

**MINUTES**  
**Housing Capacity Analysis and Production Strategy Policy Advisory Committee**  
**Meeting #5**  
**Newport City Hall Council Chambers**  
**October 13, 2022**

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**Committee Members Present:** Braulio Escobar, James Bassingthwaite, Sheila Stiley, and Todd Woodley.

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

**Committee Members Absent:** Betty Kamikawa (*excused*), Dr. Lesley Ogden, Mark Farley, Dennis White, Mike Phillips, and Jan Kaplan.

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

**Consultants Present:** Beth Goodman.

**Consultants Present by Video Conference:** 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 Sheila Stiley, seconded by Bonnie Saxton, to approve the August 25, 2022 Housing Advisory Committee meeting minutes as written. The motion carried unanimously in a voice vote.
4. **Update on Newport Housing Conversations.** Goodman reviewed the updates on the housing conversations. Tokos asked Gray if the community conversations amongst the school district, students and parents had happened. Gray reported they reached out to the city in July for help to do them. They didn't hear back so they weren't able to do any community events. Tokos asked if this could happen in the next few weeks. Gray wasn't available until October 24th and would try to do one community evening between October 24th and November 7th. Goodman confirmed this would meet the deadline. Gray asked for confirmation of a commitment from someone in the city to run the event with her. Tokos would reach out to Gray on this. Gray requested the date be sooner rather than later.
5. **Housing Production Strategy Overview and Review of Unmet Housing Needs.** Goodman reviewed the PowerPoint presentation starting with the Committee's meeting dates and topics. She then reviewed the project schedule and primary tasks, and noted the January meeting might be moved to December. Bassingthwaite asked when the adoption would happen. Tokos reported the housing capacity analysis piece would go to the Planning Commission and then to the City Council for adoption sometime in the next year.

Goodman reviewed the overview of housing production strategy pointing out it was an eight year action plan. Bassingthwaite asked if this was a land use process. Goodman confirmed it didn't fall under the land use category. Bassingthwaite asked if it would go through the Planning Commission and then the City Council. Goodman noted a lot of cities took them to the Planning Commission. Bassingthwaite asked if the zoning ordinance would be done at a later time and in conjunction with

the housing production strategy. Tokos confirmed this was correct. They would present it to policymaking bodies and have a public hearing for the public to provide testimony. They would then likely adopt a resolution to acknowledge that it was officially vetted properly.

Goodman reviewed information on the financially attainable housing in Newport, and the household earnings and income groupings. She noted the forecast for new housing in the analysis was unreasonably low at around 200 units. As they wrote up the parts of the housing production strategy, they could give the Committee the forecast and an alternative forecast. Bassingthwaite asked if they had to reference the Portland State University (PSU) report as the numbers, or if they have to put the PSU report in and say there were problems with it. Tokos suggested they deemphasize the PSU forecast as much as legally possible. Goodman thought they should footnote it. Escobar thought exhibit 3 showing what the affordable home prices were wasn't accurate. He didn't think there were homes in Newport for sale that were in the \$240,000 range. Saxton reported she knew of one home on the market that was in this price range that needed a lot of repairs. Goodman reminded that this showed what someone who earned \$68,900 could afford. The median home sales price was about 160 to 186 percent in Newport. The median sales price for affordable housing was well above 120 percent of median household income. Escobar asked if their strategy then was to subsidize. Goodman thought if they were looking at the city subsidizing this, the cost of each unit for subsidizing home ownership would be a lot to make it affordable. She noted there were a lot of city funds out there. They could choose to do partnerships so the city wouldn't necessarily try to do it themselves. This will be part of the policies they could choose from. Tokos thought the particular draft did a good job of showing how the gap was getting bigger between what was available on the market and what was affordable.

