of the work, and if the schedule was reasonable or if it needed any further adjustments before finalization.

Berman asked how a site visit could be done virtually. He didn't think this made a lot of sense, and thought that two hours wasn't enough to cover not just the focus areas, but the entire physical scope

of the project area. Berman volunteered to be the Commission liaison for the advisory committee. Tokos said the Commission could make a formal appointment at their regular session meeting to designate him as the liaison. Berman pointed out that one of the guarantees that should come out of this project was to have a space for the Farmers Market figured out. He thought a representative from their community should be included. Berman also noted the plan only referenced Lincoln County, but he thought it should be more specific and say the Planning Commission and the Housing Authority.

Urdike thought that from a geography standpoint there would be issues from one person to the other. He asked if this would be running in a simultaneous fashion in terms of how the open houses and community input would be sought. Tokos reported they would have in person meetings and a breakout for those located on Highway 20 versus US 101. He thought the discussion stood a chance of getting entirely absorbed in the couplet conversation.

Berman noted Charlotte Boxer gave testimony previously on why they shouldn't have a couplet. He thought Boxer would be a good person to include. Tokos reported the Council would do the appointments for the Advisory Committee, and they would reach out and give people an opportunity to apply. They would utilize the list they had from the TSP work to reach out to folks to apply.

Escobar agreed that the couplet concept would generate the most community involvement. He asked if the idea for the concept for the couplet would be approved or denied by Council. Escobar noted that historically, when an idea of a couplet was proposed, there would be initial community opposition, and then after it was done people would tend to accept it and move on. He gave an example of the couplet in Philomath that had been completed and currently had acceptance. Tokos noted this process would delve into the couplets to answer people's questions and give them the opportunity to fully engage on the issue. There was support and opposition to the couplet. There had also been a lot of misinformation with respect to what the transportation solutions brought to the table for either a no couplet with an enhanced bike/ped on Ninth Street, or for the couplet. This process would get things mapped out in detail for people to have a better understanding on the two options, and allow them to make a more informed choice on their own for the ones they thought were better for the community.

Berman noted that the final documents and financial incentives were going to have to be tailored to whether or not there would be a couplet. He asked at what point the decision would be made, and who would make the decision. Tokos reported the decision was made by the Council, and it had to be an option that was supported by the State. He would check in with the team to get a better understanding on the timing for this. They didn't need to have a formal decision on the couplet in advance of the other pieces. Tokos didn't know if the code concepts between having a couplet or not having one was different. Berman asked if the financial incentives, such as storefront grants, needed to be tailored. Tokos thought that some of these things could be left for adoption until the end of the process. They knew the couplets would be the most sensitive issue thorough the process, and they didn't want it to overwhelm some of the other pieces.

Branigan asked if the city was talking about tearing down one of the storefronts in the Deco District. Tokos said the Urban Renewal Agency was moving forward with acquiring properties in the area. They bought the building next to the kite shop, which would be torn down. They were also purchasing the old gas station near City Hall, and would be closing on the old Salvation Army property near the hospital.

Escobar asked if there was a sense that the Farmers Market people were dedicated to their current location, or if they would they be open to moving to another location. Tokos acknowledged the Farmers Market needed to be considered through this process. They might end up getting a better

venue than they were at currently. This lot was purchased for a future city campus expansion, and it shouldn't be viewed as a permanent fixture, and it would be redeveloped. Tokos didn't know when that would happen. Whatever happened, the Farmers Market needed to be engaged in the process. The City Council also wanted to see a permanent venue that worked well for them. Hanselman noted when he had conversation with members of the group, they said they wanted visibility for the market, and US 101 offered them that. Tokos said the expectation would be that the location would be somewhere on US 101.

Hanselman reported that there was excessive parking lots nationwide, and he didn't think there needed to be more parking lots. Now many states were jumping on the concept that they didn't need all the parking, and they were starting to suggest that there be no off street parking required for residential. He thought that some parking lots could be considered residential if the ground floor was opened up for residential properties. Hanselman thought there was a fair amount of commercial property and parking lots that could serve as residential areas in Newport if they didn't restrict residential on ground level in commercial areas. He asked if anyone at the DLCD or state was thinking about using some of the commercial property as residential. Tokos reported this was on their list. The Senate tried to allow residential on street grade, except for tourist oriented areas. They liked the idea of live/work areas, and didn't want everything turned into just live areas that had work areas somewhere else. Newport had made this more lenient because of the changes in state law as it related to affordable housing projects. Tokos noted the League of Oregon Cities spent time trying to convince the Governor's office to not treat rural areas like they treated metro areas. The rural areas were further away from necessary services that people needed. The state didn't bite on this, and he expected HB 3414 to come up again in the short session. Hanselman reminded the one thing that came up for the city was lack of housing. This was why he was pushing the commercial piece. Berman thought that for this project, there would be an emphasis for residential over commercial. Tokos reported the city talked to developers that were in favor of having three floors of residential above commercial.

Escobar pointed out that market rate housing wasn't affordable for those working at entry level jobs. This caused workers to seek housing further away from their job site, which then required more transportation and parking. This was a complex issue that they had to balance out on how they encouraged housing where people were living and working. Escobar thought this was a concept they needed to be alert to in our community.

