



## **HOUSING ADVISORY COMMITTEE AGENDA**

**Thursday, February 16, 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. WELCOME AND INTRODUCTIONS**

#### **1.A Meeting Agenda:**

[Agenda - Newport HCA HPS PAC Meeting 8](#)

### **2. ROLL CALL**

### 3. APPROVAL OF MINUTES

#### 3.A Approval of the Newport Housing Advisory Committee Meeting Minutes of January 12, 2023.

[Draft HCA Mtg Minutes 01-12-2023](#)

### 4. DISCUSS THE VIRTUAL OPEN HOUSE

### 5. DETAILED REVIEW OF THE DRAFT HPS ACTIONS

### 6. PUBLIC COMMENT

### 7. NEXT STEPS

### 8. ADJOURNMENT

### HANDOUTS

#### **Materials:**

[Newport HCA HPS Open House Outline and Survey](#)

[Newport Housing Strategies Additional Details 02-10-23](#)

[PowerPoint Presentation - Newport HCA HPS Pac Meeting 8](#)

## AGENDA

### Newport Housing Study

**Project Advisory Committee Meeting #8** Location: Newport City Hall, City Council Chambers  
169 SW Coast Highway, Newport

Video Conference Link: Provided on request to Sherri Marineau with the Newport Community Development Department: [s.marineau@newportoregon.gov](mailto:s.marineau@newportoregon.gov)

2/16/2023

6 – 8 p.m.

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6:00 p.m.	<b>Welcome</b>	Beth Goodman
6:10p.m.	<b>Discuss the virtual Open House</b> <ul style="list-style-type: none"><li>▪ Are these the right questions to ask community members? Are there other questions we should ask?</li><li>▪ Discuss Open House timeline</li></ul>	Nicole Underwood
6:40 p.m.	<b>Detailed review of the draft HPS actions</b> <ul style="list-style-type: none"><li>▪ Are these actions the appropriate actions to address unmet housing needs in Newport?</li><li>▪ Are there implementation considerations for each action that we have not included?</li></ul>	Beth Goodman
7:50 p.m.	<b>Public Comment</b>	Derrick Tokos
7:55 p.m.	<b>Next Steps</b> <ul style="list-style-type: none"><li>▪ ECONorthwest will continue to add to the strategy components and compile the HPS.</li><li>▪ Interviews with service providers and stakeholders</li><li>▪ Community Open House</li><li>▪ Next PAC meeting: March 30, 2023</li></ul>	Beth Goodman

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*Draft* MINUTES  
Housing Capacity Analysis and Production Strategy Policy Advisory Committee  
Meeting #7  
Newport City Hall Council Chambers  
January 12, 2023

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**Committee Members Present:** Jan Kaplan, Dr. Leslie Ogden, James Bassingthwaite, Cynthia Jacobi, and Betty Kamikawa.

**Committee Members Present by Video Conference:** Bonnie Saxton, Mike Phillips, Robert Cowen, Wendy Hernandez, and Dr. Karen Gray., and Rev. Judith Jones,

**Committee Members Absent:** Mark Farley, Dennis White, Braulio Escobar, Sheila Stiley, and Todd Woodley.

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

**Consultants Present by Video Conference:** Beth Goodman, and Nicole Underwood.

1. **Call to Order & Roll Call.** Meeting started at 6:05 p.m.
2. **Welcome and Introductions.** Tokos welcomed the committee members and reviewed the agenda.
3. **Approval of Minutes.** Motion was made by Cynthia Jacobi, seconded by Jan Kaplan, to approve the December 15, 2022 Housing Advisory Committee meeting minutes with minor corrections. The motion carried unanimously in a voice vote.
4. **Summary of Outreach.** Goodman reviewed the PowerPoint presentation starting with the project schedule, the process for developing the Housing Production Strategy (HPS), and the Committee meeting dates and topics. No questions or concerns were raised.

Underwood reviewed the project outreach that had been completed, and takeaways from the community conversations. Jacobi reported that she had talked to a lot of people. She noted that some of the questions on the prepared list weren't too useful but were more so leading questions. Jacobi thought they should ask people if their present housing needs would be growing or changing in the next five years. Goodman thought this was something they could ask in the upcoming virtual open house. They wanted to be careful on what they were implying the city could do to address people's concerns, so they weren't setting the wrong expectations.

Underwood reviewed the key takeaways from the developer interviews, and the project outreach next steps. Bassingthwaite asked what types of service providers they were looking at. Underwood reported they were looking at Samaritan House, My Sister's Place, Chance Newport, and Legal Aid. Goodman explained that this list that provided by Tokos and they could expand the list after the meeting if needed. She asked the Committee to provide their suggestions directly to Tokos. Tokos suggested talking to OSU student housing. Cowen was happy to provide more information.

5. **Discuss Potential Actions to Meet Housing Need.** Goodman reviewed the memorandum concerning the Newport housing strategies for further discussion and, the action prioritization of the survey results. She noted that just because things were not a high priority didn't mean they weren't important.

Goodman reviewed Action L, using urban renewal to support housing and infrastructure development. Jacobi asked if urban renewal funds could only be used for a specific district. Tokos explained they weren't flexible. The bulk of the funding would go to either site acquisition or infrastructure work in the district. The Urban Renewal Agency could also act in the capacity of the Housing Authority and provide direct subsidies for land trusts. There were areas that the city might be able to do this by directly being involved in the housing proper. Tokos explained this wasn't in the current framework and would require an amendment to the Northside district. This would require a discussion with the taxing entities. They would be asking where they would be pulling those resources from because the plan currently had a maximum amount of projects. The South Beach district wasn't a candidate for this because the funding was committed to the final round of projects there.

Kaplan asked if there was an ability to create a new Urban Renewal District. Tokos explained that to do a new district they would need a feasibility review to figure out what made sense based on the objectives, to have discussions with the taxing agencies to make sure they were comfortable with the scope of the work, and then go through the adoption process. It would take a while to fund projects if they created a new district.

Bassingthwaite asked if the city didn't need additional revenue from releasing the South Beach urban renewal district, or if they wanted to try to funnel that back into a normal renewal district on the northside. Tokos explained this was part of the feasibility review and the financial analysis. Under the current budget, the city didn't need what would be kicked back from south Beach to make everything work, and they wouldn't have to set up a district that would leverage the same amount as South Beach.

Tokos explained they could do a lot with infrastructure, but if they were working on direct investment they would need to have a whole different conversation with the taxing entities and do a major amendment to the plan. He wanted to get a sense of what the group's thoughts were on this. Kaplan asked if they were talking about direct housing services. Tokos explained this was infrastructure improvement to leverage what they wanted on the housing side, versus a direct housing program. Kaplan asked if the city have a partner for the development of housing and if they were using the urban renewal money as the major funding for that partnership. Tokos explained as it was currently, the agency could buy a property and take care of a significant amount of the overall cost for the property and infrastructure, then let the partner take care of the rest. They could also get into the actual construction of the housing, which was the direct investment in housing where they would need to do a major amendment to the original plan to make it happen. Cowen asked if one of these approaches on how to invest was likely to have a longer term affect on lowering the cost of housing and making more housing available. Goodman didn't think either approach was superior because it depended on the partnerships. Tokos thought it depended on the strategies that were being pursued to achieve long term affordability. Cowen asked if they needed to pay attention to what their actual recommendations would be. Goodman thought they should do a combination of the two to have some of it be a direct investment in housing and then an amendment to the Northside urban renewal district. They would also need to make it clear what that investment would specifically be for.

Tokos reviewed the Northside District map. He suggested that they put a policy together that indicated that when the city was in a position to explore either modifications to this district or the formation of a new one, that they take a look at the direct investment in housing and what could be done there when putting the plan amendment or new plan together. They didn't have much ability to make changes to the South Beach district as it closed. It wasn't a district that would be conducive to direct investment in housing because the bulk was along the commercial corridor. They started the Northside District based on a recommendation on the assessment of the condition of commercial properties in the city center for the development of an Urban Renewal District which would address issues. Tokos thought

they could do an exercise similar to this to focus on the housing side. The Committee thought this made sense.

Kaplan asked if they were to develop housing in the downtown revitalization area, could they have affordable housing there and would it be a part of the urban renewal. Tokos explained if the agency was looking to directly develop the housing it would require an amendment. This didn't mean that urban renewal couldn't support housing, it meant it would be done more through land acquisitions and infrastructure which could be significant. Bassingthwaite noted that Lincoln City had two apartment projects that were in the commercial corridor. Tokos noted that one of the things urban renewal agencies could do was acquire property and make it available at less than market rate to achieve policy objectives. Jacobi pointed out that they could make up the money on this with the taxes they received from the property. Tokos agreed and noted they could negotiate affordable guarantees over a period of time as part of the discount. This would help explain what the agency was doing for affordable housing to the public. Bassingthwaite pointed out that if the developer was a nonprofit, such as the Housing Authority, they might not generate tax revenue from the project because they were tax exempt. Jones reported this was something that St. Stevens would be interested in because they were in the middle of this district. They were looking to build an affordable housing apartment complex. She thought it would be great to expand to a building on Highway 101 directly adjacent to their property that was more or less condemned. Tokos noted the Urban Renewal Agency was in a position to buy properties and finance the demolition and prep of the site as well. Tokos reported this was huge when buildings had asbestos that needed to be abated, or when they had other contaminants that had to be addressed. This was all part of the infrastructure site acquisition authority that existed currently. Goodman asked if there were any addition comments on this. Bassingthwaite thought they should time this discussion to when the South Beach district closed somewhere around 2027.

Goodman reviewed Action C, implementing the Homebuyer Opportunity Limited Tax Exemption. She asked if there were any concerns. Gray liked the idea and thought it was an opportunity to build home ownership for those who didn't always have a chance to do so. Kaplan noted he was originally not in favor of this, but changed his mind when he saw that the single ownership could be used for purchasing a condo, which would accomplish the notion of building equity. He thought it would be of use to target within the multifamily terminology targeted areas. Goodman asked if he was suggesting things like cottage housing, duplexes, quadplexes and townhomes. Kaplan confirmed it was and thought this would allow someone with limited income to purchase a dwelling unit. Bassingthwaite asked if this would be limited to full time occupancy. Goodman wasn't sure but would look into it. Tokos noted they would want to make sure this wasn't for second houses. Goodman reported this needed to be targeted towards people of lower incomes and it was also about housing that was relatively affordable. She would look into if they could limit this to fulltime occupancy. Kamikawa reminded that people who were retired could be considered low income while looking to buy investment properties. Jacobi thought the program should be included, but she questioned if there would be a really high impact because of it. Gray agreed that it should be included. Tokos reminded as long as they were weren't being asked to enforce affordability provisions they would be okay. As they looked at fulltime occupancy they needed to understand how they could determine this. He suggested requiring one person to work or reside in the county so it was their primary home. Tokos thought that if they couldn't figure this out it would be something they could flag as an issue.

Goodman reviewed Action E, reducing development code barriers for multifamily development. Kaplan thought they should be leery of this. When they spoke of increasing the height of buildings that would have a view, they were also talking about buildings losing views, which shouldn't be a factor. They really had to look at zoning if they were going to do this, then make it work with the 2040 vision planning. Bassingthwaite thought they talked about limiting this to an underlying overlay zone where the height variance only applied east of the Highway 101 residential areas, not necessarily

having it be citywide. Tokos didn't know if this process could answer those questions. If this was included as a policy, it wouldn't be a blank check. It would give direction to prepare these types of amendments through a public hearing process. This wasn't saying it would happen a specific way, it was saying there was value in preparing a package of changes for consideration by policymakers. Goodman pointed out they looked at adding this to selected areas or zoning districts.