Goodman reviewed the existing households in Newport by income level. Cowen asked what the deficit of households was. Goodman explained they could make some estimates of existing households that were cost burdened. If they figured that it was somewhere around 80 percent, and they were trying to get dwelling units built for all of the cost burdened households below 50 percent of median family income (MFI), then that was the number they would be looking at. Tokos wondered if it would be a value to break this up into two pieces. One being the gap that needed to be bridged to get folks to a point where they can get into what was available on the market without being cost burdened, versus full on subsidized housing. Goodman didn't think they had enough good data for rents in Newport. What it was going to show was a pretty big deficit for households at 50 percent or less of MFI. Tokos thought there was a lot they did that correlated to the market rate product when looking at the housing production strategy policies and objectives, in respect to the construction of housing. It would be helpful to get a sense of the gap to see how they could help people who are below the point where they could afford what was on the market versus different set of strategies that were without heavy subsidy. Goodman wasn't willing to assert that it wasn't households below 50 percent MFI that couldn't afford newly built rental costs. It was somewhere upwards of 100 percent of MFI and maybe a little more. Most households couldn't afford newly built, market rate housing without being cost burdened. Tokos reminded this was the market rate housing available, not just new housing. Saxton asked what year the median rent was based on. Underwood confirmed it was 2021 data.

Gray asked for clarity on discrepancies between page 6 of the materials compared what was being presented at the meeting. The materials had 752 new households but the presentation said 19. Goodman noted the materials being shown to the Committee was the existing households and the one on exhibit 4 was households based on the PSU forecast. The percentages would stay the same and they would add together the new households based on the alternative forecast, plus the existing households. Gray thought this was confusing and asked if the number was 200 or 115. Goodman explained the PSU forecast was 115 and the alternative forecast was just over 600 households. Gray asked when the decision to bypass this was made. Goodman noted this was discussed earlier and in the previous meetings. She pointed out that on page 74, on exhibit 94 in the analysis, it had the alternative included.

Jones asked if the 752 households that were extremely low income were in housing at that point. Goodman reported about 95 percent of them were. Jones asked if the unhoused were represented in these numbers. Goodman reported they were not included because the census didn't do a good job of reporting on the unhoused because the public needed a mailing address to participate. Jones noted there was a need to include unhoused people on this chart for existing households. Goodman noted the students without housing may or not be represented in the chart because they may have been counted on the census. She noted they could assume they were undercounted.

Cowen noted they had calculations for housing expectations, but they needed to understand the number of the households they weren't counting. The question was how much housing was really needed. Goodman noted OSU students and faculty who lived in Newport full time, for instance, were probably counted here. When looking at the point in time estimate for 2021, there were 460 people who were not represented in Lincoln County, and they knew that it was underestimated. Tokos noted that one piece that would be helpful was to acknowledge they weren't starting at a good place, they already had a deficiency in the housing needed in the community, and look at if there was some way to frame what that looked like. They would likely need to get to a better place and address some of the existing deficit. Tokos thought they should point out what some of the conditions were that led to the deficit, and look at the community piece that relied on other communities to meet our housing needs. Cowen noted that OSU couldn't hire custodians currently because they couldn't make enough money and didn't have places to live. Bassingthwaite asked if the counts would include seasonal workers. Goodman thought they could add what was not included.

Goodman reviewed the housing needs that often differed by group, and pointed out the homelessness estimate in Lincoln County. She then discussed the typical roles in affordable housing development, the different agencies involved, and what they did. Goodman then reviewed what the city's role was for housing development; the developing strategies to meet future housing needs; and the requirements of strategies in the housing production strategy.

Goodman covered the evaluation strategies for Newport. Tokos reviewed the existing strategies Newport had and showed what had been implemented in Newport. He discussed the MUPTE tax exemption program; the non-profit corporation low-income housing tax exemption; system development charges; and the revenue sources to support housing investments through the construction excise tax. A discussion ensued regarding how the City had been using the construction excise tax collections.

Tokos reviewed the strategies for the urban renewal funds, grants, and land donations for affordable home ownership. Stiley asked if they could do a UGB land swap for housing. Tokos reported they were working through one of these currently. The challenge was that Newport couldn't serve a lot of property outside of urban growth boundary (UGB). Cost wise it was hard to find property outside the UGB that was attractive. Escobar asked if the buildable lands would be included. Goodman thought they needed to finalize the buildable lands inventory that would be annotated by the constructability analysis. They had this information but even without the land counted at capacity, Newport had three to four times the capacity to meet the alternative forecast. Tokos noted this showed there was enough land for housing. The question was if it was available for construction. Goodman noted this brought up the policy point to ask what help the city could get from the state to provide infrastructure to some of the areas where it was harder to support the cost of infrastructure development.

