



PLANNING COMMISSION WORK SESSION AGENDA
Tuesday, May 26, 2020 - 6:00 PM
City Hall, Conference Room A, 169 SW Coast Hwy, Newport, OR 97365

This meeting will be held electronically. The public can live-stream this meeting at newportoregon.gov/citygov/comm/pc.asp. The meeting will also be broadcast on Charter Channel 190. Public comment may be made, via e-mail, up to two hours before the meeting start time at publiccomment@newportoregon.gov. Additionally, anyone wishing to speak on any agenda item, or during public comment, should e-mail their telephone number, and the item they wish to address, up to two hours before the start of the meeting, to s.marineau@newportoregon.gov, and staff will telephone that person when that item is being discussed at the 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.

1. CALL TO ORDER

2. UNFINISHED BUSINESS
 - 2.A Updated Planning Commission Work Program.
[Tentative Planning Commission Work Program](#)

 - 2.B Nye Beach Core Zone Proposal or Other Potential Changes to the Nye Beach Design Review Overlay.
[Memorandum and Draft Letter](#)

3. NEW BUSINESS
 - 3.A HB 2001 Medium City Model Code and Rule Making Process Update.
[Memorandum](#)
[660-046 - Middle Housing Notice Filing Tracked Changes](#)
[Model Code For Medium Cities](#)

[Medium City Listening Session](#)

3.B COVID-19 Small Business Assistance Grant Program Update.

[Memorandum](#)

[Resolution No. 3884](#)

[Resolution No. 3885](#)

[Press Release](#)

[Small Business Assistance Grant FAQ](#)

[Small Business Assistance Grant FAQ \(SP\)](#)

[Business Assistance Grants - Overview \(SP\)](#)

[Newport Covid-19 Business Assistance Grant Application \(SP\)](#)

3.C Furlough and Proposed Fiscal Year 20/21 Staffing Reductions.

[Memorandum and Materials](#)

4. ADJOURNMENT

Tentative Planning Commission Work Program

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



March 23, 2020 Regular Session *(Cancelled – COVID-19)*

- File 1-CUP-20 Hearing on Conditional Use Permit for Newport Basics (former Apollos Site)
- File 1-Z-20 Hearing on amendments related to car camping

April 13, 2020 Work Session *(Cancelled – COVID-19)*

- Recommendation to Council Regarding Need for Further Changes to Nye Beach Design Overlay
- Review updated draft amendments related to tiny homes and MFDs on individual lots

April 13, 2020 Regular Session *(Phone mtg – hearings to be continued)*

- File 1-CP-18 / 3-Z-20 Hearing on amendments to Comprehensive Plan and Zoning Ordinance to Establish a Tsunami Hazard Overlay Zone
- File 2-Z-20 Hearing on text amendments to NMC Chapter 14.30 Prohibiting Residential at Street Grade on the West-side of NW Cliff Street in Nye Beach

April 27, 2020 Work Session *(Cancelled – COVID-19)*

April 27, 2020 Regular Session *(Cancelled – COVID-19)*

May 11, 2020 Work Session *(Cancelled – COVID-19)*

May 11, 2020 Regular Session *(Cancelled – COVID-19)*

May 26, 2020 Work Session *(held by video conference)*

- Recommendation to Council Regarding Need for Further Changes to Nye Beach Design Overlay
- Update on HB 2001 Medium City Model Code and Rulemaking Process
- COVID-19 Small Business Assistance Grants
- Newport COVID-19 Furlough Program

May 26, 2020 Regular Session *(held by video conference)*

- Rescheduled Hearing for 1-CP-18 / 3-Z-20 Hearing on amendments to Comprehensive Plan and Zoning Ordinance to Establish a Tsunami Hazard Overlay Zone
- Rescheduled Hearing for File 2-Z-20 Hearing on text amendments to NMC Chapter 14.30 Prohibiting Residential at Street Grade on the West-side of NW Cliff Street in Nye Beach
- Rescheduled Hearing for File 1-CUP-20 Hearing on Conditional Use Permit for Newport Basics at the former Apollos Site (Day 75 of 120 clock)

June 8, 2020 Work Session

- Review scope of work for South Beach US 101 Corridor Refinement Plan
- COVID-19 Related Amendments to TSP Public Outreach Program and Schedule

June 8, 2020 Regular Session

- File 2-CP-18 Hearing on amendments to the Stormwater Element of the Comprehensive Plan
- File 2-NCU-20 alteration of a non-conforming short-term rental at 736 NW 3rd Street, within the permissible area overlay (Day 98 of 120 day clock)

June 22, 2020 Work Session

- Review and Comment on TGM Grant Application for Newport City Center Revitalization Project

June 22, 2020 Regular Session

- Placeholder for Public Hearing on OSU Student Housing Planned Development Amendments
- Rescheduled Hearing File 1-Z-20 on amendments related to car camping

Memorandum

To: Planning Commission / Commission Advisory Committee
From: Derrick I. Tokos, AICP, Community Development Director 
Date: May 21, 2020
Re: Nye Beach Core Zone Proposal or Other Potential Changes to the Nye Beach
Design review Overlay

Attached is a draft letter that builds upon concepts discussed at the March 9, 2020 work session. Please take a moment to review the letter and consider whether you are comfortable with the recommendations contained in the document.

This work session is an opportunity for Commission members to discuss any changes they would like to see made to the letter before it is finalized for Commission approval at the June 8, 2020 meeting.

CITY OF NEWPORT
 169 SW COAST HWY
 NEWPORT, OREGON 97365



phone: 541.574.0629
 fax: 541.574.0644
<http://newportoregon.gov>

COAST GUARD CITY, USA

mombetsu, japan, sister city

June ____, 2020

Newport City Council
 169 SW Coast Highway
 Newport, OR 97365

RE: Nye Beach Core Zone Proposal and Other Potential Changes to the Nye Beach Design Review Overlay

Dear Council Members,

At your request, the Planning Commission took up the question of whether concepts in the “Core Zone Proposal,” developed by a group of citizens in 2015, should be implemented or other changes made to the Nye Beach Design Review Overlay.

The Core Zone Proposal would set a hard limit of 32-ft as the maximum building height for tourist commercial zoned areas in the heart of Nye Beach, with 72-ft as a maximum width/length of a building and no more than two lots being combined. These concepts were brought forward out of a concern that the mass and height of buildings being developed are out of character with the predominant architectural style of buildings in the area.

After carefully considering the concepts, and accepting public feedback at a March 9, 2020 work session, there was consensus amongst the Commission that adjustments made to the Nye Beach Design Review Overlay in 2015 provide an adequate framework for addressing concerns related to the mass and height of buildings. That framework allows buildings up to 35-ft in height and 65-ft in width/length subject to compliance with clear and objective design standards. This is an administrative (staff level) approval process. Proposals for buildings between 35-ft and 50-ft in height, or more than 65-ft in width/length are subject to discretionary design guidelines, and must be approved by the Commission following a public hearing. The commercial core area of Nye Beach includes buildings that, if proposed today, would be subject to the public hearings process, and such buildings may be compatible with appropriate site design and architectural treatment. The existing framework allows for height and mass of larger buildings to be evaluated on a case-by-case basis, with the public being afforded an opportunity to provide testimony as to whether they are architecturally compatible in Nye Beach. It is our view that this approach is the best way to address the matter.

After looking at several case examples, there was general agreement that a 45-foot maximum building height may be appropriate in Nye Beach. It is not pressing that a code amendment be drafted immediately, as any proposal for a building over 45-ft in height

would be subject to Commission approval at a public hearing where the issue of height compatibility can be addressed. From time-to-time, the City initiates comprehensive updates to its land use rules, either on its own or in response to changes in state law. It would be reasonable for the building height change to be addressed as part of such a process.

Outside of the “Core Zone Proposal,” design of residential dwellings in Nye Beach is an area that may require attention moving forward. State law requires that cities provide clear and objective approval standards for residential development. Newport established clear and objective design standards for Nye Beach development in 2003, and refined those standards in 2015. A conscious effort has been made to provide developers with guidance as to the types of building designs and architectural treatment appropriate to the area, while also giving them flexibility, recognizing that each property is unique in terms of its size and configuration. How effectively these tools are utilized varies, and the recent development at Olive and Coast suggests that more prescriptive design standards may be needed. This is something the City should build into its work program, and budget for in the future as resources allow.

We want to acknowledge comments made by members of the public who would like to see the City engage the Nye Beach community to develop a fresh vision for the neighborhood. The studies and policies that led to the establishment of the Nye Beach Design Review Overlay, and related infrastructure investments, are 20-30 years old so it is understandable that there is such interest. Initiating a visioning effort of this nature will require a significant investment of city resources, even if outside assistance is obtained, and given the existing work program we have committed to, and fiscal constraints related to the pandemic, we are not confident that the City has the capacity to undertake such a project at this time. It is our understanding that the Vision 2040 Committee is working with community partners to facilitate implementation of strategies outlined in the Vision 2040 plan. The Council may want to refer a question to the committee about whether “neighborhood-scale” visioning would be a logical next step in the evolution of that plan. That would be an avenue the City could pursue to coordinate a visioning effort.

Thank you for giving us the opportunity to share our thoughts on these issues.

Respectfully,

Jim Patrick, Chair

On behalf of the Planning Commission

Memorandum

To: Planning Commission / Commission Advisory Committee
From: Derrick I. Tokos, AICP, Community Development Director 
Date: May 21, 2020
Re: Update on HB 2001 Medium City Model Code and Rulemaking Process

Enclosed is a copy of the proposed administrative rules and model code implementing provisions of HB 2001 that apply to medium size cities with a population between 10,000 and 25,000. The Land Conservation and Development Commission (LCDC) will hold public hearings on May 21, 2020 and July 23, 2020 regarding potential adoption of the administrative rules. This work session has been scheduled to provide the Planning Commission an opportunity to review the proposal and determine if it wants to recommend that the City Council provide comment. The deadline for cities to provide comment is July 23, 2020.

The administrative rules require that medium size cities allow duplexes on all lots and parcels in residential zone districts where single-family detached dwellings are permitted. Attached is a PowerPoint presentation outlining the key provisions of the model code and rules. Please take a moment to review the slides, and I'll be prepared to work through each of them at the meeting.

OFFICE OF THE SECRETARY OF STATE
BEV CLARNO
SECRETARY OF STATE
JEFF MORGAN
INTERIM DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
STEPHANIE CLARK
DIRECTOR
800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 660
LAND CONSERVATION AND DEVELOPMENT DEPARTMENT

FILED
04/28/2020 12:35 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Adopt rules in accordance with House Bill 2001 (2019) and ORS 197.785

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 07/23/2020 8:30 AM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

CONTACT: Casaria Taylor
503-934-0065
casaria.taylor@state.or.us

635 Capitol St.
Ste. 150
Salem, OR 97301

Filed By:
Casaria Taylor
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 05/21/2020

DATE: 07/23/2020

TIME: 8:00 AM

TIME: 8:00 AM

OFFICER: LCDC

OFFICER: LCDC

ADDRESS: Virtual Hearing
no address

ADDRESS: Virtual Hearing
no address

Salem, OR 97301

Basement Hearing Room

SPECIAL INSTRUCTIONS:

Salem, OR 97301

Meeting is virtual. Please check the
LCDC website for information on how
to participate.

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to participate.

NEED FOR THE RULE(S):

In 2019, the Oregon Legislature passed HB 2001, which established the requirement for medium, large, and metro cities to allow middle housing types in areas that are zoned for residential use and allow for the development of detached single-family dwellings. Cities may regulate the siting and design of middle housing in these areas, so long as the regulations do not, individually or cumulatively, cause unreasonable cost and delay to the development of middle housing. To assist cities in adopting compliant reasonable siting and design standards, HB 2001 requires LCDC to adopt a model ordinance. This model ordinance will also apply directly to the development of middle housing if a city subject to HB 2001 does not adopt land use regulations consistent with the intent of HB 2001. This rule is needed to clarify the applicability of HB 2001 and reasonable middle housing siting and design standards and to ensure consistency between HB 2001, ORS 197, and OAR 660.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

OAR 660-008; OAR 660-015; OAR 660-023; OAR 660-037; ORS 197 are available at the department, 635 Capitol

FISCAL AND ECONOMIC IMPACT:

The Medium Cities Middle Housing Administrative Rules may result in fiscal and economic impacts to the following persons or entities:

- State Agencies
- Units of Local Government
- The public

Any fiscal and economic impacts of these rules on these persons or entities is described in the sections below.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

The Medium Cities Middle Housing Administrative Rules may result in fiscal and economic impacts to the following persons or entities:

- State Agencies: DCLD. No other state agencies are expected to experience a fiscal and economic impact from the rules.
- Units of Local Government: Medium Cities (cities with populations of 10,000 to 25,000). No local governments are expected to experience a fiscal and economic impact from the rules.
- The public:

The Medium Cities Middle Housing Administrative Rules may result in fiscal and economic impacts including any or all of the following:

- Compliance costs for local governments to amend local development regulations for consistency with the draft rules and for DLCD to review those amendments.
- Impacts to the public, development-related businesses, and local governments in the form of increases to property values, property taxes, and business or investment opportunities as a result of increased development potential. The rules are not expected to have a significant adverse effect on small businesses.
- Impacts to local governments resulting from differences in system development charge revenue, property tax revenue, or cost of providing services due to a shift in the type and location of housing developed as a result of changes to local development regulations.

The anticipated fiscal and economic impacts in each of these categories are discussed in more detail below. There are no compliance costs for businesses, as the proposed rule does not apply to businesses directly, and the relevant businesses already must comply with local regulations for development.

Code Amendments for Compliance:

Local Government Costs:

Medium Cities are required to comply with the draft administrative rules. For nearly all, if not all, of these jurisdictions, the jurisdiction will need to amend its development code. DLCD is developing model code language simultaneously with this rule-making, so jurisdictions will have the option to simply adopt the model code language, develop their own conforming code amendments, or have the model code applied directly without adoption due to incompliant middle housing code provisions. Note that any conforming amendments will not limit development so jurisdictions will not need to provide Measure 56 notice.

The cost to a jurisdiction of drafting and adopting code amendments could range from \$25,000 for simply adopting the model code to \$50,000 for drafting separate regulations, gathering public input, and the adoption process. The model code applies directly, if a jurisdiction takes no action to adopt compliant middle housing code provisions. The cost to a jurisdiction if the model code applies directly is expected to be minimal or zero.