Jacobi asked about building heights and the Fire Department's capabilities to respond. Tokos reported their capabilities were up to 50 feet. If the building was over 50 feet it began to implicate certain safety improvements that drove up costs. Tokos thought they could take a look at an addition to where it was geographically appropriate. They could structure it so that the additional height is permissible only for pitched roof type construction and be specific as to what kind of pitched roof construction they were talking about. Goodman reminded the purpose of this was to make it more financially feasible to do multi-family housing, not for better views. Jacobi was for adjusting the land use and building code standards, but wasn't for eliminating things like required green spaces, pocket parks, or playgrounds. Goodman reminded these weren't a part of this discussion. Kaplan thought they needed to be mindful on how many buildings could fit in a livable neighborhood. Goodman thought they could add in something about considerations of livability and thus limit the recommendations to these three. Tokos cautioned on limiting it to the three because there might be some other changes that would make sense to the process to all involved. Bassingthwaite thought they could add to the memorandum under Section E that the city should consider if they can update Newport's development code to alleviate the barriers while still achieving other city goals, and add in livability. Tokos suggested they not limit this to multi-family development because removing the variance process for hillsides would be more pertinent to single family detached and attached housing. Bassingthwaite suggested they look at commercial standards to see how they approached multifamily or housing developments in the commercial areas, and whether there were barriers to make it easier for second and third floor housing. Tokos pointed out the city center area was an example of where they had parking credits for this. Apartments over commercial was a form of development that was such that there was very little off street parking because buildings were adjacent to one another, and there was a fair amount of surface parking that was underutilized.

Goodman reviewed Action H, lobbying the legislature for more resources to support housing development and removing regulatory barriers to housing development. Bassingthwaite thought there was currently more of a focus by the legislature on housing and affordable housing that there was in previous years. He thought the next couple of years would be a good opportunity to get some of the changes done through lobbying that might not of had success five years prior. Kaplan thought this was important but didn't know how it fit into what the city was doing. Tokos thought this was valuable because it was a policy package to provide the framework on what Newport was working on. It was important to capture that a lot of this was outside of local control. Ogden thought it put emphasis on conversations with senators and representatives to say if any of this was placed on their desk that they put a high priority on them to get changes done on the state level. Jacobi thought the real estate transfer tax fee was something to look at. She gave an example of Fort Collins, Colorado where the fee allowed the city to have more money to work with. Tokos noted this would be a constitutional amendment. It would be an ask for the legislature but might be more favorable for them currently.

Goodman reviewed Action J, establishing a low barrier emergency shelter and warming center in Newport. Jones noted the nonprofit entity, Helping Hands was doing a shelter in Lincoln City. They were also operating in six other counties and might be interested in doing this. Jones was impressed with her conversations with the organization and thought the shelter had been thoughtfully done. Goodman suggested they add this to the service provider interviews. Kamikawa reminded that anyone who would operate a shelter owned by the City of Newport would have to go through a process to be

designated to run it. It was a matter of making sure everyone knew about it. The more open they were with it would better. Tokos agreed and noted this was one aspect of the public engagement strategy. What they needed to ask was whether or not they wanted to adopt a local super siting option. If it was adopted it would engage the public to ask if a property was the right site, and what they needed to do to the site. This wouldn't be a land use process that could be tied up in the courts for years. they could make the land use process the easy piece for the siting, and the debate would happen on things like if a location was the right place to make this kind of investment. Bassingthwaite asked if it would be used for sites that weren't zoned already for this type of facility, or for those that were in the right zones. Tokos explained the current way the city was set up was that the shelters would need conditional use approvals because they were considered a community service use and fell in the same category as religious institutions. Kaplan asked what the term "super siting" meant. Tokos explained this was in terms of what the legislature did where they said that within a certain window, when you have a site and a viable partner to operate that site, the land use rules didn't apply. This meant that there wouldn't be a conditional use process, traffic analysis, or an appealable discretionary process that could tie it up for a long period of time. Ogden thought they should reach out to operators in the Linn and Benton Counties since they were doing so much with them. They could reach out to these organizations to attract people from Linn and Benton Counties.

- 6. CET Discussion.** Goodman discussed Action K, adjusting the allocation of the CET to support affordable housing development. She then covered the existing CET funds and how they were allocated. Tokos asked if they should stick with the way they were allocating the funds or if they should take the commercial funds and allocate them somewhere else. Cowen liked the idea of being more flexible. Tokos reminded the amount of funds could spike any given year based on when large commercial projects were happening. Goodman noted that if the funds were in the flexible use they could change where the amounts were allocated, such as changing from affordable housing flexible use to down payment assistance.

Tokos asked if they should be using some of the flexible funds for homeless services or a shelter, or if it should only be housing units. Bassingthwaite asked if the 35 percent of funds was for affordable housing units. Tokos explained they had the flexibility to use the funds but struggled with defining this. Cowen thought that temporary housing for shelters was housing from his perspective. Tokos asked if there was general agreement to include the full continuum. Ogden thought they should so they had enough flexibility to tackle whatever issue they were facing. The Committee was in general agreement to include the full continuum. Jacobi questioned why they were saying that these funds would have moderate impact but were a small amount of money. Goodman explained they could leverage the money for a larger impact. Whenever the city had money to add it became an opportunity. Goodman noted that currently there might not be much of an impact but over the next five years it could grow and have more of an impact. Tokos agreed and reminded it gave policy makers the opportunity to fill in funding gaps that would not otherwise happen without it.

Goodman reviewed supporting the development of a regional housing entity focused on low- and middle-income housing development. She thought the question was what the city's role in this would be for this because it was hard to answer who the regional housing entity would be. Bassingthwaite thought they should also ask if the purpose should just fall under the city or county, or if it should include other local government entities as part of the housing entity. Tokos didn't think it had to be limited to just the city or county. He asked what the Committee thought the city's role would be in developing the regional entity. Should the city be a player or should they be the ones making this happen. Goodman suggested they make a recommendation that the city be a partner. Then it would be a discussion with the policy makers on what kind of leadership role the city wanted to do once they understood more about what the regional interest was. Tokos noted they could frame it that way and note that the level of city involvement was scalable. Jacobi asked how this played into the County



Housing Advisory Committee. Tokos reported the work they city was doing with House Bill 2123 was to develop local capacity to effectively provide services to those that were houseless, to create an entity or group that was capable of being a conduit for state or federal funds, and to building relationships between different governmental entities and nonprofit partners. This committee was looking at low to middle income, and the county group was looking at those that were houseless. The same players were involved with both. Goodman recommended that the city be designated a partner, and then look at the ability to scale the level of the city's involvement.

Goodman reviewed the Action I, participating in the regional homelessness action. She then covered Action F, system development charges (SDCs) for workforce housing. Goodman asked if this should be limited to multifamily. Tokos didn't think it had to. Cowen asked why the impact was small for this. Tokos explained the impact was small because of the limited funding. Kamikawa asked if SDCs were based on unit size or the number of doors. Tokos explained that for residential it had been shifted to the square footage of a single family dwelling. Everything else was based on their equivalent dwelling unit or meter sizing to determine what their impact on water system would be. This gave them guidance on how to allocate the 50 percent of the construction excise taxes that the city had for development activities.

Goodman reviewed Action B, growing partnerships with Community Land Trusts. Cowen thought the concept of land trusts would be something that would be of little interest for major foundations like Nature Conservancy. He asked if this would have some value to have money come in from somewhere else. Goodman explained that what Cowen was talking about was a different type of land trust. They were an ecological land trust and this was a housing land trust. Goodman thought they might be able to attract money from foundations but most of the funding would come from housing land trusts. Tokos explained how Proud Ground was able to leverage a half a million dollars from the legislature for housing initiatives. This was a good policy to have that would call out and recognize the equity for fairness and equity issues. Kaplan thought it was worth leaving in the toolbox. Jacobi liked the idea of a trust. She thought the impact was small but it helped people get into houses.

Goodman reviewed Action D, supporting outreach and education to promote equitable housing access. She asked what steps the city should be taking to do outreach to landlords and tenants to educate them on what their housing rights were. Tokos didn't have a problem adding this but thought that without context it was a little bit unclear on what type of outreach and education they wanted to engage in, and what the cost and investment associated with it would be. He thought they should leave it in and as opportunities came up they could sort through whether or not it was practical. Kaplan thought there was other entities who provided this as part of their mandates and didn't see the city doing this. Jacobi agreed and noted that Legal Aid and Community Consortium handled this. Kamikawa believed tenants already knew who to go to, but thought that distant landlords needed to be educated on what the requirements were in Oregon. Tokos reported that there had been conversations over the years with different councils about whether or not there was an appetite for the city to expand into the habitability of rental units to ensure that people were living in safe sanitary conditions. This was a level of commitment that was far above where this was currently in terms of inspector resources and staffing to follow through with that. There would be a legal element to this because a number of those landlords wouldn't voluntarily make changes. Jacobi thought this might be taken up by the city at some point for substandard housing. Kamikawa thought this fell under code enforcement when complaints about a property were called in. Tokos noted the city was responding to very low bar nuisances currently. The next level of problems, such as the international maintenance code, would get at ensuring people had a quality place to live. Kamikawa noted that this was tricky because it often meant they would be putting people out of a place to live because they were dangerous. Tokos reiterated that what he heard from the Committee for Action D was that the city would be playing a supporting roll and filling the gaps for outreach and education, and in a separate item the city should explore putting a maintenance

code in place to make sure rental housing was safe and sanitary. Kaplan asked if there was a way to engage citizens to get them to feel more responsible for our community. Goodman would look into a maintenance code and get back to them on this. Bassingthwaite suggested they soften the language in Section D about the city needing to ensure that there were opportunities.

Goodman reviewed Action G, perusing a growth management agreement with the county. Kaplan thought it was important to have a Growth Management Agreement because the lack of it would cause a lot of problems.

Goodman reiterated that what she heard was to soften the role in outreach and education, and there was support for what was included here. She asked if there was anything missing or that needed to be taken out. Jacobi thought they should have some zoning amendments for neighborhoods to allow small groupings of RVs for people live in. This could help people get into something to live in quickly. Tokos noted generally what kept people from developing RV parks was access, water, wastewater and power. They could look at either exploring opportunities for adjusting the rules to make RV parks more viable for transitional parking. Goodman gave an example of allowing people to live in RV in driveways in Eugene. Tokos noted that allowing a single RV in a driveway was being reviewed by the Planning Commission at their next meeting and was already moving forward.

Goodman reported the next meeting would be on February 16th.

7. **Public Comment.** None were heard.
8. **Next Steps.** None were heard.
9. **Adjournment.** Having no further business, the meeting adjourned at 8:12 p.m.

Respectfully submitted,

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Sherri Marineau  
Executive Assistant

DATE: February 10, 2023  
TO: Derrick Tokos  
FROM: Nicole Underwood and Beth Goodman, ECONorthwest  
SUBJECT: Newport HCA and HPS – Virtual Open House Outline and Survey Questions

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To support the Housing Capacity Analysis and Housing Production Strategy, the City is hosting a virtual Open House to both inform the community of work to date and gather feedback on proposed actions to address housing needs. This Open House will be held virtually on Microsoft Sway which is a presentation program that will allow participants to review the presentation in their own time. This memorandum includes an outline of the information that will be included in that presentation as well as draft survey questions that participants can answer as they move through the presentation. The Open House is expected to be open from February 27 through March 17, 2023.

## What information will the Open House include?

The virtual Open House will include an overview of the project (HCA and HPS) and project timeline. It will include details on why the city is planning for housing highlighting the following points:

- Cost burden and homelessness
- Projected household growth
- Median income versus housing costs
- Commuting trends (and the need for workforce housing)
- Demographic trends including growing share of residents over 60, growing share of Latino residents, household size, etc.
- Current housing mix (single family detached, multifamily, townhomes, etc.)

After presenting this data, participants will be asked to fill in survey questions 1-5.

The Open House will also list the actions the City has taken to date to address housing need and describe the actions proposed in the HPS. After the potential actions are introduced and described, participants will have an opportunity to prioritize proposed actions in survey question 6.