Tokos covered the land donation history the city participated in, and the reduction to residential street widths strategy. Stiley asked if they included the turn radius for emergency services and if they considered hammerheads. Tokos confirmed they had.

**6. Discussion of Potential Strategies to Meet Housing Need.** Goodman reviewed the process for developing the housing production strategies and the timeline of the progress. She then reviewed the questions for discussions and potential actions for the Committee. Goodman asked when they were talking about “affordable housing” were they thinking about a bigger role in either income subsidized housing, market rate affordable housing, or homeownership, or were they looking at everything more broadly. Tokos thought the city should be pursuing every avenue it could. They should engage with partners in the county and look beyond what their capacities were for affordable housing for the workforce to see how they should strategize there. Escobar asked if the final document needed to be approved by the City Council. Tokos reported the housing capacity analysis had to be approved by the Council. Goodman thought the Council needed to buy into what was in the housing production strategy as well, but they wouldn't do the formal adoption. Tokos confirmed the Council would do a resolution.

Goodman continued the review of the potential actions for the Committee discussion, covering an example of construction excise tax distribution in Hood River. She then discussed targeting investments. Stiley reported that the Polk County CDC used CDBG funds for some street improvements and she would be talking to them about it to get more details to share. Goodman reviewed land banking for development. Tokos noted UGB funds weren't a sole funding mechanism, but could be used to leverage other dollars to find additional funds.

Goodman discussed continuing to work with land trusts and the two land trusts that Newport currently worked with. She then discussed the homebuyer opportunity limited tax exemption to support access to homeownership. Stiley asked if there was a requirement to do a set aside annually based on the particular program the expectation of when it would occur, and the amount of taxes that they were going to start picking up. Goodman would find out about this. Saxton asked if this was just for new construction. Goodman would find out on this as well.

Goodman covered identifying opportunities for changes to the Newport development code to allow more multifamily development. A discussion ensued regarding what it would take to change the code to allow for taller heights for multifamily units through changes to the building codes. Cowen suggested they include how hard these were to implement. Goodman reported this would be something they would discuss at the next meeting. Cowen wanted to see the level of impacts included.

Gray noted there were members of the Committee who could participate in intellectual ways when it came to housing issues and land use codes. Her area was in education and she was interested in having workforce housing because teachers and the homeless youth at the school district didn't have anywhere to live. Gray reported that when she was on the Homelessness Committee for the City of Portland, they worked with a group project named Built for Zero, which included over 100 communities in the United States that were working to limit homelessness. She requested that between the November 14th City Council work session and the January 12th meeting of the group, a meeting could be set up for people to meet with others who were doing the work in an event that was different from these meetings. Gray thought this would help her know more about what she was advising on. Goodman noted a lot of these committee discussions would be about this. She asked the Committee to let her know what they thought should be added that wasn't on the list, and what was on the list that was a bad idea. Tokos noted he would follow up with Gray to set up the meeting and talk about other people who might want to participate as well. Gray thought there were others Committee members that could use a different kind of conversation, get a change to ask more questions, and be mindful of what these things really meant. She didn't want to slow down the process but she wanted to understand this better.

Goodman asked the Committee to send their notes to Tokos on any suggestions they had for actions that weren't on the list. She noted that she had suggested the Committee meeting in December, but thought they may need to wait to allow people to have the conversations with different people to bring

back to the January meeting. Cowen thought they needed to have tractability added to this to make sure it was worth bothering with. Goodman would shares the evaluations metrics with the Committee, and their discussions would play a role in helping to understand if it was worthwhile. Escobar noted that December had a lot of holidays and hard to scheduled meetings.

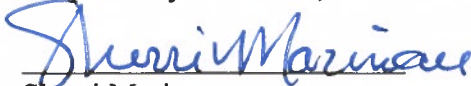
Bassingthwaite asked if everyone was comfortable using the alternative numbers rather than the PSU numbers. The Committee was in general agreement to do so.

8. **Public Comment.** None were heard.

9. **Next Steps.** None were heard.

10. **Adjournment.** Having no further business, the meeting adjourned at 7:56 p.m.

Respectfully submitted,



Sherri Marineau  
Executive Assistant