State Agency Costs:

DLCD staff will be responsible for review of post-acknowledgement plan amendments resulting from changes to the local level development code. This represents a modest increase in staff effort relative to the norm.

Additionally, there is the potential for DLCD to incur Department of Justice legal fees in situations where the DLCD files an appeal of a local government's non-compliant development code to the Land Use Board of Appeals (LUBA) or is brought to intervene in a LUBA case between two other parties regarding an appeal. DLCD also maintains authority to enact an enforcement order, which would incur legal fees and demand a modest increase in staff effort in time to review and compile legal records relative to the norm.

Increased Development Potential:

The rules require that Medium Cities allow duplexes on all lots or parcels in areas zoned for residential use where the development code allows single family homes. This may increase the land value in areas where duplex development is financially feasible and where such development offers financial returns that exceed those of single family development. This could affect resale value of existing homes and property taxes. It also provides property owners with a greater range of options for how to use their property. In locations where duplex development is not financially feasible or does not offer financial returns that exceed those for single family homes, there will likely be no change to development potential or resale values.

There is no land use precedent for comparable rules in communities of comparable scale that would allow us to accurately measure the impact of the proposed rules.

Impacts to the Public: Resale Value of Existing Homes:

For existing homes, those that are lower cost and/or in poor condition may be more likely to be redeveloped. Larger homes that are in need of major remodels may offer potential for conversion to a duplex. These types of homes are most likely to see an increase in resale value as a result of the proposed rules, if there is sufficient demand for duplex development or conversion. Desirable, well-maintained single family homes are unlikely to see a noticeable change in resale value since they would be unlikely targets for a developer or investor looking to create a duplex.

Impacts to the Public: Increased Options for Use of Property:

The proposed rules also allow existing and future property owners a wider range of choices for how to use their property, including the potential to create a second unit on the property that is larger than allowed under Accessory Dwelling Unit (ADU) regulations. This can provide a source of rental income if both units are owned by one household. The financial impact will be limited to those who choose to take advantage of the development potential and will be only the incremental difference in rent between what would have been allowed under ADU rules and what will be allowed for duplexes under the proposed rules. This is likely to be limited (e.g. a 25% increase in rent if the second unit is 25% larger than would have been allowed under ADU rules).

Impacts to the Public: Increased Property Taxes:

Due to constitutional limits imposed by Measure 50, a property's maximum assessed value (MAV) can increase by no more than 3% per year except under certain circumstances. These circumstances include all of the following:

- New construction.
- Major improvement projects (e.g. additions, remodels, or rehabilitation).
- Land division.
- Rezoning (where the property is used consistently with the new zoning).

In these cases, the Assessor determines how much Real Market Value (RMV) was added by the change(s) to the property and uses the changed property ratio (CPR) for that property type to determine the additional taxable value.

The proposed rules will require Medium Cities to make changes to their development codes that will constitute rezoning under OAR 150-308-0200. However, in order to trigger the exception, property must be rezoned and used consistently with the rezoning. "Property is 'used consistently with the rezoning' when it's put to a newly allowed use. This doesn't include situations where the use of the property was an allowed use both before and after the rezoning." In this case, the newly allowed use is a duplex. Improvements to existing single family homes that do not create a duplex (including adding an ADU) may trigger an exception that increases the MAV, but only to the same degree that they would have without the change to zoning regulations. Therefore, the only situations in which the proposed rules will increase property taxes are for properties that are actually developed as, or converted to, duplexes under the new rules.

For properties that are developed as, or converted to, duplexes, the increase in property value will depend on the RMV after the improvement or development and the CPR in the county where the property is located.

Impacts to Small and Large Businesses: Increased Opportunities for Small-Scale Development:

In locations where duplex development enabled by the proposed rules is financially feasible, this may create additional opportunities for small development companies to engage in development activity. Greenfield development tends to be more concentrated among larger development companies that are better capitalized and able to obtain more financing. However, even larger development companies rarely have more than 50 employees, so the impacts (positive and any slight negative impact to demand for larger-scale greenfield construction) are likely to be concentrated among businesses with fewer than 50 employees. The design, engineering, and other businesses that support development are likely to be the same regardless of housing type, or see very minor impacts to their business.

Shifts in Type and Location of Housing Development:

The increase in capacity in areas zoned for single family housing resulting from the proposed rules would impact the location and type of housing development as a result of duplex development in existing neighborhoods. Although this would result in an increase in zoned capacity, it may or may not change the pace of development. From a planning perspective, it will not change the overall population forecast or total number of housing units jurisdictions will be planning for as part of a Housing Needs Analysis. As a result, the impact is primarily a shift of a small percentage of the community's housing development from single family detached housing and multifamily housing to duplex development. In some communities, there could be an increase in the pace of development if the lack of available land in desirable places with access to services has been a barrier to housing production. The increase in capacity in certain residential zones could also mean a shift of a small percentage of housing growth from greenfield development areas to infill development and/or slightly more efficient greenfield development. The legislation states that a local government's density expectations from measures adopted to implement the legislation may not project an increase in residential capacity of more than three percent over the 20-year planning horizon without quantifiable validation. While this increase in capacity will vary from one community to another, it suggests a modest shift.

It is difficult to say to what degree duplex development will substitute for single family development vs. multifamily development. This depends on a number of factors, including unit size and tenure. In many medium cities, financing larger multifamily buildings is very challenging, meaning that duplexes may be substituting for multifamily housing that was needed but not actually being delivered by the market.

Impacts to Local Governments: System Development Charge Revenue

Many cities have different system development charges (SDCs) for single family versus multifamily development, particularly for parks and transportation. Duplexes are handled differently in different jurisdictions—some treat them as single family for purposes of calculating SDCs, while others consider them multifamily. Few jurisdictions have specific fees for duplexes. The nature and extent of a change in SDC revenue would depend on several factors, including:

- The extent to which duplex development is substituting for single family development vs. multifamily development.
- Whether duplex development increases the overall pace of development.
- Whether duplex development is subject to multifamily SDC rates or single family SDC rates.
- The difference in SDCs between multifamily and single family rates.

Impacts to Local Governments: Property Tax Revenue

As noted above, property taxes will only be affected by the proposed rules to the extent that new duplex development or conversion occurs. This would produce a modest increase in property tax revenue from those properties relative to if those properties had remained single family housing. However, since this duplex development is likely substituting (at least in part) for single family and/or multifamily development that would otherwise have occurred, and may have been more likely to occur on vacant land rather than infill, that increase in property value may be counterbalanced by a reduction in new property value from new development on vacant land.

Impacts to Local Governments: Cost to Provide Services

To the extent that the proposed rules increase infill development rather than greenfield development and lead to higher density new development as a result of duplex development, this could modestly reduce the cost to local governments of providing urban services, since more compact development is typically more cost efficient to serve.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small business owners were key stakeholders in the rulemaking advisory committee and the technical advisory committee. Their insights and experience were included in the formation of these rules. Additionally, the department held a series of Community Conversations on Housing across the State which include hearing feedback from small business owners and other members of the public. Lastly, small businesses will have the opportunity to participate in public hearings held on the proposed rules.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

HOUSING IMPACT STATEMENT:

Description of proposed change: (Please attach any draft or permanent rule or ordinance) Oregon Laws 2019, chapter 639 (HB 2001) states non-Metro cities ("medium cities") between 10,000 and 25,000 population must allow a duplex on all lots or parcels that are residentially zoned and also allow for the development of single-family detached dwellings.

Description of the need for, and objectives of the rule: The purpose of the rule is to prescribe standards guiding the development of Middle Housing types as provided in Oregon Laws 2019, chapter 639 (HB 2001). OAR 660-046 will establish standards related to the siting and design of Middle Housing types in Medium Cities.

List of rules adopted or amended: OAR 660-046

Materials and labor costs increase or savings: The proposed rules are not anticipated to affect the cost of materials or labor because any increase in housing development overall is likely to be minor.

Estimated administrative construction or other costs increase or savings: The proposed rules are not anticipated to affect the cost of administration or other factors because any increase in housing development overall is likely to be minor.

Land costs increase or savings: The rules require that "medium cities" allow duplexes on all lots or parcels in areas zoned for residential use where the development code allows single family homes. This may increase the cost of land in areas where duplex development is financially feasible and where such development offers financial returns that exceed those of single family development. If these conditions are met, the developer of the duplex will likely be able to pay more for the lot than the developer of the single family home. This may increase the cost of land for the single family home. In locations where duplex development is not financially feasible or does not offer financial returns that exceed those for single family homes, there will likely be no change to development potential or land values.

The reference case for this analysis is a 1,200 square foot single family home on a 6,000 square foot lot. However, 1,200 square feet is small for a new single-family home in the current market, and it is possible that a duplex could have twice that much square footage in some jurisdictions (depending on restrictions on lot coverage and floor area ratio), it is relatively likely that a developer would be able to pay more for the land to build a duplex than to build a 1,200 square foot single family home. It is worth noting that most new homes are as much as twice that size, and builders of these larger single family homes are also likely to be able to pay more for the land than someone trying to build a 1,200 square

foot home. A large single family home and a duplex may have a more comparable ability to pay for land. Because the specific increases to land cost will depend on local market conditions, it is not possible to estimate the cost increase based on available data.

Other costs increase or savings: The proposed rules are not anticipated to affect other costs.

*Typical-Single story 3 bedrooms, 1 ½ bathrooms, attached garage (calculated separately) on land with good soil conditions with no unusual geological hazards.

RULES PROPOSED:

660-046-0000, 660-046-0010, 660-046-0020, 660-046-0030, 660-046-0040, 660-046-0050, 660-046-0100, 660-046-0105, 660-046-0110, 660-046-0115, 660-046-0120, 660-046-0125, 660-046-0130

ADOPT: 660-046-0000

RULE SUMMARY: This rule outlines the purpose of the division in guiding the development of middle housing as provided in ORS 197.758.

CHANGES TO RULE:

660-046-0000

Purpose

The purpose of this division is to prescribe standards guiding the development of Middle Housing types as provided in Oregon Laws 2019, chapter 639. OAR 660-046-0010 to OAR 660-046-0130 establish standards related to the siting and design of Middle Housing types in urban growth boundaries.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

ADOPT: 660-046-0010

RULE SUMMARY: This rule describes which local governments are subject to the provisions of the division and in which areas of the city's urban growth boundary. The rule also describes how a city may regulate middle housing in conjunction with protective measures the city may have adopted to be in compliance with the statewide land use planning goals.

CHANGES TO RULE:

660-046-0010

Applicability

(1) A local government that is a Medium City must comply with this division.

(2) Notwithstanding section (1), a local government need not comply with this division for:

(a) Lands that are not zoned for residential use, including but not limited to lands zoned primarily for commercial, industrial, agricultural, or public uses;

(b) Residentially zoned lands that do not allow for the development of a detached single-family home; or

(c) Lands that are not incorporated and that are zoned under an interim zoning designation that maintains the land's potential for planned urban development.

(3) Local governments may regulate Middle Housing to comply with protective measures (including plans, policies, and regulations) adopted and acknowledged pursuant to statewide land use planning goals. Where local governments have adopted, or shall adopt, regulations implementing the following statewide planning goals, the following provisions provide direction as to how those regulations shall be implemented in relation to Middle Housing, as required by OAR 660-046-0010.

(a) Goal 5: Natural Resources, Scenic, and Historic Areas - Pursuant to OAR chapter 660, division 23, local governments must adopt land use regulations to protect identified resources under Goal 5, including regulations to comply with protective measures (including plans, policies, and regulations) applicable to Middle Housing.

(A) Goal 5 Riparian Areas, Wetlands, and Wildlife Habitat - Pursuant to OAR 660-023-0050 through 660-023-0115, local governments must adopt land use regulations to protect water quality, aquatic habitat, and the habitat of threatened, endangered and sensitive species. This includes regulations applicable to Middle Housing to comply with protective measures adopted pursuant to Goal 5. Local governments may apply regulations to Duplexes that apply to detached single-family dwellings in the same zone.

(B) Goal 5: Historic Resources - Pursuant to OAR 660-023-0200(7), local governments must adopt land use regulations to protect locally significant historic resources. This includes regulations related to the siting and design of Middle Housing to comply with protective measures as it relates to the integrity of a historic resource or district. Protective measures shall be the minimum necessary to prevent the loss or destruction of a historic resource. Local governments may not apply the following types of regulations specific to Middle Housing:

(i) Use, density, and occupancy restrictions that prohibit the development of Middle Housing on historic properties or districts that otherwise permit the development of detached single-family dwellings.

(ii) Siting or design standards that prohibit the development of Middle Housing on historic properties or districts that otherwise permit the development of detached single-family dwellings.

(b) Goal 7: Areas Subject to Natural Hazards - Pursuant to OAR 660-015-0000(7), local governments must adopt comprehensive plans (inventories, policies and implementing measures) to reduce risk to people and property from natural hazards. Such protective measures adopted pursuant to Goal 7 apply to Middle Housing, including but not limited to restrictions on use, density, and occupancy in the following areas:

(A) Special Flood Hazard Areas as identified on the applicable FEMA Flood Insurance Rate Map (FIRM); or

(B) Other hazard areas identified in an adopted comprehensive plan or development code; provided the development of Middle Housing presents a greater risk to life or property than the development of detached single-family dwellings. Greater risk includes but is not limited to actions or effects such as:

(i) Increasing the number of people exposed to a hazard;

(ii) Increasing risk of damage to property, built, or natural infrastructure;

(iii) Exacerbating the risk by altering the natural landscape, hydraulics, or hydrology.