## Survey Questions

**1. What type of housing do you currently live in?**

- a. Manufactured Housing
- b. Single Family Detached
- c. Single Family Attached / Townhome
- d. Duplex, Triplex, Quadplex
- e. Multifamily (5+ units)
- f. Accessory Dwelling Unit
- g. Other \_\_\_\_\_

**2. Do you rent or own your home?**

- a. Rent
- b. Own
- c. Other \_\_\_\_\_

**3. What concerns you most about development of new housing types in Newport? (you can choose more than one answer)**

	Building design	Parking (not enough)	Parking (too much)	Existing neighborhood compatibility	Too many in an area	No Concerns
Single Family Detached	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Attached/Townhomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cottage Housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Duplexes, Triplexes, Quadplexes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Multifamily (5+ units)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mixed-use (housing over commercial)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**4. Newport allows a variety of housing types including single family detached, townhomes, cottage housing, duplexes/triplexes/quadplexes, and multifamily (5+ units). Do you think that Newport should allow these other housing types?**

	Support	Do not support	No opinion
Co-housing homes			
Single-room occupancies			
Tiny houses on lots			
Tiny houses in micro-villages			
Modular/prefabricated housing			
RV parks that allow long-term occupancy			
Other innovative housing types			

**5. What housing issues are you most concerned with in Newport?**

	Not at all concerned	Neutral / no opinion	Somewhat concerned	Very concerned
Cost of homeownership / buying a home				
Cost of rent				
Housing availability				
Too much growth too quickly				
Quality of available housing				
Discrimination in housing				
Accessibility for those with disabilities				
Property taxes				
Variety of housing types available (to rent or own)				
Variety of housing sizes (number of bedrooms) available (to rent or own)				
Other				

**6. How should Newport prioritize its housing actions? (please limit highest priority to 4)**

	Lowest priority	Medium priority	Highest priority
Use Urban Renewal funding to support housing and infrastructure development			
Provide a 10-year property tax exemption for low-income home buyers			
Reduce development code barriers for housing development			
Use the existing Construction Excise Tax (CET) to support affordable housing development			
Lobby the Oregon Legislature for more resources and flexibility to support housing development			
Establish a low barrier emergency shelter and warming center in Newport			
Support development of a regional housing partner focused on low- and middle-income housing development			
Participate in the Lincoln County regional homelessness action plan			
Pay development charges to support building of workforce housing			
Support building of affordable housing for homeownership			
Support outreach and education to promote equitable housing access			
Pursue an agreement with the County that makes it easier for the City bring land into City limits			
Work with landlords and tenants to ensure that rental housing is well-maintained			

**7. Do you have any other comments about housing in Newport?**

DATE: February 10, 2023  
TO: Newport Housing Advisory Committee  
CC: Derrick Tokos  
FROM: Beth Goodman and Nicole Underwood, ECONorthwest  
SUBJECT: Additional Details on Housing Strategies (Actions)

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Newport is in the process of developing a *Housing Capacity Analysis* and *Housing Production Strategy* (HPS) to address the City's unmet housing needs. This memorandum describes actions that the City of Newport could take to address the City's housing needs which were identified in the *Newport Housing Needs and Potential Strategies* memorandum. The project team developed this list based on conversations with City staff, the Project Advisory Committee, and the experiences of other cities in Oregon and other states.

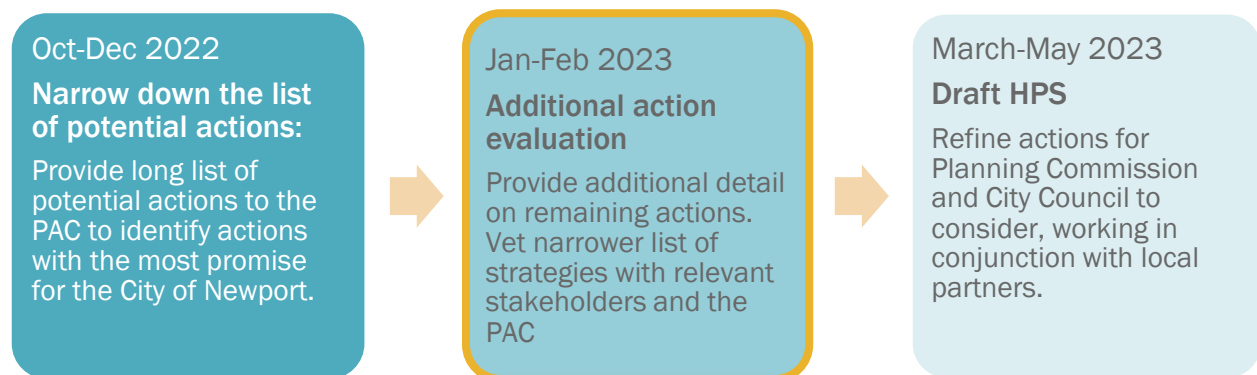
The Project Advisory Committee (PAC) will use this memorandum as a basis for discussion at the February 16, 2023, meeting. It is not intended as a final deliverable but rather as an interim document that provides additional details on the selected actions. These actions will undergo additional refinement before being included in Newport's *Housing Production Strategy* (HPS).

For the HPS, the City is looking for strategies that:

- Help to encourage the production of housing units
- Are controlled and implemented by the City of Newport
- Can be administered by existing City staff, provided budgetary resources are available

## Process

This memorandum supports the strategy evaluation process (circled in orange below) and is intended to inform PAC discussion and City decisions about which actions to include in an overall program to produce housing citywide. This memorandum provides additional details on each of the actions and next steps that the City will implement over the course of eight years. The PAC will review a draft of the full HPS at the next meeting.



The next step in this process is to determine the details and implementation steps for these actions with the PAC. The discussion with the PAC on February 16, 2023, will focus on the following questions:

- Are the actions included in this memo the appropriate actions to address unmet housing needs in Newport? Consider how these strategies work together to address Newport's specific needs.
- Are there implementation considerations for each action that we have not included?

Beyond the February meeting, we will meet with the PAC one more time to review the full draft HPS.

This memorandum includes the following parts:

- Actions Under Consideration for Inclusion in the HPS
- Use of Actions to Support Different Housing Outcomes
- Appendix A: Evaluation Criteria for Actions
- Appendix B: Existing Policies to Address Newport's Housing Needs



## Actions Under Consideration for Inclusion in the HPS

The following actions are under consideration for inclusion in the HPS. If selected for inclusion in the HPS we will continue to build out the details of each action.

### Summary of Actions

In developing the HPS, we evaluated each of the actions considered for inclusion in the HPS based on the following. **Appendix A provides more details** about these evaluation criteria, beyond the summary below.

- **MFI targeted** focuses on incomes below 120% of MFI as these households are most likely to have difficulty affording housing.
- **Housing types targeted** considers what type of housing the action can support.
- **Impact** considers the potential scale of impact on housing development that the action could have. This provides context for whether the policy tool generally results in a little or a lot of change in the housing market.
- **Administrative burden** considers how much staff time is required to implement and administer action.
- **Funding required** considers how much funding is required to implement and administer the action.
- **Ease of implementation** assesses the political and community acceptability of the action, as well as potential need to coordinate with other organizations.
- **Flexibility** describes whether the action can be flexibly used to achieve multiple outcomes.

These actions are organized by the level of priority for the PAC as determined in the January meeting, with actions identified as higher priority towards the top of the list. This is not meant to reflect the order in which they will be implemented (because some actions may rely on implementation of other actions), but rather to give an understanding of what actions the PAC thought would be most beneficial to Newport and within the City's control.

As the City considers whether to include these actions in the HPS, one thing it should pay close attention to is the amount of staff time and funding that the actions will require. These actions will build on those actions that the City has already taken, summarized in Appendix B. Some of the actions that the City has already taken may also require additional staff time or could have additional costs to the City. For example, the existing property tax exemptions will have new costs, assuming that new development applies for them (and that the application is granted). In addition, the City's existing rehabilitation and weatherization program could be expanded if more staff time and funding was available.

**Exhibit 1. Summary of Actions**

Potential Action	MFI Targeted / Housing Type	Impact	Administrative Burden	Funding Required	Ease of Implementation	Flexibility
A. Use Urban Renewal to support housing and infrastructure development	All incomes / all housing types	Large	Medium	NA	Medium	High
B. Implement the Homebuyer Opportunity Limited Tax Exemption	Up to 120% MFI / single family	Small	Medium	Low	Medium	Medium
C. Reduce development code barriers to housing development	All incomes / multi-family	Moderate	Low	Low	Medium	Medium
D. Adjust the allocation of the Construction Excise Tax to support affordable housing development	Up to 120% MFI / all housing types	Moderate	Low	NA	Medium	High
E. Lobby the Legislature for more resources to support housing development and remove regulatory barriers to housing development	All incomes / all housing types	Moderate to Large	Medium	Low	Low to High	High
F. Establish a low barrier emergency shelter and warming center in Newport	Up to 30% MFI / emergency shelter	Moderate to Large	Medium	Medium to High	Medium	Low
G. Support development of a regional housing entity focused on low- and moderate-income housing development	60% to 120% MFI / middle, multifamily	Moderate	Medium	Medium	Medium	High
H. Participate in the regional homelessness action plan	Up to 30% MFI / temporary housing	Moderate	Medium	Medium to High	Medium	Medium
I. Pay System Development Charges (SDC) for workforce housing	Up to 120% MFI / multifamily	Small	Medium	Medium	Medium	High
J. Grow partnerships with Community Land Trusts	Up to 120% MFI / single family, middle	Small	Low	Medium	High	Low
K. Support outreach and education to promote equitable housing access	All incomes / all housing types	Small	Medium	Low	Low to High	High
L. Pursue an Urban Growth Management Agreement (UGMA) with the County	All incomes / all housing types	Small	Low	Low	Medium	Low
M. Research rental housing maintenance code feasibility	All incomes / all housing types	Small	High	Medium	Low	Medium

## A. Use Urban Renewal to support housing and infrastructure development

### Rationale

Urban renewal provides a flexible funding tool that can support many of the key strategies identified in the Housing Production Strategy if used within an urban renewal district. It allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).

### Description

Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes is used to pay off bonds.

The City has three existing urban renewal districts: (1) the South Beach Urban Renewal District, for which all remaining funds have been allocated, (2) the McLean Point District which is strictly focused on generating funding to support infrastructure for water related industrial development next to the Port of Newport International Terminal and (3) the Northside Urban Renewal District, which is the focus of this strategy. The Northside Urban Renewal District was established in 2015 for the purpose of revitalizing the City's commercial core areas; upgrading street and utilities in Agate Beach to enhance existing neighborhoods and facilitate residential development; and to partner in redevelopment of the county commons and hospital campus.

Urban renewal can be used to support development of off-site infrastructure necessary to support new housing development. It can also be used to support development of affordable housing or to support rehabilitation of existing housing in poor condition, possibly with future requirements that it remain affordable at an income level like 80% or less of MFI. The City will need to decide how to use the funding to support housing over the life of the district. The best use of funding may be in coordination with other actions in the HPS, such as with land banking and support of development of income-restricted housing.

The Urban Renewal Agency could also act as a Housing Authority to directly support housing development. However, this would require a substantial amendment to the Northside Urban Renewal Plan. **The City may want to consider amending its current Northside Urban Renewal Plan to give the Urban Renewal Agency housing authority. The City may also want to consider extending the Northside Urban Renewal area or creating a new urban renewal area focused on supporting new housing development once the South Beach Urban Renewal District is closed in 2027.**

#### How are other cities using Urban Renewal to support housing?

The cities of John Day and Madras both established Urban Renewal Districts in their respective rural communities to help with compounding shortfalls of housing production. These Urban Renewal Districts use Tax Increment Financing (TIF) to provide incentives for building within designated city areas that have "deteriorated structures, underdevelopment or lack of development."

The City of John Day established their Urban Renewal District in 2018 covering about 130 acres of land, and the City of Madras established their Madras Housing Urban Renewal District (HURD) Plan in 2019 covering about 700 acres of land. Both cities offer incentives within their Urban Renewal Districts, including:

- Cash rebates on a portion of property taxes paid
- Direct contribution of funds
- Contributions to the developer for infrastructure development
- An agreement for the Urban Renewal Agency to complete infrastructure improvements that are required as a condition of development approval

## City Role

The City would continue to implement the Northside Urban Renewal Plan and select projects to fund using the Tax Increment Financing tool of the District.

For a new urban renewal area in Newport or an amendment to the Northside Urban Renewal Plan, the City Council would adopt, and the Urban Renewal Agency Board would implement the plan.