2. Unfinished Business.

- A. DLCD Grant Application for Rental Housing Maintenance Code.** Tokos reviewed the staff memorandum concerning the Department of Land Conservation and Development (DLCD) grant application for a rental housing maintenance code. He noted the Newport City Council adopted Resolution No. 3990, authorizing City staff to apply for a DLCD Commission technical assistance grant to secure funding to evaluate the feasibility of implementing a rental housing maintenance code. This needed to be put together and submitted by the end of the month. Tokos asked for the Commission's feedback on the different models that had been done in other jurisdictions, and listed ways the code could be set up.

Tokos reported they needed to determine the type of consultant who could work on the code. The city's Building Official didn't have the time to do this. It had to be fee supported, and they needed to look at engagement with rental owners. Berman asked if short-term rentals (STRs) were included with this. Tokos didn't think they would be included. Updike thought if there was talk about a fee schedule, the STRs needed to be included. Tokos explained that STRs had their own fee schedule, and they

already paid a surcharge for the STR inspections and the license program. The city didn't have anything for habitability for people and their right to live in habitable units.

Updike asked how many non-STR and non-affordable housing units there were in Newport. Tokos explained a part of the feasibility study would be to find out what the inventory of units was. Updike asked if this was already in the housing study. Tokos said no, they would need to break this down further than the details in the housing study. Escobar reported he was on the Housing Advisory Committee. The comments included concerning the rental housing code had been inserted by the consultant. Escobar noted that at that time there already were state statutes which mandated habitability issues. He pointed out that the fees would be passed on to the tenants, and they needed to be cautious on this. Tokos reminded that the city was only committing to a feasibility study, not an implementation of a program. The Council supported this and was why they did a resolution. Tokos explained that whether or not it was supportable was based on the feasibility study.

Berman questioned how they would find out who actually rented properties. The last thing they wanted to do was reduce housing by imposing some onerous restrictions to the point that slum lord owners would tear down units and sell the land. Berman thought they needed to find a nice middle ground on this. Updike reported that San Francisco toughened up their maintenance standards, and added a provision to allow representation for tenants who didn't understand their rights. This didn't result in a loss of units, it resulted in better rents. Hanselman asked if the rents changed. Updike said they did, but it was hard to say if the policy changed them. Tokos noted rents always changed, and thought the engagement of the owners and tenants needed to happen separately. They needed to figure out how to craft the engagement piece to better understand the core issues, both from the landlord's perspective and the tenants perspective, to help inform the process.

Berman asked if manufactured home parks were included. Tokos reported the owners at Harbor Village bought their mobile home park. He thought they would have an interesting perspective for this. Tokos noted he would be talking to the City of Madras to see what they are doing. He would also talk to a couple of consultants, and the Fair Housing groups for their perspective. Updike asked if this would be similar to the downtown study area state grant. Tokos said no, it would be different and the city would have more control on it on a reimbursement basis.

Branigan asked if the city had received citizen complaints about abnormally high rent increases. Tokos said the city wasn't the venue where renters would raise these issues, it would be state reporting. Escobar noted there was a state statute which capped the amount of rental increases that a landlord could impose. This was tied to inflation, and was capped around 10 percent in 2023. Tokos asked if the Oregon Housing Community Services was in charge of the oversight for this. Escobar didn't know.

- B. Use of Affordable Housing CET Funds for Market-Rate Multifamily Incentives.** Tokos reviewed the staff memorandum, and noted that multi-family would now be considered residential with regard to these incentives.

Berman asked if the city had any upcoming or ongoing commercial projects currently. Tokos reported the current commercial projects included a new Toyota dealership building, the new Whaler hotel, and a multi-family unit off of 35th Street that would add another 65 to 70 units. They needed to look at the development incentive piece from residential collections that needed to be doled out to multi-family and large multi-family projects. Tokos covered the collections on large multi-family since 2017. He noted that one approach would be to use collections to offset a portion of their other expenses, such as building permit fees and SDCs.

Berman asked how they would administratively track the units that were affordable, because he was concerned that this might take up a lot of time. Tokos said he would put some thought into this, but confirmed there would be a tracking piece and a time piece. He would bring back more specifics on this, and come up with a reasonable timeframe for how long developers would have to maintain the units as affordable. They would key it off of what the state used, which was the HUD rental charts.

Urdike asked if the County or the Public Housing Authority had dedicated staff or resources that would do the auditing. Tokos reported the new director of the Housing Authority was open to taking on a role for this. Urdike asked if the Commissioners were in favor of seeing a proposal for this. The Commission was in general agreement to do so.

Hanselman asked if they would still be looking at the 80 to 120 percent of the mean family income. Tokos explained that for affordability they were looking at 60 to 80 percent. For the property tax exemption, they used 60 and 80 percent, depending on how many units they were reserving.

C. Planning Commission Work Program Update. No discussion was heard.

3. Adjourn. The meeting adjourned at 7:04 p.m.

Respectfully submitted,



Sherri Marineau,
Executive Assistant