(c) Goal 15: Willamette Greenway - Pursuant to OAR 660-015-0005, cities and counties must review intensifications, changes of use or developments to insure their compatibility with the Willamette River Greenway. Local governments may regulate Middle Housing to comply with Goal 15 protective measures that apply to detached single-family dwellings in the same zone.¶¶

(d) Goal 16: Estuarine Resources - Pursuant to OAR 660-015-0010(1) and OAR chapter 660, division 17, local governments must apply land use regulations that protect the estuarine ecosystem, including its natural biological productivity, habitat, diversity, unique features and water quality. Local governments may prohibit Duplexes and Middle Housing types other than Duplexes in areas regulated to protect estuarine resources under Goal 16.¶¶

(e) Goal 17: Coastal Shorelands - Pursuant to OAR 660-015-0010(2) and OAR 660-037-0080, local governments must apply land use regulations that protect shorelands for water-dependent recreational, commercial, and industrial uses. This includes regulations applicable to Middle Housing to comply with protective measures adopted pursuant to Goal 17. Local governments may apply regulations to Duplexes that apply to detached single-family dwellings in the same zone.¶¶

(f) Goal 18: Beaches and Dunes - Pursuant to OAR 660-015-0010(3), local governments must apply land use regulations to residential developments to mitigate hazards to life, public and private property, and the natural environment in areas identified as Beaches and Dunes. This includes regulations applicable to Middle Housing to comply with protective measures adopted pursuant to Goal 18 including but not limited to restrictions on use, density, and occupancy; provided the development of Middle Housing presents a greater risk to life or property than development of detached single-family dwellings. Greater risk includes but is not limited to actions or effects such as:¶¶

(A) Increasing the number of people exposed to a hazard;¶¶

(B) Increasing risk of damage to property, built or natural infrastructure; and¶¶

(C) Exacerbating the risk by altering the natural landscape, hydraulics, or hydrology.¶¶

(4) This division does not prohibit local governments from allowing:¶¶

(a) Single-family dwellings in areas zoned to allow for single-family dwellings; or¶¶

(b) Middle Housing in areas not required under this division.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

ADOPT: 660-046-0020

RULE SUMMARY: The rule defines terms and phrases that are used throughout the division.

CHANGES TO RULE:

660-046-0020

Definitions

As used in this division, the definitions in ORS 197.015 and 197.758 et seq apply, unless the context requires otherwise. In addition:

- (1) "A local government that has not acted" means a local government that has not adopted acknowledged land use regulations that are in compliance with ORS 197.758 and this division.
- (2) "Department" means the Department of Land Conservation and Development.
- (3) "Detached single-family dwelling" means a detached structure on a Lot or Parcel that is comprised of a single dwelling unit, either site built or a manufactured dwelling.
- (4) "Duplex" means two attached dwelling units on one Lot or Parcel. A Medium City may define a Duplex to include two detached dwelling units on one Lot or Parcel.
- (5) "Lot or Parcel" means any legally created unit of land.
- (6) "Medium City" means each city with a certified Portland State University Population Research Center estimated population more than 10,000 and less than 25,000 and not within a metropolitan service district.
- (7) "Middle Housing" means a Duplex as defined in section (4).
- (8) "Model Code" means the model code developed by the Department contained OAR 660-046-0110(5).
- (9) "Zoned for residential use" means a zoning district in which residential dwellings are the primary use and which implements a residential comprehensive plan map designation.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

ADOPT: 660-046-0030

RULE SUMMARY: This rule describes the process by which cities must undergo before amending an acknowledged land use regulation allowing middle housing.

CHANGES TO RULE:

660-046-0030

Implementation of Middle Housing Ordinances

(1) Before a local government amends an acknowledged comprehensive plan or a land use regulation to allow Middle Housing, the local government must submit the proposed change to the Department for review and comment pursuant to OAR chapter 660, division 18.

(2) In adopting or amending regulations or amending a comprehensive plan to allow Middle Housing, a local government must include findings demonstrating consideration, as part of the post-acknowledgement plan amendment process, of methods to increase the affordability of Middle Housing through ordinances or policies that include but are not limited to:

(a) Waiving or deferring system development charges;

(b) Adopting or amending criteria for property tax exemptions under ORS 307.515 to ORS 307.523, ORS 307.540 to ORS 307.548 or ORS 307.651 to ORS 307.687 or property tax freezes under ORS 308.450 to ORS 308.481; and

(c) Assessing a construction tax under ORS 320.192 and ORS 320.195.

(3) When a local government amends its comprehensive plan or land use regulations to allow Middle Housing, the local government is not required to consider whether the amendments significantly affect an existing or planned transportation facility.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

ADOPT: 660-046-0040

RULE SUMMARY: This rules describes what actions are required of cities in order to comply with the requirements of ORS 197.758. The rules outlines the implications of not acting to comply with the requirements of ORS 197.758 including in circumstances where land use regulations are appealed.

CHANGES TO RULE:

660-046-0040

Compliance

(1) A local government may adopt land use regulations or amend its comprehensive plan to comply with ORS 197.758 et seq and the provisions of this division.

(2) A local government may request from the Department an extension of the time allowed to complete the action in section (1).

(3) A Medium City that has not acted by June 30, 2021 and has not received an extension under section (2), shall directly apply the applicable Model Code contained in OAR 660-046-0130(5) in its entirety to all proposed Middle Housing development applications until such time as the Medium City has adopted provisions under section (1).

(4) If a Medium City has adopted land use regulations or amended its comprehensive plan by the date provided under section (3) and the city's land use regulations or comprehensive plan changes are subsequently remanded by the Land Use Board of Appeals or an appellate court solely on procedural grounds, the Medium City is deemed to have acted. Accordingly, the Medium City may continue to apply its own land use regulations and comprehensive plan as they existed prior to the adoption of land use regulations or comprehensive plan amendments that were the subject of procedural remand until the first of the two options:

(a) The Medium City has adopted land use regulations or amended its comprehensive plan in response to the remand; or

(b) 120 days after the date of the remand. If the Medium City has not adopted land use regulations or amended its comprehensive plan within 120 days of the date of the remand, the Medium City is deemed not to have acted under section (3).

(5) If a Medium City has adopted land use regulations or amended its comprehensive plan by the date provided under section (3) and the Medium City's land use regulations or comprehensive plan changes are subsequently remanded by the Land Use Board of Appeals or an appellate court on any substantive grounds, the city is deemed to have not acted under section (3).

(6) If a Medium City acknowledged to be in compliance with this division subsequently amends its land use regulations or comprehensive plan, and those amendments are remanded by the Land Use Board of Appeals or an appellate court, the city shall continue to apply its land use regulations and comprehensive plan as they existed prior to the amendments until the amendments are acknowledged.

(7) In the event that a Medium City directly applies the Model Code in accordance with sections (3) and (5), the Model Code completely replaces and pre-empts any provisions of that Medium City's development code that conflict with the Model Code.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

ADOPT: 660-046-0050

RULE SUMMARY: This rule outlines the time line by which cities that were not previously a Medium City must comply with the provisions of ORS 197.758 and the division.

CHANGES TO RULE:

660-046-0050

Eligible Local Governments

If a local government was not previously a Medium City and a certified Portland State University Population Research Center population estimate qualifies a city as a Medium City, the city must comply with this division within one year of its qualification as a Medium City.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

ADOPT: 660-046-0100

RULE SUMMARY: This rule is intended to measure compliance with ORS 197.758 and Goal 10 Housing for Medium Cities.

CHANGES TO RULE:

660-046-0100

Purpose of Middle Housing in Medium Cities

OAR 660-046-0105 through OAR 660-046-0130 are intended to measure compliance with ORS 197.758 et seq and Goal 10 Housing for Medium Cities.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

ADOPT: 660-046-0105

RULE SUMMARY: This rule describes the requirements for middle housing in medium cities.

CHANGES TO RULE:

660-046-0105

Applicability of Middle Housing in Medium Cities

(1) A Medium City must allow for the development of a Duplex, including those Duplexes created through conversion of an existing detached single-family dwelling, on each Lot or Parcel zoned for residential use that allows for the development of detached single-family dwellings.

(2) OAR 660-046-0105 through OAR 660-046-0130 do not require a Medium City to allow more than two dwellings units on a Lot or Parcel, including any accessory dwelling units.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

ADOPT: 660-046-0110

RULE SUMMARY: This rule outlines the provisions a city may adopt to regulate the siting and design of middle housing in medium cities. This rule also includes a description of which standards cause unreasonable cost and delay to the development of middle housing in medium cities.

CHANGES TO RULE:

660-046-0110

Provisions Applicable to Duplexes in Medium Cities

(1) Medium Cities may regulate Duplexes to comply with protective measures, including plans, policies and regulations, as provided in OAR 660-046-0010(3).¶

(2) Medium Cities may regulate siting and design of Duplexes, provided that the regulations:¶

(a) Are clear and objective standards, conditions, or procedures; and¶

(b) Do not, individually or cumulatively, discourage the development of Duplexes through unreasonable costs or delay.¶

(3) Siting and design standards that create unreasonable cost and delay include any standards applied to Duplex development that are more restrictive than those applicable to detached single-family dwellings in the same zone.¶

(4) Siting and design standards that do not, individually or cumulatively, discourage the development of Duplexes through unreasonable cost and delay include only the following:¶

(a) Regulations to comply with protective measures adopted pursuant to statewide land use planning goals provided in OAR 660-046-0010(3);¶

(b) Permitted uses and approval process provided in OAR 660-046-0115;¶

(c) Siting standards provided in OAR 660-046-0120;¶

(d) Design standards provided in OAR 660-046-0125;¶

(e) Duplex Conversions provided in OAR 660-046-0130; and¶

(f) Any siting and design standards contained in the Model Code referenced in section (5).¶

(5) For the purposes of assisting Medium Cities in adopting reasonable siting and design standards for Duplexes, the Commission adopts the following model Middle Housing code for Medium Cities. The Model Code adopted by reference in this section will be applied to Medium Cities who have not acted to comply with the provisions of ORS 197.758 and this division and completely replaces and pre-empts any provisions of that Medium City's development code that conflict with the Model Code.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

RULE ATTACHMENTS DO NOT SHOW CHANGES. PLEASE CONTACT AGENCY REGARDING CHANGES.



MEMORANDUM

Model Code for Medium Cities DLCD Middle Housing Model Code

DATE April 10, 2020
TO Oregon Land Conservation and Development Commission
FROM Matt Hastie, Cathy Corliss, and Kate Rogers, Angelo Planning Group
CC Ethan Stuckmayer and Robert Mansolillo, DLCD Project Team

Middle Housing Model Code for Medium Cities

User's Guide:

Oregon House Bill 2001 (2019) (HB 2001) requires that “Medium Cities” (defined as cities with a population of more than 10,000 and less than 25,000 that are not within Metro’s jurisdiction) allow a duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings. Duplexes provide an opportunity to increase housing supply in developed neighborhoods and can blend in well with detached single-family dwellings.

The bill allows local governments to regulate siting and design of duplexes, provided that the regulations do not, individually or cumulatively, discourage duplex development through unreasonable costs or delay. When regulating siting and design of duplexes, Medium Cities should balance concerns about neighborhood compatibility and other factors against the need to address Oregon’s housing shortage by removing barriers to development and should ensure that any siting and design regulations do not, individually or cumulatively, discourage the development of duplexes through unreasonable costs or delay.

Medium Cities may develop their own standards in compliance with the requirements of HB 2001. This model code may provide guidance toward that end. However, if Medium Cities do not wish to prepare their own standards or if Medium Cities do not adopt the required code amendments by June 30, 2021, they must directly apply this model code prepared by the Department of Land and Conservation Development (DLCD) to development in their jurisdictions. The model code is intended to be straightforward and implementable by Medium Cities

throughout the state. The model rules are consistent with the requirements and intent of HB 2001 and are intended to ensure that a duplex is no more difficult to develop than a detached single-family home. The model code will be adopted by reference into Oregon Administrative Rules.

To the extent they are applicable, the Administrative Rules contained in Chapter 660, Division 46 apply to and may be used to interpret this model code.

Sections:

- A. Purpose**
- B. Definitions**
- C. Applicability**
- D. Relationship to Other Regulations**
- E. Permitted Uses and Approval Process**
- F. Development Standards**
- G. Design Standards**
- H. Duplex Conversions**
- I. Figures**

A. Purpose

The purpose of this model middle housing code (“code”) is to implement HB 2001, codified in ORS 197.758 et seq, by providing siting and design standards for duplexes developed on lots or parcels that allow for the development of detached single-family dwellings.

B. Definitions

The following definitions shall apply for the purposes of this code, notwithstanding other definitions in the development code:

1. “Detached single-family dwelling” means a detached structure on a lot or parcel that is comprised of a single dwelling unit. Detached single-family dwellings may be constructed off-site, e.g., manufactured dwellings or modular homes.
2. “Duplex” means a detached structure on a lot or parcel that is comprised of two dwelling units. Figures 1–4 in Section I illustrate examples of possible duplex configurations. In instances where a structure can meet the definition of a duplex and also meets the definition of a primary dwelling unit with an attached or internal accessory dwelling unit (ADU), the applicant shall specify at the time of application review whether the entire structure is considered a duplex or a primary dwelling unit with an attached or internal ADU.
3. “Lot or Parcel” means any legally created unit of land.

4. “Zoned for residential use” means a zoning district in which residential dwellings are the primary use and which implements a residential Comprehensive Plan map designation.

C. Applicability

1. Except as specified in subsection (2) of this section (c), the standards in this code allow for the development of duplexes, including those created through conversion of existing detached single-family dwellings, on lots or parcels zoned for residential use that allow for the development of detached single-family dwellings.
2. The standards in this code do not allow the following, unless otherwise permitted by the development code:
 - Creation of duplexes on lots or parcels on lands that are not zoned for residential use. This includes lands zoned primarily for commercial, industrial, agricultural, public, or mixed uses, even if those zones allow for the development of detached single-family dwellings.
 - Creation of more than two dwelling units on a single lot or parcel.

D. Relationship to Other Regulations

1. Conflicts. In the event of a conflict between this code and other standards applicable to a duplex, the standards of this code control.
2. Public Works Standards. Clear and objective exceptions to public works standards granted to single-family dwellings shall also be granted to duplexes.
3. Protective Measures. Duplexes shall comply with protective measures (plans, policies, or regulations) adopted pursuant to statewide land use planning goals (e.g., environmental and natural hazard protections).

E. Permitted Uses and Approval Process

Duplexes are permitted outright on lots or parcels zoned for residential use that allow for the development of detached single-family dwellings. Duplexes are subject to the same approval process as that for detached single-family dwellings in the same zone and are subject only to clear and objective standards, approval criteria, conditions, and procedures. Alternatively, an applicant may choose to submit an application for a duplex subject to discretionary standards and criteria adopted in accordance with ORS 197.307, if such a process is available.