## Partners

Lead Partner. Urban Renewal Agency, Newport Community Development Department

Partners. Overlapping taxing jurisdictions, local property owners, community-based organizations

## Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low-, very low-, low- and middle-income households	All incomes	Renter and Owner	Large

## Potential Risks

An urban renewal district is designed to support development through improvements to infrastructure and supporting catalytic development that makes it more feasible to do other development. A key risk with using urban renewal is potential to displace existing residents through gentrification. Other risks in using urban renewal to support affordable housing development in the urban renewal district is granting too many property tax exemptions for new affordable housing development, reducing growth of the property tax base in the district. In addition, funds spent on affordable housing reduce funds available for other priorities.

## Implementation Steps

- In the Northside Urban Renewal District, identify potential partners where the agency can facilitate construction of housing, leveraging infrastructure investments to result in more affordable housing. This may involve the preparation of development agreements between the City and partners.
- Conduct a feasibility study to evaluate options for either expanding the Northside Urban Renewal District or establishing a new urban renewal district after the South Beach Urban Renewal District closes in 2027. When performing this study, target areas that would support additional housing development and ensure that the Urban Renewal Agency has sufficient tools to facilitate that development, including functioning as a Housing Authority.
- Consult with affected taxing entities as the feasibility study is developed to ensure their support for a potential new urban renewal district.

## Implementation Timeline

To be filled in later

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

## Funding or Revenue Implications

Funding and revenue implications of urban renewal are well-documented in the Urban Renewal Plan. Investment can only occur within the Urban Renewal District.

## B. Implement the Homebuyer Opportunity Limited Tax Exemption

### Rationale

The Homebuyer Opportunity Limited Tax Exemption (HOLTE) can serve as an incentive to stimulate the construction of new single-unit housing and encourage homeownership among low and moderate-income families.

### Description

The state-authorized, locally implemented Homebuyer Opportunity Limited Tax Exemption (HOLTE) provides a 10-year property tax exemption on the improvement value of new or rehabilitated for-sale housing valued at no more than 120% of the median sales price for the City (or a lower percentage of median sales price if desired by the City). The City can set additional eligibility criteria (such as income limits or require owner-occupancy) and can cap the number or value of units in the program.<sup>1</sup> This program could support expanded home ownership opportunities for low- and moderate-income households and/or production of lower-cost, new, single-unit housing. HOLTE can be used to support homeownership for single-unit detached housing, townhouses, cottages, and plex housing types.

This exemption can be used in conjunction with other incentives (e.g., SDC deferrals), homeownership programs (e.g., down payment assistance programs and mortgage credit certificate programs), and land trust. It can be used to accomplish other development goals, such as green buildings and transit-oriented development.

What does the exemption apply to? The tax abatement can apply to any ownership housing valued at less than 120% of the City's median sales price. This could include housing provided by a community land trust or an affordable housing provider. The program can apply to any housing type as long as the units are sold individually, including single-family homes, townhouses, other for-sale middle housing, or condominiums.

How long does it apply? The property tax exemption can be granted for up to 10 years. State statute does not allow for the abatement to be extended.

What taxing districts would participate? The property tax exemption requires that the City gets affirmative support from at least 51% of overlapping taxing districts for the exemption. Newport's city property taxes account for about 36% of property taxes in Newport.

What impact might HOLTE have? In an analysis for the City of Hillsboro, ECONorthwest estimated the monthly property tax savings for a homeowner with the 10-year single-unit tax exemption as well as the foregone revenue for the City. Based on an example property with an improvement value of \$238,000 and an assessed value of \$164,000 (excluding land value<sup>2</sup>), the analysis found that the homeowner would save roughly \$240 per month or about \$28,800 over the 10-year period if all districts participate in the exemption. The City would forego roughly \$9,000 (in today's dollars) of tax revenues over 10 years for the unit, with other taxing districts forgoing approximately \$19,800.

While Newport's tax rates would differ from this example in Washington County, this example shows that the impact to City tax revenues would be minimal while providing much needed support for low- and middle-income homeowners.

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<sup>1</sup> ORS 307.657. HOLTE allows cities to adopt standards and guidelines to be utilized in considering applications and making the determinations required under ORS 307.651 to 307.687, **including but not limited** to: (a) Design elements for construction of the single-unit housing proposed to be exempt. (b) Extension of public benefits from the construction of the single-unit housing beyond the period of exemption. The City should review desired requirements with the City attorney before enacting.

<sup>2</sup> Based on the exemption of land value from property taxes allowed in ORS 307,162.

How much impact could this exemption have on Newport? Before adopting the HOLTE, the City should evaluate the potential impact on property tax revenues resulting from HOLTE. The City may want to consider capping the number of households it grants HOLTE exemptions to on an annual basis. The City may also want to run a pilot project for HOLTE, to evaluate its impact and effectiveness.

### City Role

Implement the exemption and execute on reporting and administration procedures

### Partners

Overlapping taxing districts

### Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Low and moderate income	Up to 120% of MFI	Ownership	Small

### Potential Risks

The City and participating taxing districts will lose property tax income for the duration of the exemption, reducing revenue for City services and revenue for participating taxing districts. If the City does not put a cap on the number of HOLTE applications it could grant each year, the City may be overwhelmed with applications.

### Implementation Steps

- Evaluate the tradeoffs of implementing HOLTE with various program parameters. Consider establishing an income cap (i.e., below 120% MFI) and owner occupancy requirements (i.e., demonstrate that they do not own another home) for eligibility in the HOLTE program. Verify legality of requirements with City attorney.
- Seek support from overlapping taxing districts to offer the exemption for all property taxes (not just the City's portion).
- Discuss topic with City Council at work sessions and in public hearings. City Council may choose to adopt HOLTE by resolution or ordinance following a public hearing.
- Follow up with overlapping taxing districts to request that they pass resolutions to support the exemption.

### Implementation Timeline

To be filled in later

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

### Funding or Revenue Implications

Consider setting a limit for foregone revenues on an annual basis, or an annual unit cap.

## C. Reduce development code barriers for housing development

### Rationale

Removing barriers such as complex or restrictive building codes can make housing development less difficult, time consuming, and costly. Increasing development densities can also increase financial feasibility of building new multifamily housing. This could attract more developers to the area or encourage developers already working in Newport to look for other properties to develop.

### Description

Newport has multiple barriers in its Development Code that are limiting or preventing denser housing development. As identified by the PAC and City staff, barriers in Newport's development code that makes housing development more challenging includes:

- **Building height limit.** The current building height limit is 35 feet. In most cases, this limits development to 2- to 2.5-stories, especially for buildings with a peaked roof. Increasing the height limit to allow 3 full stories (which could be a height limit of about 40 feet) can help make multifamily development more financially feasible. The City could increase building height limitations in selected areas of the City, in selected zoning districts, or both.
- **Parking requirements.** Off-street parking requirements increase the cost of developing housing. In Nye Beach, on-street parking credits reduce the required number of off-street parking spaces by one off-street parking space for every one on-street parking space abutting the property. Expanding on-street parking credits to areas beyond Nye Beach that have fully developed street sections would reduce off-street parking requirements and help lower the cost of development.
- **Variance process for development on hillsides.** The commonly given variances to the 15-foot setback requirement for front yards requires a hearing with the Planning Commission. The City could remove the requirement for a setback variance process for development on hillsides, possibly with setting specific lot coverage ratios, to ensure that the new house is actually built closer to the street.
- **Allow transitional housing development.** Some cities allow for development of temporary housing, a form of transitional housing, meant to bridge the gap between houselessness and permanent housing.
- **RV requirements.** Evaluate adjusting the City's development code to allow RV parks that allow long-term occupancy of RVs in a safe and clean place.

There may be other zoning barriers to producing housing that the City uncovers as it reviews its zoning code. The City should consider if/how they can update Newport's Development Code to alleviate these barriers while still achieving other City goals (scenic views, solar impacts).

### City Role

The City would amend the Development Code.

### Partners

Conversations with developers could help inform new policies

### Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low-, very low-, low- and middle-income households	All incomes	Renter and Owner	Moderate

### Potential Risks

Reducing development code barriers to achieve greater development must be balanced with other City objectives such as preserving scenic views and open space (among others).

### Implementation Steps

- Further engage the development community to better understand how the development code is impacting development of housing development, focusing on the barriers described above.
- Review the barriers in Newport’s Development Code and consider implementing revisions such as those described above.
- If appropriate, revise the Newport Development Code to implement the revisions outlined above and other identified barriers by working with the Planning Commission and City Council through a public process.

### Implementation Timeline

To be filled in later

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

### Funding or Revenue Implications

Staff time and available City tools and resources will be relied on to accomplish this strategy.



## 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>3</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>4</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>3</sup> There is no cap on the rate applied to commercial and industrial construction.

<sup>4</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
<b>Total</b>	<b>\$453,261</b>	<b>\$68,921</b>	<b>\$522,182</b>

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 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 middle-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 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

To be filled in later

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

## 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.

## E. Lobby the Legislature for more resources to support housing development and to remove regulatory barriers to housing development

### Rationale

Cities have limited resources available to support housing development, particularly funding for the large-scale infrastructure needed to expand into undeveloped areas. By expanding the tools cities can access raise local funds, providing greater direct financial support for infrastructure, and reducing regulatory barriers to development, the state can equip Newport and other cities with the resources they need to support housing development.

### Description

Newport could lobby the Oregon Legislature to increase funding for infrastructure and housing development as well as lobby for changes to regulations that would make development easier.

Examples include:

- Lobby to allow cities to establish a **real estate transfer tax** to fund land banking and other types of housing support, specifically in cities where the median housing cost is significantly higher than what the local workforce can afford.
- Lobby to **allow cities to use restricted transient lodging tax** funds to support development of housing (or infrastructure to support housing) for people working in service industries and other lower wage jobs in the City.
- Lobby to allow cities to implement a **vacancy tax or second home tax** which could help reduce the number of second homes and vacation rentals in a City and increase the housing stock for residents and workers.
- Advocate for **streamlining state building codes to allow a greater variety of prefabricated structures** (modular housing), including prefabricated housing produced in different states.
- Lobby to **change the Local Improvement District statutes** to allow participants to pay off assessments through property taxes, rather than requiring a lump sum payment, which is difficult for many property owners.
- Lobby to **simplify the UGB amendment process**; make it easier for cities to swap land that cannot be cost effectively served or expand the UGB when necessary to accommodate growth.

### City Role

Collaborate with partners and support lobbying efforts. The City would need to decide what level of involvement it wants to have.

### Partners

Partners would vary based on the changes being pursued. Potential partners could include League of Oregon City, nonprofits, developers, local government agencies, other cities, Lincoln County, concerned citizens

### Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
All households	All incomes	Renter and Owner	Moderate to Large

### Potential Risks

Efforts may not result in desired changes

### Implementation Steps

- Work with partners to refine proposals for the legislative issues identified above, with a focus on achieving desired outcomes while avoiding unintended consequences.

- Work with local state elected representatives to champion the proposed changes.

### Implementation Timeline

To be filled in later

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

### Funding or Revenue Implications

The City would need to decide what level of resources it would dedicate to the lobbying effort.

## F. Establish a low barrier emergency shelter and warming center in Newport

### Rationale

People experiencing homelessness need access to long-term housing. The first step towards accessing long-term housing is often through low barrier emergency shelters, which is intended to meet the needs of people experiencing homelessness with more barriers to shelter such as people with behavioral health issues or a criminal background.

### Description

A low barrier emergency shelter should meet the needs of all members of a household, including infants and children and should avoid splitting up family members to access shelter. The shelter should not turn people away or make access contingent on sobriety, minimum income requirements, or lack of a criminal history. The shelter should provide a safe, decent, welcoming, and appropriate temporary living environment, where daily needs can be met while pathways back to safe living arrangements or directly into housing programs are being pursued.

The City could seek a partner to work with on development and operations of an emergency shelter, such as a qualified nonprofit operating in Lincoln County and partnering with Lincoln County for critical services.

The City could support development of an emergency shelter by revising land use regulations to allow shelters as an outright permitted use in designated zones. The City could also provide a site for the shelter (such as surplus City-owned land or designating an area for the emergency shelter), facilitate the permitting and review process for the shelter, and/or provide financial or other assistance to support development of the shelter. The City could initiate the process for developing a shelter by issuing a request for proposals for a shelter provider.