F. Development Standards

Except as specified below, duplexes shall meet all clear and objective development standards that apply to detached single-family dwellings in the same zone (including, but not limited to, minimum and maximum lot size, minimum and maximum setbacks, and building height), unless those standards conflict with this code.

The following development standards are invalid and do not apply to duplexes being developed on lots or parcels zoned for residential use that allow the development of a detached single-family dwelling:

1. Maximum Density. The jurisdiction's pre-existing density maximums and minimum lot sizes for duplexes do not apply.
2. Setbacks. A minimum front setback of greater than 20 feet or a minimum rear setback of greater than 15 feet except for those minimum setbacks applicable to garages and carports.
3. Off-Street Parking. Any off-street parking requirement.

G. Design Standards

New duplexes shall meet all clear and objective design standards (e.g., entry orientation, window coverage, articulation, etc.) that apply to detached single-family dwellings in the same zone, unless those standards conflict with this code.

Any design standards that apply only to duplexes are invalid.

H. Duplex Conversions

Conversion of an existing detached single-family dwelling to a duplex is allowed, pursuant to Section C, provided that the conversion does not increase nonconformance with applicable clear and objective standards.

I. Figures

The following figures illustrate examples of possible duplex configurations. Other configurations may also be acceptable, provided the structure meets the definition of duplex, pursuant to Section B.

Figure 1. Stacked Duplex

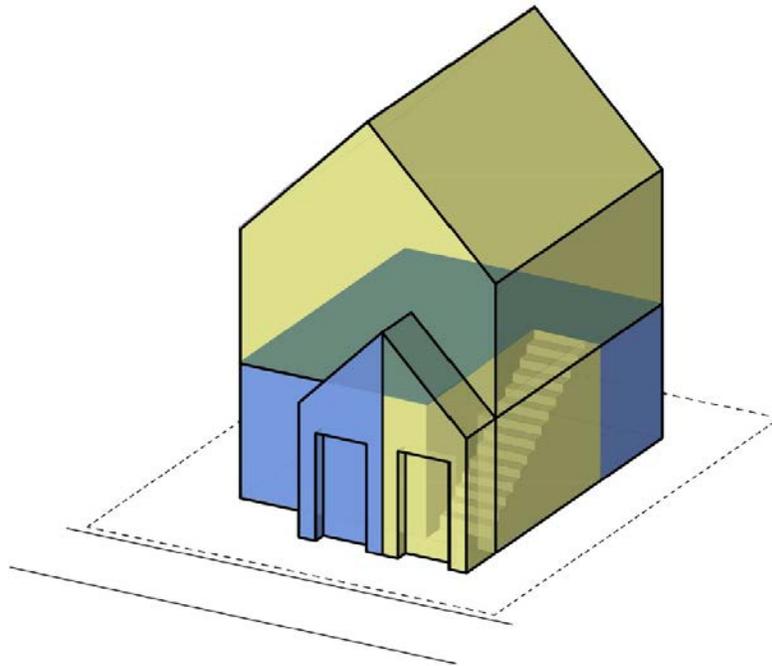


Figure 2. Side-by-Side Duplex

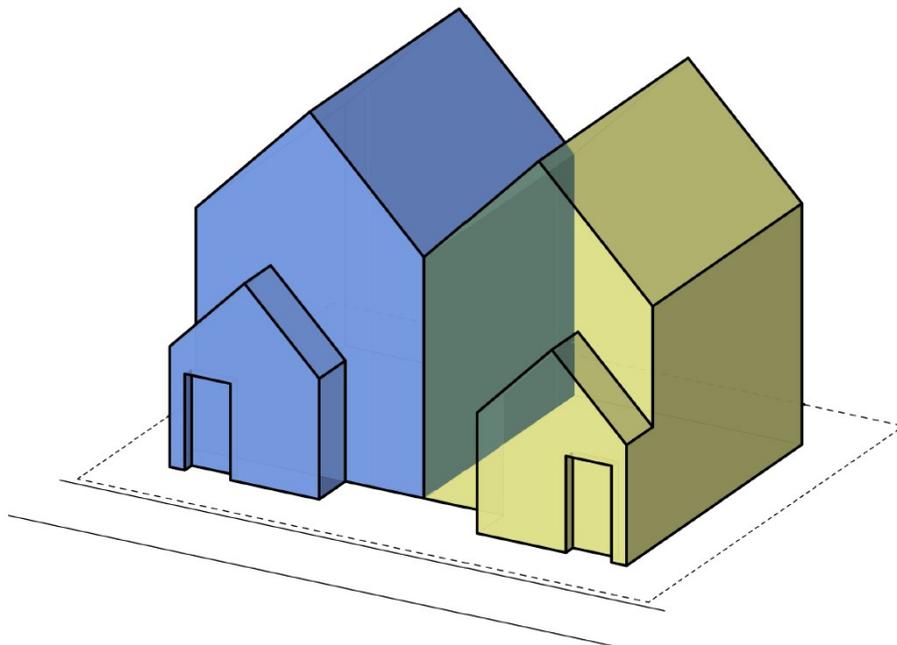


Figure 3. Duplex Attached by Garage Wall

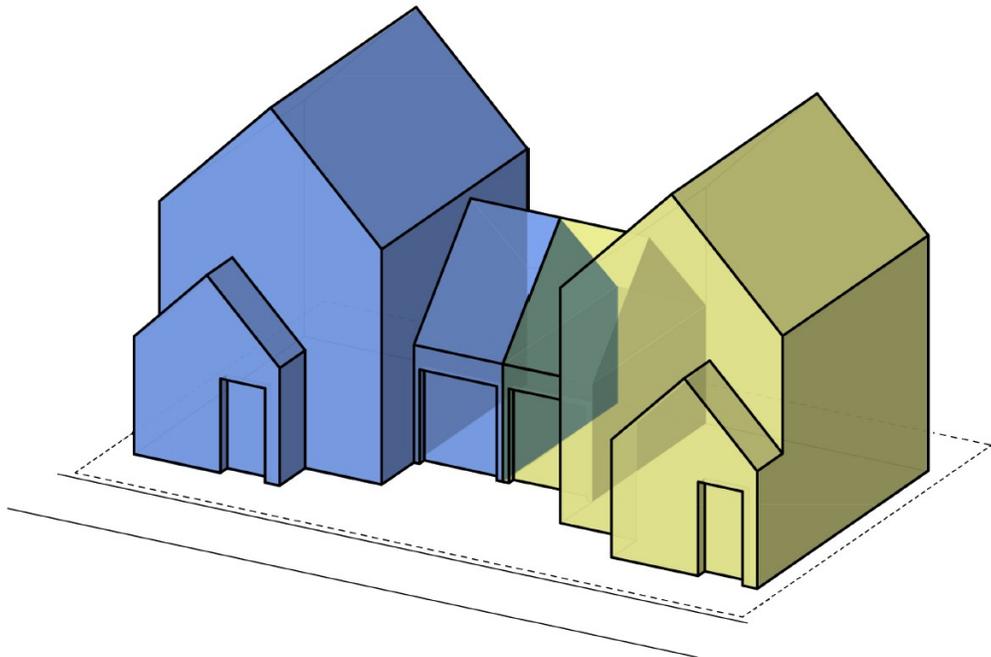
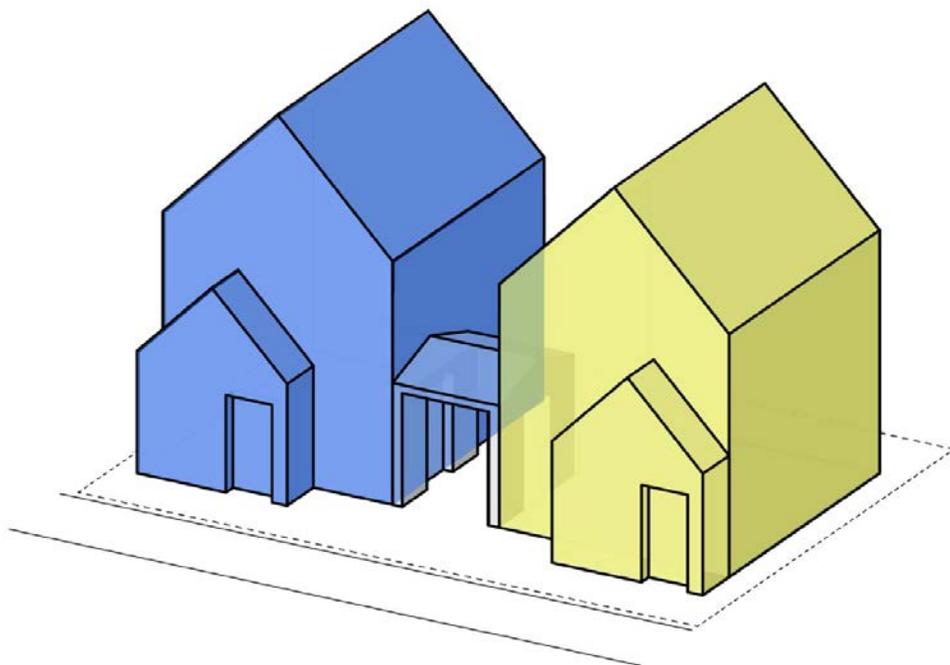


Figure 4. Duplex Attached by Breezeway



ADOPT: 660-046-0115

RULE SUMMARY: This rule states the approval process that medium cities must use to review development applications for middle housing.

CHANGES TO RULE:

660-046-0115

Permitted Uses and Approval Process

Medium Cities must apply the same approval process to Duplexes as detached single-family dwellings in the same zone. Pursuant to OAR 660-008-0015 and ORS 197.307, Medium Cities may adopt and apply only clear and objective standards, conditions, and procedures regulating the development of Duplexes. Nothing in this rule prohibits a Medium City from adopting and applying an alternative approval process for applications and permits for Middle Housing based on approval criteria that are not clear and objective as provided in OAR 660-008-0015(2) and ORS 197.307(6).

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

ADOPT: 660-046-0120

RULE SUMMARY: This rule describes reasonable siting standards that a medium city may adopt to regulate middle housing.

CHANGES TO RULE:

660-046-0120

Duplex Siting Standards in Medium Cities

The following standards apply to all Duplexes:¶

(1) Minimum Lot or Parcel Size: A Medium City may not require a minimum Lot or Parcel size that is greater than the minimum Lot or Parcel size required for a detached single-family dwelling in the same zone. Additionally, Medium Cities shall allow the development of a Duplex on any property zoned to allow detached single-family dwellings, which was legally created prior to the Medium City's current lot size minimum for detached single-family dwellings in the same zone.¶

(2) Density: If a Medium City applies density maximums in a zone, it may not apply those maximums to the development of Duplexes.¶

(3) Setbacks: A Medium City may not require setbacks to be greater than those applicable to detached single-family dwellings in the same zone.¶

(4) Height: A Medium City may not apply lower maximum height standards than those applicable to detached single-family dwellings in the same zone.¶

(5) Parking:¶

(a) A Medium City may not require more than a total of two off-street parking spaces for a Duplex.¶

(b) Nothing in this section precludes a Medium City from allowing on-street parking credits to satisfy off-street parking requirements.¶

(6) Lot Coverage and Floor Area Ratio: Medium Cities are not required to apply lot coverage or floor area ratio standards to new Duplexes. However, if the Medium City chooses to apply lot coverage or floor area ratio standards, it may not establish a cumulative lot coverage or floor area ratio for a Duplex that is less than established for detached single-family dwelling in the same zone.¶

(7) A Medium City or other utility service provider that grants clear and objective exceptions to public works standards to detached single-family dwelling development must grant the same exceptions to Duplexes.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

ADOPT: 660-046-0125

RULE SUMMARY: This rule describes reasonable design standards that a medium city may adopt to regulate middle housing.

CHANGES TO RULE:

660-046-0125

Duplex Design Standards in Medium Cities

(1) Medium Cities are not required to apply design standards to new Duplexes. However, if the Medium City chooses to apply design standards to new Duplexes, it may only apply the same clear and objective design standards that the Medium City applies to detached single-family structures in the same zone.¶

(2) A Medium City may not apply design standards to Duplexes created as provided in OAR 660-046-0130.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758

ADOPT: 660-046-0130

RULE SUMMARY: This rule describes specific situations in which a property owner may convert an existing single-family detached dwelling into a duplex in a medium city.

CHANGES TO RULE:

660-046-0130

Duplex Conversions

Conversion of an existing detached single-family dwelling to a Duplex is allowed, pursuant to OAR 660-046-0105(2), provided that the conversion does not increase nonconformance with applicable clear and objective standards in the Medium City's development code.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.758



MEMORANDUM

Model Code for Medium Cities DLCD Middle Housing Model Code

DATE April 10, 2020
TO Oregon Land Conservation and Development Commission
FROM Matt Hastie, Cathy Corliss, and Kate Rogers, Angelo Planning Group
CC Ethan Stuckmayer and Robert Mansolillo, DLCD Project Team

Middle Housing Model Code for Medium Cities

User's Guide:

Oregon House Bill 2001 (2019) (HB 2001) requires that “Medium Cities” (defined as cities with a population of more than 10,000 and less than 25,000 that are not within Metro’s jurisdiction) allow a duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings. Duplexes provide an opportunity to increase housing supply in developed neighborhoods and can blend in well with detached single-family dwellings.

The bill allows local governments to regulate siting and design of duplexes, provided that the regulations do not, individually or cumulatively, discourage duplex development through unreasonable costs or delay. When regulating siting and design of duplexes, Medium Cities should balance concerns about neighborhood compatibility and other factors against the need to address Oregon’s housing shortage by removing barriers to development and should ensure that any siting and design regulations do not, individually or cumulatively, discourage the development of duplexes through unreasonable costs or delay.

Medium Cities may develop their own standards in compliance with the requirements of HB 2001. This model code may provide guidance toward that end. However, if Medium Cities do not wish to prepare their own standards or if Medium Cities do not adopt the required code amendments by June 30, 2021, they must directly apply this model code prepared by the Department of Land and Conservation Development (DLCD) to development in their jurisdictions. The model code is intended to be straightforward and implementable by Medium Cities

throughout the state. The model rules are consistent with the requirements and intent of HB 2001 and are intended to ensure that a duplex is no more difficult to develop than a detached single-family home. The model code will be adopted by reference into Oregon Administrative Rules.