Building and operating the shelter will require assistance from many different partners. While the City would contribute funds to development of the shelter, other funding will be necessary to build the shelter. In addition, other partners could provide services to people experiencing homelessness who would use the shelter. Lincoln County might provide mental health services to people who stay at the shelter. The Lincoln County Housing Authority might help people at the shelter access long-term affordable housing.

### City Role

Reduce land use barriers to shelter location, bring funding to bear to support the rehabilitation of an existing building for use as a shelter, or the construction of a new shelter, and partner with existing government, social service, or nonprofit organization(s) to operate the facility.

### Partners

Lincoln County, service providers, faith-based organizations, other partners

### Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
People experiencing homelessness	Up to 30% MFI	Temporary	Moderate to Large

### Potential Risks

The strategy will require explicit consideration of ongoing funding sources to sustain operations and to prevent excessive impact on any one organization. Neighbors may also see a resource center with an emergency shelter as a disruption to the neighborhood.

## Implementation Steps

- Explore the City’s land use regulations to allow shelters as an outright use in designated zones, potentially excluding heavy industrial and shoreland areas.
- Identify organizations to partner with, such as area nonprofits and Lincoln County to establish a plan to develop a permanent emergency shelter and warming center in Newport.
- Work with partners to identify a location and a lead organization for the resource center and preferred program and service parameters.
- Develop a finance and funding plan to support the resource center development and operations, including grants and other sources of funding.
  - Monitor for grants and leverage local, state, and federal funds and resources. The City should discuss what resources it can bring to the table (donated land, monetary resources, technical support, etc.).
- Conduct community outreach to educate the public about this action and gather support. The City will need to be active in its outreach, looking for opportunities to engage underrepresented and hard to reach community members.

## Implementation Timeline

To be filled in later

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

## Funding or Revenue Implications

The City will need to identify funding sources to support an emergency shelter.

## G. Support development of a regional housing entity focused on low- and middle-income housing development

### Rationale

Households with low and moderate incomes (between 60% and 120% of MFI) across Lincoln County are experiencing affordability barriers to accessing housing. Meanwhile cities across the region have limited resources (financial and otherwise) to support housing development. By supporting development of a regional housing entity, cities, the County, and other local partners can pool resources to support housing development and better address housing needs at the regional level.

### Description

Much of the resources available to support development of affordable housing are targeted at building income-restricted affordable housing, affordable to households earning 60% or less of MFI. There are fewer programs and resources available to support development of housing affordable to households with low and moderate incomes (incomes between 60% and 120% of MFI). While more resources are needed to support development of all types of affordable housing, this action focuses on a regional effort to support development of housing affordable to low and middle income households. In Newport, people with these income levels struggle to find housing, resulting in higher rates of cost burden (especially for renters), commuting from outlying areas, or overcrowding.

Newport wants an active role in supporting low- and moderate-income housing development, but limited resources make it challenging for the City to remove barriers to development of affordable housing on its own. Newport, along with other cities and local partners in Lincoln County, could work together to build the capacity of existing partners such as the Housing Authority of Lincoln County to expand housing support to households making between 60% and 120% MFI. Regional partners would bring their own funding sources to the table and would pay to resource the regional housing entity.

The regional housing entity could support a regional land banking strategy, retaining staff who can oversee and manage a portfolio of banked land and help facilitate the development of land. Through land banking, the region can provide a pipeline of land for future development and control the type of development that may occur on that land.

The regional housing entity could be scalable based on the needs and wants of participating partners.

Newport could support the regional housing entity in the following ways:

- Engage other cities to build momentum for a regional housing approach.
- Dedicate land to a land bank managed by the regional housing entity.
- Provide funds such as from Urban Renewal or CET to support land banking and other regional housing services.
- Provide limited staff support.

### City Role

The City would be a partner in this effort and could take on other roles such as providing funding or resources to support the regional housing entity

### Partners

Cities in Lincoln County, Lincoln County, other government partners, service providers



### Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Low and middle income	60%-120% MFI	Renter and Owner	Moderate

### Potential Risks

For this effort to be successful partners across the County would need to commit to supporting this effort.

### Implementation Steps

- Engage other cities and local partners to build momentum for a regional housing approach to address workforce housing needs as the gap that the regional housing entity would fill.
- If there is interest in pursuing a regional housing entity, work with partners to determine what this regional housing entity should focus on and who within the county may be best suited to play the regional housing entity role.
- Determine the specifics of Newport’s role in supporting the regional housing entity.

### Implementation Timeline

To be filled in later

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

### Funding or Revenue Implications

The City would need to decide what level of financial support it would dedicate to the regional housing entity and identify a funding source.

## H. Participate in the regional homelessness action plan

### Rationale

Newport is not alone in its challenges around housing affordability and homelessness. Homelessness has been on the rise in Lincoln County and many other regions across the state. By developing a regional approach to addressing homelessness, cities and the County can align efforts and pool resources to address the systemic challenges that are driving the homelessness crisis.

### Description

Homelessness in Lincoln County has been on the rise. The primary causes of homelessness include job loss, mental health issues, substance abuse, evictions, foreclosures and possibly transition from incarceration, as well as structural issues such as increasing rents and lack of affordable housing. Lincoln County was selected to participate in a homelessness response coordination pilot program and was awarded one of eight grants in the state. The grant requires participating entities to formulate, organize and manage an Advisory Board, stand up a coordinated homeless response office and prepare a 5-Year Strategy to Reduce Homelessness.

Newport should actively engage and assist the County and other partners in the development and implementation of the 5-year strategic plan to reduce homelessness. Newport could dedicate resources to addressing homelessness in alignment with the regional plan.

### City Role

Participate in the regional action planning process

### Partners

Cities in Lincoln County, Lincoln County, other government partners, service providers

### Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
People experiencing homelessness	Up to 30% MFI	Temporary	Moderate

### Potential Risks

For this effort to be successful partners across the County would need to commit to supporting this effort.

### Implementation Steps

- Participate in the development of the regional homelessness action plan as a part of the Advisory Board.
- Commit to implementing the plan recommendations as they relate to the City's responsibilities.
- Identify funding sources to support plan implementation in consultation with partners.

### Implementation Timeline

To be filled in later

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

### Funding or Revenue Implications

The City would need to decide what level of financial support it would dedicate to implementing the action plan and identify a funding source.

# I. Pay System Development Charges (SDC) for workforce housing

## Rationale

The City of Newport collects System Development Charges (SDCs) for wastewater, water, stormwater, transportation and parks. These fees add to the barriers of producing workforce housing in Newport. Programs that backfill (i.e., City pays for) Systems Development Charge fees directly reduce development costs and can incentivize development of qualifying housing types or building features.

## Description

The City could pay the cost of SDCs for workforce housing but would need to use non-SDC City funds to backfill the costs of SDC, for a range of housing types such as cottage housing, townhouses, plex housing, and multifamily housing. To do this, the City would require a funding source to pay the costs of SDCs, such as Urban Renewal (in urban renewal areas) or CET revenue. SDC subsidies should be scaled to the percent of units in the project that are affordable.

## City Role

The City would create a program with specific eligibility criteria

## Partners

Area developers

## Anticipated Impacts

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

## Potential Risks

Money used to pay for SDCs would be unavailable for other housing programs. Available funding may vary from year to year especially if CET is used to pay for SDCs.

## Implementation Steps

- Engage the development community to better understand how the City's backfilling of SDCs could be effective at encouraging workforce housing development.
- Determine which funding sources would be used to backfill SDC revenues.
- Develop eligibility criteria for when the City would pay SDCs for a project (e.g., project size, depth of affordability, and other criteria).
- Establish an application process for developers to apply for the SDC buy-down program.

## Implementation Timeline

To be filled in later

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

## Funding or Revenue Implications

The City could consider paying for SDCs from CET or Urban Renewal funds.

## J. Grow partnerships with Community Land Trusts

### Rationale

Land trusts support affordable housing development by holding land in perpetuity and selling or leasing the housing on the land at below-market rate prices. Land trusts most frequently provide opportunities for homeownership that remain affordable over the long-term.

### Description

A land trust is typically managed by a nonprofit organization that owns land and sells/leases the housing on the land to income-qualified buyers. Because the land is not included in the housing price for tenants/buyers, land trusts can achieve below-market pricing. Land trusts are commonly used as a method for supporting affordable home ownership goals.

The City may participate in a community land trust that is operated by an existing entity, often a nonprofit organization. The City's role in a community land trust could be as a partner, possibly assisting the trust with land acquisition through land banking, or by providing funding for homebuyer down-payment assistance grants or to support housing development.

The City already has relationships with two land trusts - Proud Ground and DevNW that operate in the region. A portion of the affordable housing construction excise tax that the City collects and remits to Oregon Housing and Community Services (OHCS) is to be made available locally as down-payment assistance grants, and land trusts are a key partner in making that happen. The City could dedicate additional resources to support these land trusts in Newport or develop relationships with other land trusts in the region.

### City Role

Continue to partner with, and provide resources to, local land trusts

### Partners

Nonprofits including Proud Ground and DevNW

### Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Low and moderate income	Up to 120% of MFI	Ownership	Small

### Potential Risks

Land trusts keep housing affordable in perpetuity, but the cost of purchasing or constructing housing that is affordable to lower income households for homeownership is substantial. This means the number of households who would benefit would be small and could generate questions about the equity and fairness of who receives the benefits.

### Implementation Steps

- Engage with existing land trusts operating in Newport to understand opportunities for expanding land trust activities, including the funding and other resources necessary to expand their footprint and increase capacity to support Newport households.
- Identify opportunities to acquire land in urban renewal areas that can be developed in partnership with land trusts.
- Explore additional opportunities for partnerships with land trusts not yet operating in Newport

### Implementation Timeline

To be filled in later

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

### Funding or Revenue Implications

Partnering is the most administratively efficient and cost-efficient approach to implementing this strategy. If the City is contributing land to the land trust at low- or no-cost, then the City is forgoing realizing the value of the land if it was sold on the open market. If the City contributes funds to the land trust, the City will need to identify a source of funding for the contributions.

## K. Support outreach and education to promote equitable housing access

### Rationale

Proactively reaching out to the community, particularly underserved populations, can help the City better understand the housing needs of its residents and provides an opportunity for community members to learn about existing housing resources that can support housing access and stability. Communicating effectively with landlords and residents about fair housing laws and available resources can also help ensure equitable access to housing, preventing, and addressing housing discrimination.

### Description

A challenge to supporting affordable housing development is making sure that decision makers, stakeholders, and the community have a common understanding of the problem. When undertaking housing initiatives, the City should prioritize community outreach, especially with groups who are underrepresented in community conversations and are hard to reach, such as non-English speaking community members. Through this effort the City could, where appropriate, provide opportunities for community members to share their stories of housing problems, documenting them in a way to tell the story of unmet housing needs by people who live in Newport. The City could also provide information to community members about existing programs and actions the City has taken to address affordable housing.

The City could highlight work that existing partners do to educate residents, property owners, realtors, lenders and others involved in real estate transactions about Fair Housing. The City could work with these partners, providing information and referrals.

Effective outreach requires substantial effort from staff and/or funding to pay consultants to do the outreach, so City's efforts in this regard need to be strategic. The City should engage with partner organizations to better understand their outreach efforts and how the City might complement their initiatives and build upon it year-over-year.

### City Role

Partner with organizations that provide Fair Housing education; conduct community outreach

### Partners and their Role

Local nonprofits and service providers, Fair Housing Council of Oregon

### Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
Extremely low, very-low, low-, and middle-income residents and communities of color, and all state and federal protected classes	All income levels	Renter or Owner	No units produced directly

### Potential Risks

Effective outreach requires substantial effort from staff and/or funding to pay consultants to do the outreach.

### Implementation Steps

- Engage with partner organizations to identify steps they are taking to educate the community about housing opportunities and how the City could compliment those efforts.
- Develop materials to raise awareness of City role and responsibilities as it relates to the provision of housing within the community, including new printed and online materials, and

proactively market City housing programs to those who can benefit from them, particularly underrepresented and difficult to reach communities. Ensure materials are available in Spanish and are available in places where community members frequent.