To the extent they are applicable, the Administrative Rules contained in Chapter 660, Division 46 apply to and may be used to interpret this model code.

Sections:

- A. Purpose**
- B. Definitions**
- C. Applicability**
- D. Relationship to Other Regulations**
- E. Permitted Uses and Approval Process**
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- H. Duplex Conversions**
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A. Purpose

The purpose of this model middle housing code (“code”) is to implement HB 2001, codified in ORS 197.758 et seq, by providing siting and design standards for duplexes developed on lots or parcels that allow for the development of detached single-family dwellings.

B. Definitions

The following definitions shall apply for the purposes of this code, notwithstanding other definitions in the development code:

1. “Detached single-family dwelling” means a detached structure on a lot or parcel that is comprised of a single dwelling unit. Detached single-family dwellings may be constructed off-site, e.g., manufactured dwellings or modular homes.
2. “Duplex” means a detached structure on a lot or parcel that is comprised of two dwelling units. Figures 1–4 in Section I illustrate examples of possible duplex configurations. In instances where a structure can meet the definition of a duplex and also meets the definition of a primary dwelling unit with an attached or internal accessory dwelling unit (ADU), the applicant shall specify at the time of application review whether the entire structure is considered a duplex or a primary dwelling unit with an attached or internal ADU.
3. “Lot or Parcel” means any legally created unit of land.

4. “Zoned for residential use” means a zoning district in which residential dwellings are the primary use and which implements a residential Comprehensive Plan map designation.

C. Applicability

1. Except as specified in subsection (2) of this section (c), the standards in this code allow for the development of duplexes, including those created through conversion of existing detached single-family dwellings, on lots or parcels zoned for residential use that allow for the development of detached single-family dwellings.
2. The standards in this code do not allow the following, unless otherwise permitted by the development code:
 - Creation of duplexes on lots or parcels on lands that are not zoned for residential use. This includes lands zoned primarily for commercial, industrial, agricultural, public, or mixed uses, even if those zones allow for the development of detached single-family dwellings.
 - Creation of more than two dwelling units on a single lot or parcel.

D. Relationship to Other Regulations

1. Conflicts. In the event of a conflict between this code and other standards applicable to a duplex, the standards of this code control.
2. Public Works Standards. Clear and objective exceptions to public works standards granted to single-family dwellings shall also be granted to duplexes.
3. Protective Measures. Duplexes shall comply with protective measures (plans, policies, or regulations) adopted pursuant to statewide land use planning goals (e.g., environmental and natural hazard protections).

E. Permitted Uses and Approval Process

Duplexes are permitted outright on lots or parcels zoned for residential use that allow for the development of detached single-family dwellings. Duplexes are subject to the same approval process as that for detached single-family dwellings in the same zone and are subject only to clear and objective standards, approval criteria, conditions, and procedures. Alternatively, an applicant may choose to submit an application for a duplex subject to discretionary standards and criteria adopted in accordance with ORS 197.307, if such a process is available.

F. Development Standards

Except as specified below, duplexes shall meet all clear and objective development standards that apply to detached single-family dwellings in the same zone (including, but not limited to, minimum and maximum lot size, minimum and maximum setbacks, and building height), unless those standards conflict with this code.

The following development standards are invalid and do not apply to duplexes being developed on lots or parcels zoned for residential use that allow the development of a detached single-family dwelling:

1. Maximum Density. The jurisdiction's pre-existing density maximums and minimum lot sizes for duplexes do not apply.
2. Setbacks. A minimum front setback of greater than 20 feet or a minimum rear setback of greater than 15 feet except for those minimum setbacks applicable to garages and carports.
3. Off-Street Parking. Any off-street parking requirement.

G. Design Standards

New duplexes shall meet all clear and objective design standards (e.g., entry orientation, window coverage, articulation, etc.) that apply to detached single-family dwellings in the same zone, unless those standards conflict with this code.

Any design standards that apply only to duplexes are invalid.

H. Duplex Conversions

Conversion of an existing detached single-family dwelling to a duplex is allowed, pursuant to Section C, provided that the conversion does not increase nonconformance with applicable clear and objective standards.

I. Figures

The following figures illustrate examples of possible duplex configurations. Other configurations may also be acceptable, provided the structure meets the definition of duplex, pursuant to Section B.

Figure 1. Stacked Duplex

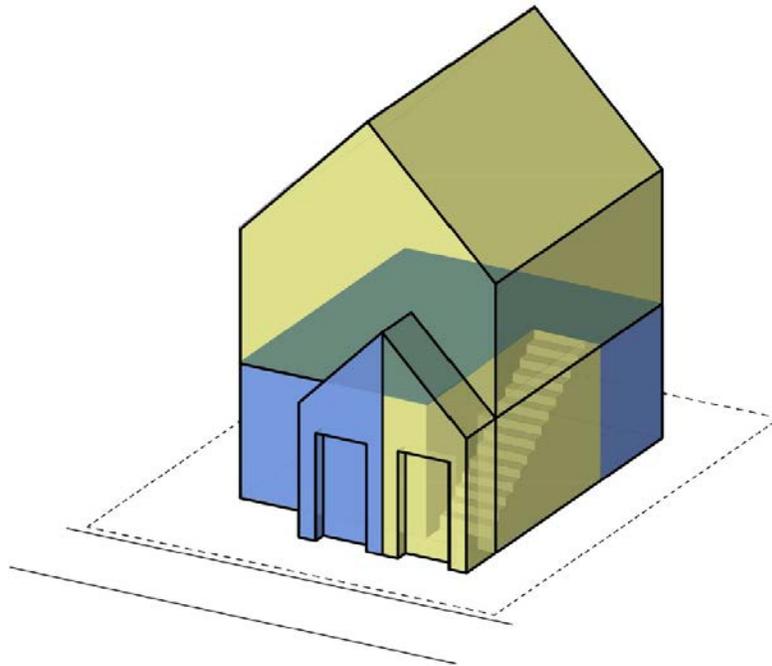


Figure 2. Side-by-Side Duplex

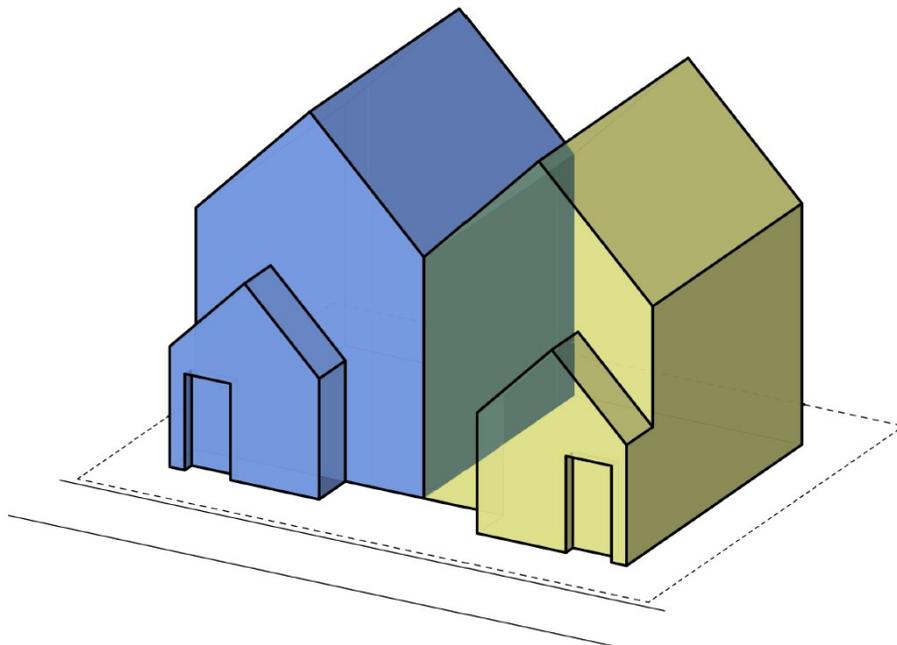


Figure 3. Duplex Attached by Garage Wall

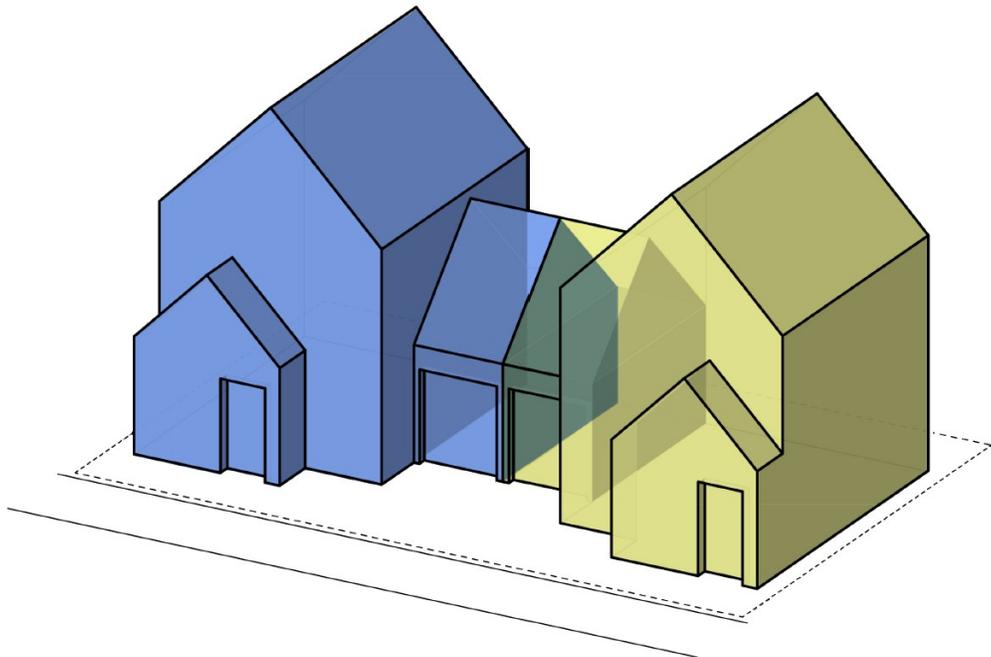
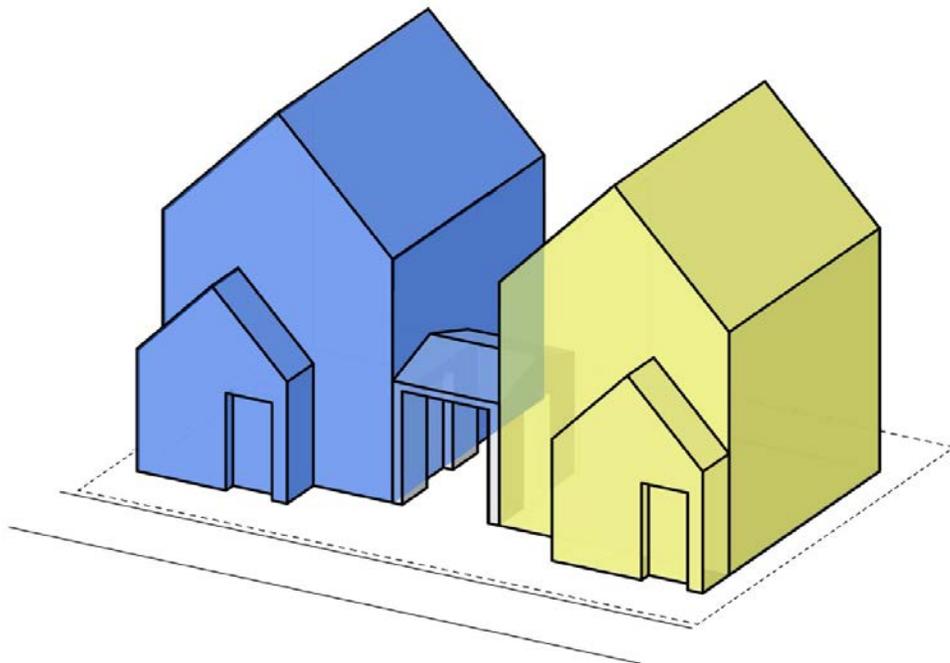


Figure 4. Duplex Attached by Breezeway



HB 2001 Oregon's Housing Initiatives

Medium Cities





Landmark Housing Legislation

HB 2001 and HB 2003

HB 2001 (Housing Choice)

Key element:

Cities must allow a range of middle housing in areas that allow detached single-family dwellings

HB 2003 (Housing Production)

Key elements:

- Regional Housing Needs Analysis
- HNA Update Schedule
- Housing Production Strategies



Landmark Housing Legislation

HB 2001 and HB 2003

HB 2001 (Housing Choice)

Key element:

Cities must allow a range of middle housing in areas that allow detached single-family dwellings

HB 2003 (Housing Production)

Key elements:

- Regional Housing Needs Analysis
- HNA Update Schedule
- Housing Production Strategies



HB 2001 Requirements for Medium Cities

“Medium cities” are all Oregon cities outside the Portland Metro boundary with a population between 10,000 and 25,000

Allowance for duplexes on all lots and parcels that allow detached single family dwellings

Cities may regulate the siting and design of duplexes so long as the regulations do not cause unreasonable cost or delay



Rulemaking Necessary

Middle Housing Model Code for
Medium and Large Cities

Oregon Administrative Rules
Chapter 660-046 outlining
definitions, applicability,
compliance, and minimum
compliance standards

Focused on specific development
code standards, definitional
concepts, and functionality



Rulemaking and Technical Advisory Committees

Stakeholders from across the state

- Practitioners
- Elected Officials
- Community Organizations
- Advocate Groups

Advisory to DLCD staff

Meetings are recorded and open to the public

1. Unreasonable cost and delay
2. Definition of “duplex”
3. Number of units allowed on lot or parcels
4. Development standards generally
5. Off-street parking requirements
6. Design standards



Six Major Rulemaking Decisions



Unreasonable Cost and Delay

Section (2)(5) of HB 2001 states that *“local governments may regulate the siting and design of middle housing...provided that the regulations do not, individually or cumulatively, discourage the development of all middle housing types permitted in the area through unreasonable costs or delay”*.

Model Code

Standards regulating middle housing in the model code are “reasonable” standards. Generally duplex standards are the same standards that apply to single-family detached dwellings in the same zone.

OAR 660-046

Siting and design standards that create unreasonable cost and delay include any standards applied to duplex development that are more restrictive than those applicable to detached single-family dwellings in the same zone.

Unreasonable Cost and Delay

*Proposed Medium Cities
Middle Housing Provisions*



Definition of Duplex

TAC and RAC discussions centered on two main topics:

- Whether duplex units could be configured in an attached or detached manner
- Whether to include language describing the interrelation of duplexes and internal ADUs

Model Code

“Duplex” means a detached structure on a lot or parcel that is comprised of two dwelling units. In instances where a structure can meet the definition of a duplex and also meets the definition of a primary dwelling unit with an attached or internal accessory dwelling unit (ADU), the applicant shall specify at the time of application review whether the entire structure is considered a duplex or a primary dwelling unit with an attached or internal ADU.

OAR 660-046

“Duplex” means two attached dwelling units on one Lot or Parcel. A Medium City may define a duplex to include two detached dwelling units on one Lot or Parcel.

Definition of Duplex

*Proposed Medium Cities
Middle Housing Provisions*



Number of Units Allowed on Lot or Parcels

SB 1051 created an entitlement for an ADU in conjunction with a single-family detached home

HB 2001 created an entitlement for a duplex on every lot or parcel that allows a single-family detached home

Is a property owner entitled to both a duplex and an ADU on the same lot or parcel?

Model Code

The development of duplexes under the model code is allowed as long as it does not create more than two units on a lot or parcel.

OAR 660-046

The standards of Division 46 do not require the creation of more than two dwelling units on a lot or parcel, including any accessory dwelling units, unless otherwise allowed by the medium city.

Number of Units Allowed

*Proposed Medium Cities
Middle Housing Provisions*



Development Standards, Generally

To avoid causing unreasonable cost and delay, development standards applied to duplexes are identical or no more restrictive than standards applied to single-family detached dwellings in the same zone.

Minimum lot size, density, setbacks, floor area ratio/lot coverage, and building height standards

Model Code

Same or similar standard applied to single-family detached dwellings in the same zone.

Minimum lot size, density, setbacks, floor area ratio/lot coverage, and building height standards.

OAR 660-046

Generally, cities are not required to regulate specific development standards of duplexes. However, if they choose to apply standards, they may not be more restrictive than those applied to single-family detached dwellings in the same zone.

Development Standards

*Proposed Medium Cities
Middle Housing Provisions*



Off-Street Parking Requirements

Off-street parking standards were the most discussed middle housing development element in the advisory committee process

Discussion highlighted the need to balance the impact of off-street parking requirements and duplex development viability



Off-Street Parking Requirements (*cont.*)

Two key points:

1. Perception that rural and Medium City Oregonians have more vehicles and therefore more off-street parking needs
2. Determining the true cost and development feasibility impacts of providing off-street parking related to unreasonable cost and delay

Model Code

No off-street parking spaces are required.

OAR 660-046

A Medium City may not require more than a total of two off-street parking spaces for a duplex.

Off-Street Parking

*Proposed Medium Cities
Middle Housing Provisions*



Design Standards

Similar to development standards, a city may regulate the design of duplexes as long as the standards do not, individually or cumulatively cause unreasonable cost or delay to the development of duplexes.

Model Code

New duplexes shall meet all clear and objective design standards (e.g., entry orientation, window coverage, articulation, etc.) that apply to detached single-family dwellings in the same zone.

Any design standards that apply *only* to duplexes are invalid.

OAR 660-046

Medium Cities are not required to apply design standards to new duplexes. However, if the Medium City chooses to apply design standards to new duplexes, it may only apply the same clear and objective design standards that the Medium City applies to detached single-family dwellings in the same zone.

Design Standards

*Proposed Medium Cities
Middle Housing Provisions*

DLCD proposed OAR 660-046 including Medium Cities Model Code to LCDC on May 7

LCDC holding public hearing on proposed rules at May 21 meeting

LCDC will hear public testimony until July 23 when they hope to make a final adoption of rules



Next Steps and Adoption Schedule



DLCD

Department of
Land Conservation
& Development

*Please submit written comments
on HB 2001 to:
housing.dlcd@state.or.us*

Questions

Memorandum

To: Planning Commission / Commission Advisory Committee

From: Derrick I. Tokos, AICP, Community Development Director 

Date: May 21, 2020

Re: COVID-19 Small Business Assistance Grant Program

On Monday, May 18th the Newport Urban Renewal Agency and City Council adopted Resolution Nos. 3884 and 3885, respectively (enclosed). The resolutions establish a grant program to assist small businesses with costs they must incur to reopen now that government mandated COVID-19 closure and curtailment orders are being gradually phased out.

Grant applications are due May 29th by 5:00 pm. Press releases have been issued and notices sent to eligible businesses. The Greater Newport Chamber of Commerce, Rotary Club, OCCC Small Business Development Center, and other business-oriented organizations are helping to get the word out. Application materials are being provided in English and Spanish, and they may be filed via an online form or by email. Individuals may also make an appointment with the City Manager's office to drop-off a hardcopy. Copies of the application materials are enclosed, and we would appreciate it if you could share the information with business owners in the community that may be interested.

Our Department is responsible for administering the grant program. We are fielding questions from business owners, and working with them to ensure that they have submitted the required information. Applications will be prioritized using a point system. That will occur the first week of June. The City Council has appointed a work group to assist city staff in this effort, and it is our hope that checks will start to go out to grant recipients no later than mid-June.

This agenda item has been scheduled for informational purposes, and I'll be prepared to field questions you may have about the grant program.

**NEWPORT URBAN RENEWAL AGENCY
RESOLUTION NO. 3884**

**RESOLUTION DIRECTING THE DISTRIBUTION
OF CERTAIN UNRESTRICTED FUNDS FOR
USE AS COVID-19 SMALL BUSINESS ASSISTANCE GRANTS**

WHEREAS, Federal, state, and city emergency declarations have been issued to take steps to control the spread of the COVID-19 viral pandemic; and

WHEREAS, Businesses within the Newport Urban Growth Boundary have been forced to close or significantly curtail their operations because of the COVID-19 pandemic and mandatory change in service orders from state and local governments; and

WHEREAS, Economic impacts to these businesses are such that many may not be able to incur the capital costs required to reopen once the mandatory change in service orders are lifted; and

WHEREAS, Loss of these businesses would disrupt the social fabric of the community, impede economic recovery, and adversely impact the provision of government service; and

WHEREAS, Newport Urban Renewal Agency exists, in no small part, to facilitate economic activity within the community, so it is appropriate for the Agency to identify how it can support business at this critical time, where permissible under state law; and

WHEREAS, Interest earnings on tax increment revenue collected by the Agency, and interest earned on bond secured with such revenue, are not subject to limitations ORS Chapter 457 imposes on use of Agency funds and is; therefore, a source of funds that can be used to assist area businesses; and

WHEREAS, South Beach Urban District, established in 1983, has accumulated over a \$1,000,000 in earned interest over the last 20 years, funds that are not identified in the urban renewal plan as committed to a given project and use; and

WHEREAS, Agency finds that these unrestricted interest earnings can be best used as a source of funding for small business assistance grants to assist with COVID-19 recovery; and

WHEREAS, Considering the funds will be made available citywide, for purposes not typically within Agency's purview, it is best that the City of Newport coordinate the small business assistance grant program(s).

THE NEWPORT URBAN RENEWAL AGENCY RESOLVES AS FOLLOWS:

Section 1. Distribution of Funds. The amount of \$1,000,000 of accumulated, unrestricted interest earnings from the South Beach Urban Renewal District shall be transferred to a City of Newport revenue account to fund COVID-19 small business assistance grant program(s), the parameters for which are to be established by the Newport City Council.

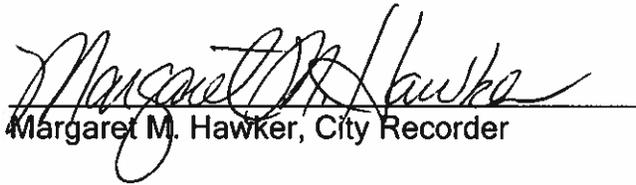
Section 2. Amendment to the South Beach Urban Renewal Plan. Executive Director shall prepare a minor amendment to the South Beach Urban Renewal Plan, for Agency consideration at a future meeting, that memorializes the action being taken and the number and types of businesses that ultimately benefit from the grant program(s).

Section 3. Effective Date. This resolution will become effective immediately upon passage.



Dietmar Goebel, Chair

ATTEST:



Margaret M. Hawker, City Recorder

**CITY OF NEWPORT
RESOLUTION NO. 3885**

**RESOLUTION ESTABLISHING
PARAMETERS FOR A COVID-19 RELATED
SMALL BUSINESS ASSISTANCE GRANT PROGRAM**

WHEREAS, with Resolution No. 3884, the Newport Urban Renewal Agency made \$1,000,000 in unrestricted, tax increment interest earnings available to the City of Newport to fund a small business assistance grant program to assist with economic recovery from COVID-19; and

WHEREAS, the purpose of this grant program is to assist businesses with the capital costs they will need to incur to reopen once state and local government COVID-19 related mandatory change in service orders are lifted; and

WHEREAS, it is prudent and necessary for the City of Newport to establish parameters for the submittal, review, and approval of grant applications to ensure that available funds are dispersed in a manner that best achieves this objective.

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Section 1. Program Parameters. Grant applications shall be submitted on a form that substantially conforms to Exhibit A to this resolution, titled "City of Newport COVID-19 Business Assistance Grant Application," and are subject to the limitations set forth in Exhibit B, titled "Overview of City of Newport COVID-19 Business Assistance Grant Program." City Manager, or designee, shall review applications received on or before the filing deadline and prepare a preliminary, prioritized list of grant awards to eligible businesses using the point system outlined in Exhibit B.

Section 2. Work Group Established. A work group is hereby established to assist the City Manager, or designee, with the review of grant applications. Such work group shall consist of a representative appointed by each of the following organizations:

Lincoln County Government	Oregon Coast Community College
Lincoln County School District	Newport City Council
Pacific Communities Health District	Newport Urban Renewal Agency
Greater Newport Chamber of Commerce	Port of Newport

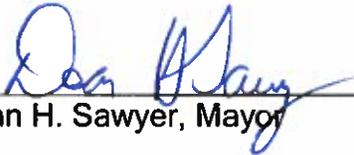
The work group shall review the preliminary, prioritized list of grant awards and provide a recommendation to the City Manager, as to whether (a) they adhere to Exhibit B eligibility and prioritization requirements "as is" or with adjustments, (b) awards should be prorated and the amount of such proration, and (c) the available funding should be fully allocated or a portion reserved for a future round of grants. The work group shall summarize its recommendations in writing, including whether they represent the consensus of the group

or are the views of a majority of the members present. The work group shall be empaneled until all available funds are distributed.

Section 3. Application Deadline. Grant applications shall be submitted to the City of Newport, in the manner provided in Exhibit A, no later than 5:00 pm, May 29, 2020, unless the deadline is extended by the City Manager.

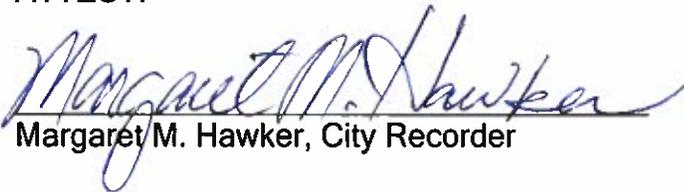
Section 4. Distribution of Funds. City Manager, after considering the work group's recommendation, shall finalize the prioritized list of grant awards and cause funds to be distributed to eligible businesses in the amounts listed, except for businesses that have deferred or delinquent water/sewer utility payments. In such cases, deferred or delinquent utility charges shall be paid out of the grant award prior to disbursement.

Section 5. Effective Date. This resolution will become effective immediately upon passage.



Dean H. Sawyer, Mayor

ATTEST:



Margaret M. Hawker, City Recorder



CITY OF NEWPORT COVID-19 SMALL BUSINESS ASSISTANCE GRANT APPLICATION

PLEASE PRINT OR TYPE – COMPLETE ALL BOXES

Business Name (as it appears on W-9):		Business Contact:
Business Tax Identification Number, EIN (W-9):		Title:
Business Mailing Address:		Home Address:
Business Street Address:		Telephone No.:
Telephone No.:	Email:	Email:

BUSINESS INFORMATION

Business License No.: _____ (Mark N/A if business is outside the city limits but within the Newport Urban Growth Boundary)

Number of Employees: _____ (please convert part-time employees to full time equivalent (40 hours = 1 FTE. Round to nearest quarter.)

Type of business (check one):

- Restaurant
- Retail/Service
- Other

Which of the following apply to your commercial space (check one).

- Lease: \$ _____ (list monthly amount)
- Mortgage: \$ _____ (list monthly amount)
- Own Outright

Is your business within the Newport Urban Growth Boundary?

- Yes
- No

Is the business currently operating?

- Yes
- No

Years in operation (check one)

- 1 year or less
- 2-5 years
- 5 or more

Have you received other assistance (e.g. PPP, SBA loan, etc.)?

- Yes
- No

Anticipated Need: \$ _____ (list the amount of funds you are requesting, up to \$10,000)

List how will the funds be used (check all that apply, and list the amount of the grant funds you anticipate spending for each):

- Payroll \$ _____
- Rent/Mortgage \$ _____
- Product (e.g. Perishable food) \$ _____
- Utilities \$ _____

ATTACHMENTS: *The following information must be included with the completed grant application:*

- Completed IRS Form W-9; and
- Gross revenue reports for March and April of 2019 and March and April of 2020. For businesses in operation less than one-year, gross revenue reports for January and February of 2020 will be accepted in lieu of March and April of 2019 reports; and
- Copy of a commercial lease or mortgage statement showing the property address & amount (if seeking funds for this purpose).
- Report documenting payroll expenses for January or February 2020 (if seeking funds for this purpose).

ACKNOWLEDGEMENT

I/We, the owners of the subject business, certify that all information listed in this application, and all information furnished in support of this application, is given for the purpose of obtaining an emergency assistance grant and that such information is true, accurate and complete, to the best of my knowledge. I understand that if any of the information is shown to be false or misrepresented, this application may be rejected.