- Ensure that City sponsored housing initiatives include outreach to underrepresented and difficult to reach community members, and that the feedback received is used to inform those efforts.

### Implementation Timeline

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

### Funding or Revenue Implications

Staff time and City tools and resources will be relied on to accomplish this strategy.

## L. Pursue an Urban Growth Management Agreement (UGMA) with the County

### Rationale

Newport does not have a growth management agreement (UGMA) with Lincoln County that lays out the roles, responsibilities, and agreements for managing the Urban Growth Boundary (UGB) and land between the City limits and Newport UGB (called the “urbanizing area”). The lack of such an agreement can cause confusion and delay in actions related to changing Newport’s UGB, such as “swapping” undevelopable land from within the UGB to outside of the UGB and bringing in land better suited for development into the UGB.

### Description

Most cities have an agreement with the county about how land within the UGB but outside of city limits will be managed.<sup>5</sup> Development of land in this area is generally subject to county development code and regulation, however cities have a strong interest in this land as it will accommodate future population and employment growth. An UGMA spells out the roles and responsibilities of managing this land and expansion of or change to a UGB between the city and county. UGMAs usually include guidelines around annexation, land divisions, zoning, service districts, infrastructure, land use review procedures, and procedures to amend the UGMA. All UGMAs address planning authority and address boundary amendments.

This action would result in development of an intergovernmental agreement (IGA) between Lincoln County and Newport about how land within Newport’s urbanizing area and changes to the UGB will be administered by each party.

### City Role

Initiate development of an IGA with Lincoln County for a growth management agreement.

### Partners

Lincoln County

### Anticipated Impacts

Populations Served	Income	Housing Tenure	Magnitude of New Units Produced
All	All Incomes	Renter and Owner	Small

### Potential Risks

Newport will need to be intentional in establishing policies that benefit the City when lands become the jurisdiction of the City.

### Implementation Steps

- Working with the County, agree on policies about the land use and other goals to regulate land within Newport’s UGB but outside of the City limits.
- Identify steps that both jurisdictions will follow when considering UGB amendments.
- Negotiate the terms of the UGMA with the County.

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<sup>5</sup> The legal obligation for cities and counties to establish UGMAs is found in sections of Oregon Administrative Rules (OAR) Chapter 660.



- Approve the agreement. The agreement must be approved by both the city and county and be certified by DLCD.
- Implement the agreement.

### Implementation Timeline

To be filled in later

Timeline for Adoption	Implementation to Commence	Timeframe of Impact

### Funding or Revenue Implications

Staff time will be relied on to accomplish this strategy.

## 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 particular 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 notices the property owner or 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's or the owner's agent do 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, and rentals that have been approved by the City for an exemption from some other property taxes for low-income housing, and 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

### Partners and their Role

#### Anticipated Impacts

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

### Potential Risks

This could require considerable amount of staff time to monitor and enforce

### 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

### 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.

## Use of the Actions to Support Different Housing Outcomes

Many of the actions and funding tools discussed in this memorandum can be used to meet housing needs at different income levels and support different housing outcomes. This section describes how groupings of actions, are necessary to work together to meet Newport's housing needs.

These groupings will be refined based on discussion at the December 15, 2022, PAC meeting. The draft groupings are:

- **Encourage development of income-restricted affordable housing units.** There are limited options available in Newport that are affordable to households with income of less than 60% of MFI (income of \$34,400 for a family of four people). This initiative supports development of housing affordable in this income group.
- **Remove barriers to development of low- and moderate-income affordable rental housing.** This initiative seeks to increase the housing options for unregulated rental households earning between 60% and 120% of MFI (\$34,400 to \$68,900).
- **Increase opportunities for affordable homeownership.** This initiative seeks to increase the housing options for homeownership for households earning less than 120% of MFI (less than \$68,900).
- **Preserve existing of low- and moderate-income affordable housing.** This initiative seeks to increase the housing options for rental households earning less than 120% of MFI (less than \$68,900).
- **Address homelessness.** This initiative seeks to remove barriers and support access to temporary and longer-term housing solutions for those experiencing homelessness and housing insecurity.

**Exhibit 2. Housing Initiatives and the Potential Actions**

■ Primary Focus of the initiative □ Secondary Focus of the initiative

Potential Action	Development of Income-Restricted Affordable Housing	Development of Low/Moderate Income Rental Housing	Increase Affordable Homeownership	Preserve Existing Low- to Moderate-Income Affordable Housing	Address Homelessness
MFI	Up to 60% MFI	60% – 120% MFI	Up to 120% MFI	Up to 120% MFI	
A. Use Urban Renewal to support housing and infrastructure development	■	■	■	□	□
B. Implement the Homebuyer Opportunity Limited Tax Exemption			■	□	
C. Reduce development code barriers to housing development	■	■		□	
D. Adjust the allocation of the Construction Excise Tax (CET) to support affordable housing development	■	■	■	□	□
E. Lobby the Legislature for more resources to support housing development and remove regulatory barriers to housing development	■	■	■	■	■
F. Establish a low barrier emergency shelter and warming center in Newport					■
G. Support development of a regional housing entity focused on low- and middle-income		■	■		
H. Participate in the regional homelessness action plan	□				■
I. Pay System Development Charges (SDC) for workforce housing	■	■	■		
J. Grow partnerships with Community Land Trusts			■	□	
K. Support outreach and education to promote equitable housing access	■	■	■	■	■
L. Pursue an Urban Growth Management Agreement (UGMA) with the County	□	□	□		
M. Research rental housing maintenance code feasibility				■	

## Appendix A: Evaluation Criteria for Actions

This appendix summarizes the evaluation criteria used to evaluate actions for inclusion in the HPS. The evaluation criteria (summarized below) fall into seven categories: MFI targeted, housing type targeted, impact, administrative burden, funding required, ease of implementation, and flexibility.

### Evaluation Criteria

The proposed evaluation criteria (summarized below) fall into seven categories: MFI targeted, housing type targeted, development impact, administrative burden, funding required, political acceptability, and flexibility.

#### MFI Targeted

Newport would like to see development and preservation of housing affordable at all income levels. We define income levels based on 2022 Median Family Income for Lincoln County (as defined by the U.S. Department of Housing and Urban Development) for a household of four people, as follows:

Extremely Low and Low Income	Low Income	Middle Income	High Income
Extremely Low Income: Less than 30% MFI Less than \$17,200	50% to 80% of MFI \$28,700 to \$45,900	80% to 120% of MFI \$45,900 to \$68,900	120% of MFI+ \$68,900+
Very-Low Income: 30% to 50% of MFI \$17,200 to \$28,700			
<i>33% of households</i>	<i>15% of households</i>	<i>18% of households</i>	<i>33% of households</i>
<i>Can afford \$720 or less in monthly housing costs.</i>	<i>Can afford \$720 to \$1,150 in monthly housing costs.</i>	<i>Can afford \$1,150 to \$1,720 in monthly housing costs.</i>	<i>Can afford \$1,720 or more in monthly housing costs.</i>

#### Housing Types Targeted

**What types of housing does this action support?** Newport would like to see development and preservation of different types of housing. We examine how the action will support the development and/or preservation of different housing according to the following types:

Single Family, Detached	Middle Housing	Multifamily	Temporary Housing
Single family, detached Small lot Cottage housing Manufactured housing	Townhouses Duplexes Triplexes Quadplexes	Housing with 5 or more units/structure	Emergency shelter Temporary housing

## Impact

**Does the action result in a little or a lot of change in the housing market? How many units might be produced? Can the tool leverage investments from other partners? How long will the impact last?** The scale of impact depends on conditions in the City, such as other existing or newly implemented housing policies, land supply, and housing market conditions. We define the scale of impact as follows:

Small	Moderate	Large
Will not directly result in development of new housing or it may result in development of a small amount of new housing.  May not improve housing affordability in and of itself.	Could directly result in development of new housing.  May not improve housing affordability in and of itself.	Could directly result in development of new housing.  May improve housing affordability in and of itself but may still need to work with other policies to increase housing development feasibility.
<i>~1-3% of needed housing 7 to 19 new dwelling units<sup>6</sup></i>	<i>~3% to 5% of needed housing 19 to 32 new dwelling units</i>	<i>~5% to 10% (or more) of needed housing 32 to 63 new dwelling units</i>

## Administrative Burden

**How much staff time is required to implement the action? Is it difficult to administer once it is in place?** We define administrative complexity, as follows:

Low	Medium	High
Requires some staff time to develop the action and requires some on-going staff time to implement the action.	Requires more staff time to develop the action and requires more on-going staff time to implement the action.	Requires significant staff time to develop the action and/or significant on-going staff time to implement the action.

## Funding Required

**What financial resources are required to implement the action?** This includes the cost to establish and maintain a program. For funding sources, the easier it is to administer the tax or fee, the more net revenue will be available to offset costs for housing production or preservation. We define funding required, as follows:

Low	Medium	High
Has relatively small funding impacts.	Has relatively moderate funding impacts.	Has relatively larger funding impacts.

<sup>6</sup> Newport's Capacity Needs Analysis projects that the City will grow by 626 new dwelling units between 2022 and 2042.

## Ease of Implementation

Ease of Implementation assesses the difficulty of implementing the action in terms of coordination with elected officials and stakeholders. It considers expected political acceptability for elected officials and the public at large. If the action is dependent on the action of another organizational entity, the action is less likely than if the City controlled all aspects of tool implementation. We define ease of implementation, as follows:

	Low	Medium	High
Potential resistance from stakeholder groups, the public at large, and/or elected officials	Likely significant resistance	Moderate resistance	Little resistance
Coordination with another entity required	Significant	One-time or ongoing coordination	Little or none
Planning Commission review and/or City Council acceptance/adoption required	Review and adoption required	Review and/or adoption required	Review required

## Flexibility

**Flexibility assesses whether the action can be flexibly used to achieve multiple outcomes? Does it have legal limitations or other barriers that limit its utility for achieving goals of supporting housing development, increasing housing stability or other HPS goals?** This category considers limitations on the types of projects that can be implemented with a given action. Given development market cycles, a funding source especially may be less useful to the City if its use is limited to certain types of projects.

We define feasibility, as follows:

Low	Medium	High
The action can be used in specific situations, to achieve specific outcomes with little flexibility in its use.	The action can be used flexibly for multiple outcomes but there may be some barriers on its use. It can be used in somewhat specific situations.	The action can be used to achieve multiple outcomes, has few barriers on its use, or supports multiple goals in the HPS. It can be used in many situations.



## Appendix B: Existing Policies to Address Newport's Housing Needs

Since Newport last completed its Housing Needs Analysis in 2011, the City has implemented many programs and policies to support housing development detailed below

- **Tax Incentives for Affordable Housing:** In the fall of 2017, the Newport City Council established two tax incentive programs and Lincoln County adopted a resolution committing it to participate in the programs, which expanded the potential tax benefits.
  - **Non-Profit Corporation Low-Income Housing Tax Exemption:** The first is targeted to non-profit corporations that operate income-limited rental housing, specifically at 60 percent MFI in the first year of operation and up to 80 percent MFI in subsequent years. The exemption also applies to property held for development by such entities, for up to three years.
  - **Multiple Unit Property Tax Exemption:** The second program provides a 10-year property tax exemption on structural improvements on multi-family rental projects with an affordable component. Developers are required to reserve at least 20 percent of the units at 80 percent MFI (at least 3 units if new construction, 2 units in a remodel) and are subject to other standards. The developer of a 110-unit, state-subsidized private affordable housing project submitted the first application under the multiple unit program. All the units will be affordable at 60 percent MFI, and the developer will realize more than \$1.6 million in tax savings on structural improvements over the 10-year period. Newport's portion is roughly 40 percent of the total, meaning it will forgo a little more than \$665,000.
- **System Development Charges Policies:** Newport collects System Development Charges (SDCs) for all five eligible categories: water, wastewater, storm drainage, transportation, and parks. Recent changes in SDC policies benefit residential development and incentivize modestly sized homes.
  - **Updated System Development Charges Methodology:** Newport adopted a new SDC methodology in 2017, replacing the "one size fits all" formula, by establishing tiered price per square foot charges which reduce costs for smaller units. For example, the fee for a new home with 1,250 square feet of living space dropped from \$10,994 to \$5,189. The new methodology also reduced the list of SDC eligible capital projects leading to, on balance, lower per project assessments (creating room for an Affordable Housing CET). This change has led to a modest increase in the number of small homes and ADUs built in the City.
  - **Transferability of System Development Charge Credits:** In 2018 the City amended its SDC ordinance for credits granted for qualified public improvements. By statute, developers must use these credits within 10 years, which can be a challenge in small communities where the pace of development is modest. The new rules allow credits to be sold or donated so long as the receiving property includes a residential use,

and the credit is not more than 50 percent of the SDC assessment. This provision has been used twice, for the 110-unit subsidized housing project referenced above, and for a 66-unit market-rate multifamily project completed in 2021.

- **Revenue Sources to Support Housing Investments:** With the new SDC policy adopted in 2017, policymakers had room to consider an excise tax without significantly impacting up-front development costs. Newport has also used tax increment financing to support housing development.
  - **Construction Excise Tax for Affordable Housing:** Adopted in the fall of 2017, the tax imposed is 1 percent of the permit value for construction that results in new or additional square footage for commercial and residential structures, with state-mandated exemptions for specific private and non-profit uses. The tax has created a dedicated source of funding for affordable housing, which collected a little more than \$540,000 since its inception. State law requires at least 50 percent of taxes collected from residential development must be used as developer incentives, such as reducing impact fees. Of the remaining amount, 35 percent can be used for “other affordable housing programs” and 15 percent is remitted to Oregon Housing and Community Services (OHCS) for its down payment assistance program. OHCS has committed to awarding those funds in Newport. Half of the tax collected from commercial projects must also be used to fund housing related programs.
  - **Urban Renewal (Tax Increment Financing):** Newport has three urban renewal areas expected to generate \$30 million in infrastructure improvements over the next 20 years to catalyze new development. This tool requires thoughtful engagement with all affected taxing entities to dedicate future tax revenues toward these investments. Newport often uses urban renewal funds as a match for state and federal grants, or in conjunction with funds from private partners. The City recently invested about \$120,000—with additional contributions from a developer—to improve a regional storm water detention facility so that a 26-unit, market-rate subdivision can be built. The improvements will accommodate run-off from other upstream residential properties.
- **Grants and Land Donations for Affordable Home Ownership:** The City has entered into partnerships with other jurisdictions and nonprofit partners to create affordable home ownership opportunities and help keep low-income owners in their homes.
  - **Home Ownership Down Payment Assistance:** Newport, Lincoln City, and Lincoln County executed an agreement with Proud Ground, a community land trust from the Portland metro area, to provide eight down payment assistance grants for households making 80 to 120 percent of MFI. Proud Ground was able to leverage \$160,000 in local matching funds to create over \$770,000 in subsidy (including \$515,000 from the Governor’s Workforce Housing Initiative). Proud Ground, with support from the partners, held numerous homebuyer education meetings to help get qualified buyers into the pipeline. Three of these grants went to home purchases in Newport. The average subsidy per home required to fill the gap between the

mortgage the homeowners could afford and the price of the home on the market was \$87,228.

- **Habitat for Humanity Land Donation:** The City of Newport entered into a land donation agreement with Habitat for Humanity of Lincoln County for the construction of up to five owner-occupied units targeted to qualifying households earning between 40 and 80 percent of MFI. The first duplex project was completed in the spring of 2021, on a property valued at a little over \$100,000. Deed restrictions require that the properties will remain affordable for up to 20 years from the original sale.
- **Partnership with Lincoln Community Land Trust:** Beginning in 2015, the City partnered with the Lincoln Community Land Trust (LCLT) to provide operational support and gap financing for LCLT to create permanently affordable housing in Newport. LCLT merged with Proud Ground in 2018 and the City continues to support affordable homeownership on land trust properties through down payment assistance (see above).
- **Rehabilitation and Weatherization Programs:** Lincoln County and several of the incorporated cities, including Newport, obtained Community Development Block Grant (CDBG) funds to finance a housing rehabilitation loan program for low-income households. Participants were eligible for zero-interest, deferred payment loans that are typically repaid when the house is next sold. Changes to loan processing regulations since the Great Recession mean that the original loan servicer can no longer administer the program cost effectively. The partners have about \$2.75 million in the loan portfolio—including almost \$700,000 available to loan—and are considering options to continue the program, including working with a nonprofit on a new CDBG application to bring in additional resources. Newport executed an agreement with DevNW to continue this program in 2021.
- **Reduced Residential Street Widths.** The City of Newport updated its Transportation System Plan in 2022 to allow narrower streets in residential neighborhoods, reducing infrastructure costs for new subdivisions and infill projects. Streets in new subdivisions that will handle less than 500 vehicle trips per day can be designed as yield streets, which are 28-foot curb to curb, as compared to the 36-foot previously required. For infill projects fronting low-volume underdeveloped streets, developers may utilize a 16-foot, two-way through lane with 20-foot cleared area, or even a 12-foot wide road, with 30-foot long pullouts every 300-feet, in areas where there are fewer than 150 vehicle trips per day. The City’s previous minimum roadway width for infill projects on substandard streets was 24-feet of paved width.

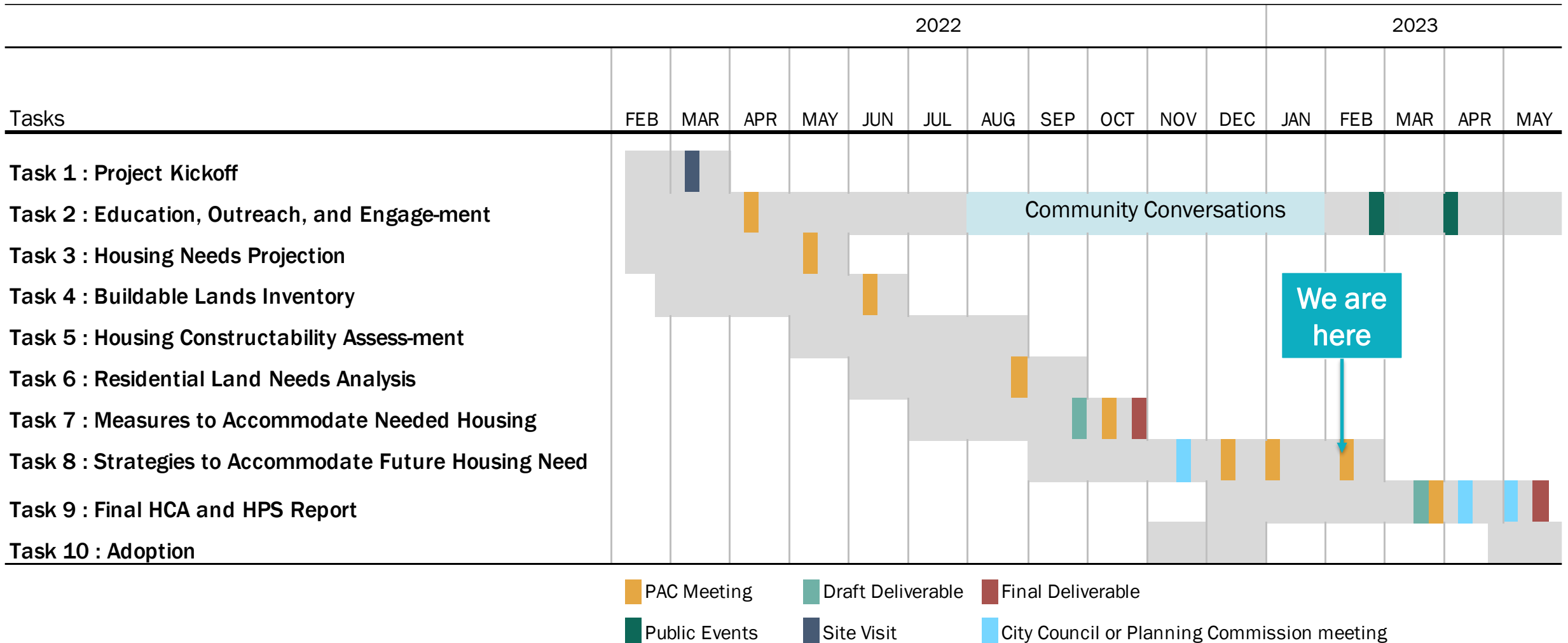


# Newport Housing Capacity Analysis

## Project Advisory Committee Meeting #8

February 16, 2023

# Project Schedule



- [Orange] PAC Meeting
- [Teal] Draft Deliverable
- [Red] Final Deliverable
- [Dark Green] Public Events
- [Dark Blue] Site Visit
- [Light Blue] City Council or Planning Commission meeting

# Process for Developing the HPS

Oct-Dec 2022

## Narrow down the list of potential actions:

Provide long list of potential actions to the PAC to identify actions with the most promise for the City of Newport.



Jan-Feb 2023

## Additional action evaluation

Provide additional detail on remaining actions. Vet narrower list of strategies with relevant stakeholders and the PAC



Mar-May 2023

## Draft HPS

Refine actions for City Council to consider, working in conjunction with local partners.

# PAC Meeting Dates and Topics

Goal for PAC 8 meeting:

- Discuss the community Open House
- Discuss how the potential actions could be implemented
- Consider how actions interact with what the City is already doing to address housing need

HAC	Date	Topic(s)
PAC 5	Oct 13	Introduce the Housing Production Strategy
PAC 6	Dec 15	Identify potential housing actions
PAC 7	Jan 12	Refine and narrow housing actions
PAC 8	Feb 16	Refine housing actions, discuss implementation steps
PAC 9	Mar 30	Review and comment on the draft HPS report

# Virtual Community Open House



# Virtual Open House

**Purpose:** Inform the community of work to date and gather feedback on proposed actions to address housing needs.

**How:** Participants will navigate an online presentation that includes key details from the HCA/HPS. Survey questions will be imbedded throughout the presentation.

**When:** February 27 – March 17



# Virtual Open House Survey Questions

What concerns you most about development of new housing types in Newport (you can choose more than one answer)?

	Building design	Parking (not enough)	Parking (too much)	Existing neighborhood compatibility	Too many in an area	No concerns
Single Family Detached						
Single Family Attached / Townhomes						
Cottage Housing						
Duplexes, Triplexes, Quadplexes						
Multifamily (5+ units)						
Mixed-use (housing over commercial)						

# Virtual Open House Survey Questions

Newport allows a variety of housing types including single family detached, townhomes, cottage housing, duplexes/triplexes/quadplexes, and multifamily (5+ units). Do you think that Newport should allow these other types of housing?

	Support	Do not support	No opinion
Co-housing homes			
Single-room occupancies			
Tiny houses on lots			
Tiny houses in micro-villages			
Modular/prefabricated housing			
RV parks that allow long-term occupancy			
Other innovative housing types			

# Virtual Open House Survey Questions

**What housing issues are you most concerned with in Newport?**

	Not at all concerned	Neutral / no opinion	Somewhat concerned	Very concerned
Cost of homeownership / buying a home				
Cost of rent				
Housing availability				
Too much growth too quickly				
Quality of available housing				
Accessibility for those with disabilities				
Property taxes				
Variety of housing types available (to rent or own)				
Variety of housing sizes (number of bedrooms) available to rent or own				
Other				

# Describing Actions in the Community Open House

	HPS Action	Community Open House Language
A	Use Urban Renewal to support housing and infrastructure development	<b>Use City funds (which are limited) to support housing and infrastructure development in targeted areas</b>
B	Implement the Homebuyer Opportunity Limited Tax Exemption	<b>Provide a 10-year property tax exemption to low-income home buyers</b>
C	Reduce development code barriers to housing development	<b>Reduce development code barriers for housing development</b>
D	Adjust the allocation of the Construction Excise Tax to support affordable housing development	<b>Focus use of existing City funds for housing on supporting affordable housing development</b>
E	Lobby the Legislature for more resources to support housing development and remove regulatory barriers to development	<b>Lobby the Oregon Legislature for more resources and flexibility to support housing development</b>
F	Establish a low barrier emergency shelter and warming center in Newport	<b>Establish a low barrier emergency shelter and warming center in Newport</b>

# Describing Actions in the Community Open House

	HPS Action	Community Open House Language
G	Support development of a regional housing entity focused on low- and moderate-income housing development	<b>Support regional housing partners with housing development for low- and middle-income households</b>
H	Participate in the regional homelessness action plan	<b>Participate in the Lincoln County regional homelessness action plan</b>
I	Pay System Development Charges (SDC) for workforce housing	<b>Pay development charges to support building of workforce housing</b>
J	Grow partnerships with Community Land Trusts	<b>Support partners in building affordable housing for homeownership</b>
K	Support outreach and education to promote equitable housing access	<b>Support outreach and education to promote equitable housing access</b>
L	Pursue an Urban Growth Management Agreement (UGMA) with the County	<b>Pursue an agreement with the County that makes it easier for the City to manage land within the city's growth area</b>
M	Research rental housing maintenance code feasibility	<b>Work with landlords and tenants to ensure that rental housing is well-maintained</b>



## Potential Actions for Inclusion in the HPS

# Questions for Discussion

- Are these the right actions to address unmet housing needs in Newport?
  - Should any of the City's existing programs be expanded?
- Are there implementation considerations for each action that we have not included?