Owner or Authorized Agent

Date

CITY OF NEWPORT
169 SW COAST HWY
NEWPORT, OREGON 97365

COAST GUARD CITY, USA



phone: 541.574.0629
fax: 541.574.0644
<http://newportoregon.gov>

mombetsu, japan, sister city

Overview of City of Newport COVID-19 Small Business Assistance Grant Program

In response to the COVID-19 pandemic, the Newport Urban Renewal Agency agreed to transfer \$1,000,000 of accumulated, unrestricted interest earnings from the South Beach Urban Renewal District to the City for a one-time, taxpayer-funded small business assistance grant program.

The Newport City Council has appointed a committee to assist City staff with distribution of the funds. Grants will be awarded to qualifying businesses to assist with costs associated with reopening once the Governor begins to lift COVID-19 related closure and curtailment orders. Individual grants will be up to a maximum of \$10,000 per business or business owner. Deferred or delinquent water/sewer utility payments will be paid out of recipients grant awards prior to disbursement of the funds.

APPLICATION DEADLINE: Applications will be accepted if filed no later than Friday, May 29, 2020, by online submittal at: <https://newportoregon.gov/covid19>, email at: bizgrant@newportoregon.gov, or they may be dropped off, by appointment, at Newport City Hall (169 SW Coast Highway). An appointment may be scheduled by contacting the City Manager’s Office at 541-574-0603.

BUSINESS ELIGIBILITY: Businesses that meet the following criteria are eligible to apply:

- Applicant operates a for-profit or non-profit (limited to 501(c)(3) corporations) business out of a commercial storefront located within the City of Newport urban growth boundary.
- Business is directly affected by a government-ordered mandatory change in service directive associated with the COVID-19 pandemic and has complied with the order.
- Business has 30 or fewer full-time equivalent employees.
- Business has a valid City of Newport Business License (if located within the city limits).
- Business is headquartered with principal operations in Oregon.
- Business is not delinquent on local taxes that were due on or before April 1, 2020.
- Applicant submits a completed W-9 Form and other requested documentation listed on the application form.

QUALIFYING EXPENSES: Grant funds are to be used for the following:

Product (e.g. perishable foods)	Payroll
Utilities	Mortgage/Rent

PRIORITIZATION OF GRANT AWARDS: It is expected that funds will be insufficient to provide awards to all qualifying applicants. Therefore, the City has established a point system to prioritize the distribution of grants, with those with the highest points being awarded first. City may prorate amounts awarded to expand the number of qualified businesses receiving grants.

Type of Business:	pts.	Economic Impact:	pts.
Restaurant	10	First quartile (least impacted)	0
Retail/Service	5	Second quartile	5
Other	0	Third quartile	10
Select One:	pts.	Fourth quartile (most impacted)	15
Rent	10	Years in operation:	pts.
Mortgage	5	1 year or less	0
Number of employees (3 or more):	pts.	2-5 years	10
Yes	5	5 or more	5
No	0	Select One:	pts.
Received other assistance:	pts.	Currently operating	5
Yes	0	Currently closed	0
No	10		

FOR IMMEDIATE RELEASE

Contact: Derrick Tokos

541.574.0626



CITY OF NEWPORT COVID-19 SMALL BUSINESS ASSISTANCE GRANT PROGRAM

The City of Newport has established a grant program to assist small businesses that have had to close or curtail operations because of the COVID-19 pandemic. Grants will be awarded to qualifying businesses to assist with costs they will need to incur to reopen.

The Newport City Council has established parameters for the submittal, review, and approval of grant applications to ensure that available funds are dispersed in an equitable manner. Information about the grant program, including eligibility requirements and application materials, are available on the City of Newport website at: <https://www.newportoregon.gov/>. Individual grants will be up to a maximum of \$10,000 per business or business owner. Funds may be used to pay for product (e.g. perishable foods), utilities, payroll, or mortgage/rent.

A point system to prioritize the distribution of grants, with those with the highest points being awarded first. The City may prorate amounts awarded to expand the number of qualified businesses receiving grants.

Applications will be accepted if filed no later than 5:00 P.M. on Friday, May 29, 2020, by online submittal at <https://newportoregon.gov/covid19>, emailed at: bizgrant@newportoregon.gov, or they may be dropped off by appointment, at Newport City Hall (169 SW Coast Highway). An appointment may be scheduled by contacting the City Manager's Office at 541-574-0603.

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**Ciudad de Newport -COVID-19
Programa de subsidio de asistencia comercial**

La ciudad de Newport ha establecido un programa de subvenciones para ayudar a las pequeñas empresas que han tenido que cerrar o restringir sus operaciones debido a la pandemia de COVID-19. Se otorgarán subsidios a las empresas que califiquen para ayudarlos con los costos en los que deberán incurrir para reabrir.

El Ayuntamiento de Newport ha establecido parámetros para la presentación, revisión y aprobación de las solicitudes de subvención para garantizar que los fondos disponibles se dispersen de manera equitativa. La información sobre el programa de subvenciones, incluidos los requisitos de elegibilidad y los materiales de solicitud, está disponible en el sitio web de la Ciudad de Newport en: <https://www.newportoregon.gov/>. Las subvenciones individuales serán de hasta un máximo de \$10,000 por negocio o dueño de negocio. Los fondos se pueden usar para pagar productos (por ejemplo, alimentos perecederos), servicios públicos, nóminas o hipotecas / alquileres.

Un sistema de puntos para priorizar la distribución de subvenciones, con los que obtienen los puntos más altos primero. La Ciudad puede prorratear los montos otorgados para ampliar el número de negocios calificados que reciben subvenciones.

Las solicitudes serán aceptadas si se presentan a más tardar a las 5:00 p.m. el viernes 29 de mayo de 2020, mediante presentación en línea en <https://newportoregon.gov/covid19>, enviado por correo electrónico a: bizgrant@newportoregon.gov, o se pueden dejar con cita previa, en el Ayuntamiento de Newport (169 SW Coast Highway). Se puede programar una cita comunicándose con la Oficina del Administrador de la Ciudad al 541-574-0603.

#####

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mombetsu, japan, sister city

City of Newport COVID-19 Small Business Assistance Grant Program Frequently Asked Questions (FAQ)

1. What are the eligibility requirements?

- Applicant operates a for-profit or non-profit (limited to 501(c)(3) corporations) business out of a commercial storefront located within the City of Newport urban growth boundary.
- Business is directly affected by a government-ordered mandatory change in service directive associated with the COVID-19 pandemic and has complied with the order.
- Business has 30 or fewer full-time equivalent employees.
- Business has a valid City of Newport Business License (if located within the city limits).
- Business is headquartered with principal operations in Oregon.
- Business is not delinquent on local taxes that were due before April 1, 2020.
- Applicant submits a completed W-9 Form and other requested documentation listed on the application form.

2. What constitutes a commercial storefront?

A commercial storefront is a retail sales or service business operated out of a commercial building, typically including one or more display windows and signage. Examples include:

- Sales-oriented retail: stores selling, leasing, or renting consumer, home, and business goods such as art galleries, art supplies, auto parts, bicycles, books, boutiques, clothing, cosmetics, dry goods, electronic equipment, furniture, gifts, groceries, household products, jewelry, music equipment, pet supplies, pharmaceuticals, plants, printed material, stationery, and vehicles.
- Personal service-oriented: barber shops, child care services, cosmetic stores, day spas, hair salons, healthcare services, laundromats, loans, media services, museums, nail and tanning salons, non-medical massage therapy; pet grooming, photographic studios, printing services, tattoo parlors, and veterinary services.
- Entertainment-oriented: arcades, bars, B&B establishments, cafes, charter services, dance studios, health clubs, indoor party places, gyms, martial arts studios, restaurants, taverns, hotels, motels, theaters, wine bars and yoga studios.
- Repair-oriented: Appliances, bicycles, clocks, electronics, locksmith, office equipment, recycling drop-off, tailor, and upholsterer.

Except for B&B's, businesses that operate out of a dwelling **do not** qualify as a commercial storefront (e.g. home-based businesses, vacation rentals, homeshares, etc.).

3. What can the grant be used for?

The grants may be used to pay for retail products (e.g. perishable foods), payroll, mortgage/rent, and utilities.

4. Why must I share my financial information?

The City of Newport is committed to ensuring taxpayer dollars are equitably distributed to qualified applicants. A point system is being used to prioritize grant awards, which factors in the financial impact the pandemic has had on eligible businesses. Financials are needed to make those determinations. The information will not be made public.

5. What is the maximum award?

\$10,000 per business or business owner. The City may prorate awards to expand the number of eligible recipients.

6. Do I have to pay back the City?

No.

7. When does the application period end?

May 29, 2020 at 5:00 pm

8. If approved, when do I receive the grant awards?

Once the application period closes, the City of Newport is committed to getting the awards out as quickly as possible. The earliest awards will be made in the week of June 8, 2020.

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mombetsu, japan, sister city

Programa de subsidio de asistencia para pequeñas empresas COVID-19 de la ciudad de Newport Preguntas frecuentes (FAQ)

1. ¿Cuáles son los requisitos de elegibilidad?

- El solicitante opera un negocio con fines de lucro o sin fines de lucro (limitado a corporaciones 501 (c) (3)) desde una tienda comercial ubicada dentro del límite de crecimiento urbano de la ciudad de Newport.
- El negocio se ve directamente afectado por un cambio obligatorio ordenado por la gobernadora en la directiva de servicio asociado con la pandemia COVID-19 y ha cumplido con la orden.
- La empresa tiene 30 o menos empleados equivalentes a tiempo completo.
- El negocio tiene una licencia comercial válida de la ciudad de Newport (si se encuentra dentro de los límites de la ciudad).
- El negocio tiene su sede central con operaciones principales en Oregon.
- Las empresas no están en demora con los impuestos locales que vencen antes del 1 de abril de 2020.
- El solicitante presenta un formulario W-9 completo y otra documentación solicitada que figura en el formulario de solicitud.

2. ¿Qué constituye un escaparate comercial?

Un comercial es un negocio de venta minorista o servicio operado desde un edificio comercial, que generalmente incluye uno o más negocios y señalización. Ejemplos incluyen:

- Venta minorista orientada a las ventas: tiendas que venden, arriendan o alquilan bienes de consumo, hogar y negocios, como galerías de arte, suministros de arte, autopartes, bicicletas, libros, boutiques, ropa, cosméticos, productos secos, equipos electrónicos, muebles, regalos, comestibles, productos para el hogar, joyas, equipos de música, suministros para mascotas, productos farmacéuticos, plantas, material impreso, papelería y vehículos.
- Orientado a servicios personales: peluquerías, servicios de cuidado infantil, tiendas de cosméticos, spas, salones de belleza, lavanderías, préstamos, servicios de medios, museos, salones de uñas y bronceado, masajes no médicos; estudios fotográficos, servicios de impresión y salones de tatuajes.
- Orientado al entretenimiento: salas de juego, bares, Establecimientos de B&B, cafeterías, servicios charter, estudios de baile, clubes de salud, lugares para fiestas en interiores, gimnasios, estudios de artes marciales, restaurantes, tabernas, hoteles, moteles, teatros, bares de vinos y estudios de yoga.
- Orientado a la reparación: electrodomésticos, bicicletas, relojes, electrónica, cerrajería, equipo de oficina, entrega de reciclaje, sastrería y tapicería.

Excepto en el caso de B & B, las empresas que operan fuera de una vivienda no califican como escaparate comercial (por ejemplo, negocios en el hogar, alquileres de vacaciones, viviendas compartidas, etc.).

3. ¿Para qué se puede usar el subsidio?

Los subsidios se pueden utilizar para pagar productos minoristas (por ejemplo, alimentos perecederos), nóminas, hipotecas / alquileres y servicios públicos.

4. ¿Por qué debo compartir mi información financiera?

La Ciudad de Newport se compromete a garantizar que los dólares de los contribuyentes se distribuyan equitativamente a los solicitantes calificados. Se está utilizando un sistema de puntos para priorizar los subsidios otorgados, lo que tiene en cuenta el impacto financiero que la pandemia ha tenido en las empresas elegibles. Se necesitan datos financieros para hacer esas determinaciones. La información no se hará pública.

5. ¿Cuál es el premio máximo?

\$10,000 por negocio o dueño de negocio. La Ciudad puede administrar los premios para ampliar el número de destinatarios elegibles.

6. ¿Tengo que devolver la ciudad?

No.

7. ¿Cuándo termina el período de solicitud?

29 de mayo de 2020 a las 5:00 p.m.

8. Si se aprueba, ¿cuándo recibo los subsidios?

Una vez que se cierra el período de solicitud, la Ciudad de Newport se compromete a obtener los premios lo más rápido posible. Los primeros premios que se realizarán serán la semana del 8 de junio de 2020.

CIUDAD DE NEWPORT

169 SW COAST HWY

NEWPORT, OREGON 97365

CIUDAD DE LA GUARDIA COSTERA, USA



Telefono: 541.574.0629

fax: 541.574.0644

<http://newportoregon.gov>

mombetsu, japan, ciudad hermana

**Descripción general del programa de subsidios de asistencia para pequeñas empresas
COVID-19 de la ciudad de Newport**

En respuesta a la pandemia de COVID-19, la Agencia de Renovación Urbana de Newport acordó transferir \$1,000,000 de ganancias de intereses acumulados y sin restricciones del Distrito de Renovación Urbana de South Beach a la Ciudad para un programa único de subsidio de asistencia para pequeñas empresas financiado por los contribuyentes.

El Ayuntamiento de Newport ha designado un comité para supervisar la asistencia al personal de la Ciudad con la distribución de los fondos. Se otorgarán subsidios a las empresas que califiquen para ayudar con los costos asociados con la reapertura una vez que la Gobernadora comience a levantar las órdenes de cierre y reducción relacionadas con COVID-19. Los subsidios individuales serán de hasta un máximo de \$10,000 por negocio o dueño de negocio. Los pagos de servicios públicos de agua / alcantarillado diferidos o en demora se pagarán a los beneficiarios de los subsidios otorgadas antes del desembolso del fondos.

PLAZO DE SOLICITUD: Las solicitudes se aceptarán si se presentan a más tardar el viernes 29 de mayo de 2020, mediante presentación en línea en: <https://newportoregon.gov/covid19>, correo electrónico a: bizgrant@newportoregon.gov, o se pueden dejar, con cita previa, en la Oficina del Administrador de la Ciudad, Newport Ayuntamiento (169 SW Coast Highway). Se puede programar una cita comunicándose con la Oficina del Administrador de la Ciudad al 541-574-0603.