# Existing Strategies in Newport

- Reduced Residential Street Widths, Missing Middle Housing allowed, other zoning changes to support housing development
- Revenue Sources to support housing investments
  - Construction Excise Tax and Urban Renewal
- Tax Incentives for Affordable Housing
  - **MUPTE**, Non-Profit Corporation Low-Income Housing Tax Exemption
- System Development Charges policies
  - Updated methodology, transferability of credits
- Grants and Land Donations for Affordable Home ownership
  - Home Ownership Down Payment Assistance
  - **Rehabilitation and Weatherization programs**
  - Partnership with Lincoln Community Land Trust
  - Habitat for Humanity Land Donation

- **Should the City simplify the application and reporting process to make MUPTE more accessible to developers of smaller projects?**
- **Should the City consider expanding its rehab and weatherization program and adjusting it to better complement other existing programs?**

*Increasing home ownership down payment assistance is mentioned in Action J*

*Expansion of land trusts already mentioned in Action J*

*Land donations mentioned in Actions A, G, and J*

# Potential Funding Sources

Recommended to fund actions in the HPS?	Revenue Source	Rationale for Inclusion/Exclusion?
Yes	Urban Renewal	Could provide a stable, dedicated revenue source in an area with limited existing infrastructure. Could directly support the development of affordable housing.
Yes	Use of CET funding	Provides a flexible funding source to support affordable housing at 100% MFI and below.
Yes	Grants and State Funding	Pursue as the City has staff capacity; may not provide substantial source of funding if the City does not have staff dedicated to monitoring and pursuing funding opportunities.
Maybe	Registration fee for rental units	Would provide a targeted funding source implementing a rental housing maintenance code.
Maybe	Increased or new utility fee	Could provide additional funds to support housing development and may be justified given costs of providing utilities; however, places the burden on existing households
Maybe	Reallocate franchise fees	Could provide additional funds to support housing development but would remove funds from the General Fund; need to consider how this would impact other city priorities and services
Maybe	Reallocate state and federal gas tax funds	Could provide additional funds to support housing development but would remove funds from the General Fund; need to consider how this would impact other city priorities and services

# Potential Funding Sources

Recommended to fund actions in the HPS?	Revenue Source	Rationale for Inclusion/Exclusion?
No	Private donations and gifts	Unlikely to provide a substantial source of funding especially if staff have limited capacity to pursue this revenue source.
No	GO Bond	Requires voter approval.
No	New local option levy	Requires voter approval.
No	Increased marijuana tax	Amount would be very small.
No	Increase Systems Development Charges	Would place burden on market-rate development.
No	New business license fee	May hinder local business development.
No	New food and beverage tax	Requires voter approval, did not pass last time.
No	New sales tax	Not politically feasible
No	New payroll/business income tax	May not be politically feasible
No	Increased lodging tax	Only 30% increased revenue could go to housing; 70% dedicated to tourism promotion. <b>Could lobby for changes to the lodging tax allocation as a part of action E.</b>
No	New real estate transfer tax	Not legal in Oregon; <b>Could lobby for changes to legalize as a part of action E.</b>
No	New vacant/second home tax	Untested and possibly not legal in Oregon; <b>Could lobby for changes to the lodging tax allocation as a part of action E.</b>

# Action A: Use Urban Renewal to support housing and infrastructure development

**Purpose:** Provide a flexible funding tool that can support many of the actions in the HPS

## Implementation:

- In the Northside Urban Renewal District, **identify potential partners where the agency can facilitate construction of housing**, leveraging infrastructure investments to result in more affordable housing. This may involve the preparation of development agreements between the City and partners.
- **Conduct a feasibility study** to evaluate options for either expanding the Northside Urban Renewal District or establishing a new urban renewal district after the South Beach Urban Renewal District closes in 2027. When performing this study, target areas that would support additional housing development and ensure that the Urban Renewal Agency has sufficient tools to facilitate that development, including functioning as a Housing Authority.
- **Consult with affected taxing entities** as the feasibility study is developed to ensure their support for a potential new urban renewal district.

# Action B: Implement the Homebuyer Opportunity Limited Tax Exemption

**Purpose:** Serves as an incentive to stimulate the construction of new single-unit housing and encourages homeownership among low and moderate-income households

## Implementation:

- **Evaluate the tradeoffs** of implementing HOLTE with various program parameters. **Consider establishing an income cap (i.e., below 120% MFI) and owner occupancy requirements** (i.e., demonstrate that they do not own another home) for eligibility in the HOLTE program. **Verify legality** of requirements with City attorney.
- **Seek support from overlapping taxing districts** to offer the exemption for all property taxes (not just the City's portion).
- **Discuss topic with City Council** at work sessions and in public hearings. City Council may choose to adopt HOLTE by resolution or ordinance following a public hearing.
- **Follow up with overlapping taxing districts** to request that they pass resolutions to support the exemption.

# Action C: Reduce development code barriers for multifamily development

**Purpose:** Eliminate land use and building code standards that reduce project viability or drive up housing costs without compromising safety

## Implementation:

- **Further engage the development community** to better understand how the development code is impacting development of housing development, focusing on the barriers described above.
- **Review the barriers in Newport's Development Code** and consider implementing revisions such as those described above.
- If appropriate, **revise the Newport Development Code** to implement the revisions outlined above and other identified barriers by working with the Planning Commission and City Council through a public process.

# Action D: Adjust the allocation of the Construction Excise Tax (CET) to support affordable housing development

**Purpose:** Provides a locally controlled funding source to support many of the actions in the HPS

## Implementation:

- **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 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.

# Action E: Lobby the Legislature for more resources to support housing development and remove regulatory barriers to housing development

**Purpose:** Better equips cities with the resources they need to support housing development

## **Implementation:**

- **Work with partners to refine proposals** for the legislative issues identified above, with a focus on achieving desired outcomes while avoiding unintended consequences.
- **Work with local state elected representatives to champion the proposed changes.**



# Action F: Establish a low barrier emergency shelter and warming center in Newport

**Purpose:** Meets the needs of people experiencing homelessness with more barriers to shelter. Low barrier emergency shelters do not require criminal background checks, credit checks or income verification, program participation, sobriety, or identification.

## Implementation:

- Explore the City's land use regulations to **allow shelters as an outright use in designated zones**, potentially excluding heavy industrial and shoreland areas.
- **Identify organizations to partner with**, such as area nonprofits and Lincoln County to establish a plan to develop a permanent emergency shelter and warming center in Newport.
- **Work with partners to identify a location and a lead organization** for the resource center. Identify preferred program and service parameters.
- **Develop a finance and funding plan** to support the resource center development and operations, including grants and other sources of funding.
- **Conduct community outreach** to educate the public about this action and gather support. The City will need to be active in its outreach, looking for opportunities to engage underrepresented and hard to reach community members.

# Action G: Support development of a regional housing entity focused on low- and middle-income housing development

**Purpose:** Cities and the county can pool resources to support housing development and better address regional housing needs

## Implementation:

- Engage other cities and local partners to build momentum for a regional housing approach to address workforce housing needs as the gap that the regional housing entity would fill.
- If there is interest in pursuing a regional housing entity, work with partners to determine what this regional housing entity should focus on and who within the county may be best suited to play the regional housing entity role.
- Determine the specifics of Newport's role in supporting the regional housing entity.

# Action H: Participate in the regional homelessness action plan

**Purpose:** Cities and the county can align efforts and pool resources to address the systemic challenges that are driving the homelessness crisis

## Implementation:

- **Participate in the development of the regional homelessness action plan** as a part of the Advisory Board.
- **Commit to implementing the plan** recommendations as they relate to the City's responsibilities.
- **Identify funding sources** to support plan implementation in consultation with partners.

# Action I: Pay System Development Charges (SDC) for workforce housing

**Purpose:** Reduces development costs and can incentivize qualifying housing types or building features

## Implementation:

- **Engage the development community** to better understand how the City's backfilling of SDCs could be effective at encouraging workforce housing development.
- **Determine which funding sources would be used to backfill SDC revenues.**
- **Develop eligibility criteria** for when the City would pay SDCs for a project (e.g., project size, depth of affordability, and other criteria).
- **Establish an application process** for developers to apply for the SDC buy-down program.

# Action J: Grow partnerships with Community Land Trusts

**Purpose:** Supports affordable housing development by holding land in perpetuity and selling or leasing the housing on the land at below market rate prices

## Implementation:

- **Engage with existing land trusts operating in Newport** to understand opportunities for expanding land trust activities, including the funding and other resources necessary to expand their footprint and increase capacity to support Newport households.
- **Identify opportunities to acquire land in urban renewal areas** that can be developed in partnership with land trusts.
- **Explore additional opportunities for partnerships** with land trusts not yet operating in Newport

# Action K: Support outreach and education to promote equitable housing access

**Purpose:** Proactively reaching out to the community, particularly underserved populations, can help the City better understand the housing needs of its residents and provides an opportunity for community members to learn about existing housing resources that can support housing access and stability.

## **Implementation:**

- **Engage with partner organizations** to identify steps they are taking to educate the community about housing opportunities and how the City could compliment those efforts.
- **Develop materials** to raise awareness of City role and responsibilities as it relates to the provision of housing within the community, including new printed and online materials, and **proactively market** City housing programs to those who can benefit from them, particularly underrepresented and difficult to reach communities. **Ensure materials are available in Spanish** and are available in places where community members frequent.
- **Ensure that City sponsored housing initiatives include outreach to underrepresented and difficult to reach community members**, and that the **feedback received is used to inform those efforts**.

# Action L: Pursue an Urban Growth Management Agreement (UGMA) with the County

**Purpose:** Spells out the roles and responsibilities for managing land inside of the UGB but outside the city limits as well as changes to the UGB between the city and county.

## Implementation:

- Working with the County, **agree on policies about the land use and other goals** to regulate land within Newport's UGB but outside of the City limits.
- **Identify steps that both jurisdictions will follow** when considering UGB amendments.
- **Negotiate the terms** of the UGMA with the County.
- **Approve the agreement.** The agreement must be approved by both the city and county and be certified by DLCD.
- **Implement the agreement.**

# Action M: Research rental housing maintenance code feasibility

**Purpose:** Helps ensure that the rental housing stock is well maintained and could improve the health, safety, and well-being of residents that rent in Newport.

## Implementation:

- **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.



- Compile the HPS
- Interviews with service providers and stakeholders
- Community survey
- PAC Meeting #9: **March 30 @ 6 PM**



# **ECON**Northwest

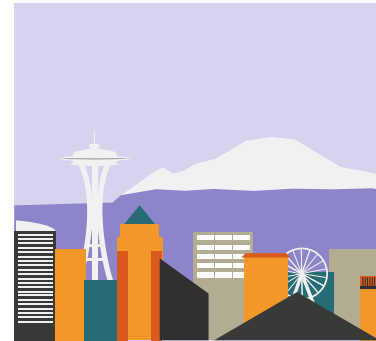
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