ELEGIBILIDAD EMPRESARIAL: Las empresas que cumplen con los siguientes criterios son elegibles para postularse:

- El solicitante opera con fines de lucro o sin fines de lucro (limitado a corporaciones 501 (c) (3)) El negocio comercial opera fuera de una tienda comercial ubicada dentro del límite de crecimiento urbano de la ciudad de Newport.
- El negocio se ve directamente afectado por un cambio obligatorio ordenado por el gobierno en la directiva de servicio asociado con la pandemia COVID-19 y ha cumplido con la orden.
- El negocio tiene 30 o menos empleados equivalentes a tiempo completo.
- La empresa debe pagar el alquiler o la hipoteca en su tienda comercial.
- Business tiene una licencia comercial válida de la ciudad de Newport (si se encuentra dentro de los límites de la ciudad).
- El negocio tiene su sede principal en las operaciones principales en Oregon. El negocio debe ser propiedad de un residente de Oregon que resida en el condado de Lincoln (se aplica a negocios y franquicias locales independientes).
- Las empresas no están en demora con los impuestos locales que vencen el 1 de abril de 2020 o antes.
- El solicitante presenta un formulario W-9 completo que debe presentarse junto con el apoyo y otros documentación solicitada que figura en el formulario de solicitud.

GASTOS DE CALIFICACIÓN: Los fondos de los subsidios se utilizarán para lo siguiente:

Producto (por ejemplo, alimentos descomponibles)
Utilidades

Nómina de pagos
Hipoteca / Alquiler

PRIORIZACIÓN DE LOS PREMIOS DE SUBSIDIOS: Se espera que los fondos sean insuficientes para otorgar premios a todos los solicitantes calificados. Por lo tanto, la Ciudad ha establecido un sistema de puntos para priorizar la distribución de los subsidios, y las que tienen los puntos más altos se otorgan primero. La ciudad puede administrar los montos otorgados para ampliar el número de negocios calificados que reciben subsidios.

Tipo de Negocio:	pts.	Impacto Economico:	pts.
Restaurante	10	Primer cuartil (menos afectado)	0
La venta al por menor/Servicio	5	Segundo cuartil	5
Otro	0	Tercer cuartil	10
Selecione uno:	pts.	Cuarto cuartil (más impactado)	15
Renta	10	Años en operación:	pts.
Hipoteca	5	1 año o menos	0
Número de empleados(3 or mas):	pts.	2-5 años	10
Si	5	5 or mas	5
No	0	Selecione uno:	pts.
Recibió otra asistencia:	pts.	Actualmente en funcionamiento	5
Si	0	Actualmente cerrada	0
No	10		



CIUDAD DE NEWPORT COVID-19 PROYECTO DE PEQUEÑOS NEGOCIOS SOLICITUD DE ASISTENCIA

MANUSCRITA O A MÁQUINA - COMPLETE TODAS LAS CAJAS

Nombre comercial (como aparece en W-9):		Contacto de negocio:
Número de identificación fiscal de empresa, EIN (W-9):		Título:
Dirección postal comercial:		Dirección de casa:
Dirección comercial:		Teléfono:
Teléfono:	Correo electrónico:	Correo electrónico:

INFORMACIÓN DE NEGOCIOS

Número de licencia comercial: _____ (Marque N/A si el negocio está fuera de los límites de la ciudad pero dentro del límite de crecimiento urbano de Newport)

Número de empleados: _____ (convierta a los empleados a tiempo parcial en equivalentes a tiempo completo (40 horas = 1 FTE. Redondee al trimestre más cercano).

Tipo de negocio (marque uno):

- Restaurante
- Negocio al por menor/servicio
- Otro

¿Cuál de los siguientes se aplica a su espacio comercial (marque uno)?

- Arrendamiento: \$ _____ (indique el monto mensual)
- Hipoteca: \$ _____ (indique el monto mensual)
- Propio absoluto

¿Está su negocio dentro del límite de crecimiento urbano de Newport?

- Si
- No

¿Está operando el negocio actualmente?

- Si
- No

Años en operación (marque uno)

- 1 año o menos
- 2-5 años
- 5 or mas

¿Recibió otra asistencia (por ejemplo, PPP, préstamo de la SBA, etc.)?

- Si
- No

Necesidad anticipada: \$ _____ (indique la cantidad de fondos que solicita, hasta \$ 10,000)

Enumere cómo se utilizarán los fondos (marque todos los que correspondan y la cantidad de fondos de la subvención que prevé gastar para cada uno):

- Nómina de sueldos \$ _____
- Alquiler / Hipoteca \$ _____
- Producto (por ejemplo, alimentos perecederos) \$ _____
- Utilidades \$ _____

ADJUNTOS: La siguiente información debe incluirse con la solicitud de subvención completa:

- Formulario del IRS W-9 completado; y
- Informes de ingresos brutos para el marzo y abril de 2019 y el marzo y abril de 2020. Para las empresas en operación de menos de un año, se aceptarán informes de ingresos brutos para enero y febrero de 2020 en lugar de informes de marzo y abril de 2019; y
- Copia de una declaración comercial de arrendamiento o hipoteca que muestre la dirección y el monto de la propiedad (si busca fondos para este propósito).
- Informe documentando los gastos de nómina para enero o febrero de 2020 (si busca fondos para este propósito).

RECONOCIMIENTO

Yo / nosotros, los propietarios de la empresa en cuestión, certificamos que toda la información que figura en esta solicitud, y toda la información proporcionada en apoyo de esta solicitud, se proporciona con el fin de obtener una subvención de asistencia de emergencia y que dicha información es verdadera, precisa y completo, a lo mejor de mi conocimiento. Entiendo que si se demuestra que alguna información es falsa o desfigurado, esta solicitud puede ser rechazada.

Propietario o agente autorizado

Fecha

Memorandum

To: Planning Commission/Commission Advisory Committee
 From: Derrick I. Tokos, AICP, Community Development Director 
 Date: May 21, 2020
 Re: Furloughs and Proposed Fiscal Year 20/21 Staffing Reductions

The City of Newport was dealing with a structural budget deficit pre-COVID-19. That situation has only gotten worse because of the pandemic. As noted in the attached memo from City Manager, Spencer Nebel, we anticipate a \$2.2 million loss in revenue from room tax alone, not to mention reduced collections from utility and user fees (fewer visitors), gas tax reductions (less mobility), loss of state shared revenues, and likely increases in property tax delinquencies.

As a result, the City Council authorized the City Manager to implement a furlough program whereby all non-represented employees will be taking 12 unpaid leave days between June 5th and the end of the calendar year. City Hall will be closed on Friday's through the summer, from June 5th through August 28th. Additionally, the proposed budget for FY 20/21 reduces personnel city-wide by more than 20 full-time equivalent positions.

This will significantly impact services our Department provides to the community, including the work we do with the Planning Commission and Commission Advisory Committee. Land development services are a significant portion of our work. Construction activities have not been directly impacted by the COVID-19 orders, and our office has remained open on an appointment basis. Our staff, other than myself, will be taking the furlough days on the Fridays that City Hall is closed. My schedule will be staggered due to various committee meeting obligations. Additionally, we will be operating with 20% reduced staff. Our Permit Technician position, which became vacant in mid-March, will not be filled in the coming fiscal year. It is one of the 20 plus positions affected by the budget cuts.

Operationally, this means that our staff will need to dedicate more time to ordinance implementation, administrative land use decisions, building permit/plan reviews, inspections, development inquiries, and related day-to-day tasks, as they will need to be accomplished within a limited work week during the summer months, and with less staff through June of 2021. This will leave fewer hours for long range planning and related initiatives, and we will be prioritizing those that the City is committed to, such as the TSP work, or that are mandated like the HB 2001 amendments. Our office will also need to be strategic with committee work, as we will have limited capacity to perform the related administrative tasks (preparation of agendas, packets, meeting minutes, etc.).

I'll put together a work program forecasting the second half of the calendar year for discussion at the Commission's June 8th or June 22nd meeting. That will be an opportunity to discuss projects that must move forward and those that can be deferred.

Derrick Tokos

From: Spencer Nebel
Sent: Thursday, May 21, 2020 8:06 AM
To: ALL Personnel

To all City Personnel:

The Budget Committee has begun reviewing the budget for the fiscal year beginning July 1, 2020. With the COVID-19 Emergency, the financial impact on the budget for the City of Newport is very significant. Based on a projected reduction in hotel/motel/VRD stays, and an equivalent reduction of 30% in room rates because of higher occupancy levels, the City is projected to lose \$2.2 million in revenue to fund City Services from reduced room tax alone. In addition, we are anticipating reduction of water and sewer sales with less visitors, gas tax reductions with less mobility, reductions in state shared revenue, delays in paying property taxes and other similar issues. The CARES Act approved by Congress and signed into law by the President specifically prohibits the use of CARES Act funding to replace lost revenue for state and local governments.

Many difficult decisions have been made in the proposed budget to address these steep declines in projected revenue for this next year. Departments have cut many operational costs and a number of programs that have been funded by the City in the past. The City's Proposed Budget reduces personnel by over 20 full time equivalent positions. Ten of these positions are currently vacant full time positions. In addition, there will be a reduction in hours for a number of full time and part time positions and a reduction in part time positions funded in Library and the Recreation Department for the coming year. We have previously laid off part time employees at the Library and Recreation Center as part of the closures of those facilities as well as our Council video crew.

The proposed budget does not include a cost of living increase for non-represented employees. In addition the budget provides that all non-represented employees who have not been reduced in hours in the proposed budget take 12 unpaid furlough days in the coming fiscal year. This will allow for the City to maintain additional positions through sharing some of the reduction among employees. These provisions will impact Department Heads, the City Attorney and my position as well. It is my hope that our revenue projections are conservative enough that we will not need to make further cuts during the next fiscal year. COVID-19 is something that none of us have had to face in our lifetime. While the health impact of COVID-19 has so far been minimal in Lincoln County, the economic impacts are very significant. This is especially true for cities like Newport, that depend on revenue of sales such as room tax. The financial impact of the COVID Emergency varies from City to City with communities that relies on property taxes, more than room taxes, not be affected in the same way as communities that rely on tourism dollars that generate revenue to fund local government services.

One variable that could reduce the impact of the COVID-19 emergency on this year's budget, is if future action is taken by Congress to approve funding to replace revenues lost to states and cities. The passage of this type of assistance is very uncertain at this time.

These have been very difficult recommendations to make as part of this next year's Proposed Budget. I know that these decisions will impact many of our employees, and I am very sorry for that. It will result in the City reducing services levels with less personnel being able to provide these services. These measures are critical to keep the City in a financial position to avoid much deeper cuts in services and positions by acting now on these reductions. We have no idea what will lie ahead of us relating to the COVID-19 Pandemic, but we need position the City in a way that prevents much deeper cuts later in the next fiscal year. The Budget Committee will continue reviewing the budget on June 2 and on June 9 in order to approve a budget for presentation to the City Council. The City Council is set to approve a budget on June 29 for the 2020-2021 Fiscal Year.

I greatly appreciate the spirit that has been expressed to work together to get through these big financial challenges facing the City. These are all challenges that will make us stronger in the end and we will get through all of this. Continue to keep you and your families safe!

Spencer R. Nebel

City Manager

City of Newport, Oregon 97365

541-574-0601

s.nebel@newportoregon.gov

City of Newport Furlough Implementation

As previously communicated by the City Manager, the effects of COVID-19 will have a large financial impact to the city. The City has explored several options. Unfortunately, it is necessary to reduce the workforce by implementing a partial furlough of essential and nonessential positions.

All non-represented employees will be required to take 12 days (96 hours) of unpaid leave, known as a partial furlough.

City Hall will close for full days on Friday of each week beginning June 5, 2020, and continuing to August 28, 2020. Non-represented employees working in City Hall can take their unpaid furlough days on these scheduled closure dates or take 12 days (96 hours) of unpaid leave between May 19, 2020 and December 31, 2020, with at least 6 days (48 hours) taken by October 31, 2020.

Employees of the Recreation Center, Aquatic Center, 60+ Center, Library, Airport, Fire, Police departments, and non-represented Public Works employees will be required to take 12 days (96 hours) of unpaid leave between May 19, 2020 and December 31, 2020, with at least 6 days (48 hours) taken by October 31, 2020.

There will be some flexibility in scheduling of furlough days in areas of the organization where a member of management must be available for operational decisions. In these cases, the furlough days will be scheduled on separate days (i.e. City Recorder/Director of Special Projects would be off on Friday and the City Manager would be off another day that week. The same for the Fire Chief and Assistant Fire Chief, the Police Chief and the Police Lieutenant, and Police Sergeants).

Represented employees are not currently required to take furlough days. We will begin negotiations with our labor partners and information will be shared once decisions are made.

Part-Time employees (working less than 40 hours/week) are not required to take furloughs. Work schedules may be adjusted as necessary based on budget needs.

Employees who have had their hours reduced as a result of COVID-19/budget issues are not required to take furloughs.

Grant funded positions will be reviewed on a case-by-case basis. The following will be considered for exceptions:

- The impact furloughs will have on the grant funding received.
- The timeline on the grant.
- Rules within the grant
- The urgency of the work being performed.

Non-Exempt Employees- Non-Represented

Non-represented, non-exempt employees have the option of taking one or two furlough days each week, taking one week at a time, or taking all 12 days (96 hours) at once.

Furlough days can be taken in no less than full day (8 hours) increments.

Time Reporting

Actual hours worked will be recorded on the time report, including the weeks the unpaid furlough days are taken. Time report code of 'furlough' will be used to identify the unpaid furlough days on the time report.

FLSA Exempt Employees (Non-Represented)

Exempt employees will have the option of taking one or two furlough days each week, taking one week at a time, or taking all 12 days (96 hours) at once.

Furlough days can be taken in no less than full day (8 hours) increments.

Exempt employees who take furlough days in less than a full week increment will have their status changed from exempt (salaried employee) to non-exempt (hourly employee) for the workweek of the furlough(s). This means they are required to be paid for all time worked within that workweek. Any time worked over 40 hours within a defined workweek would need to be paid as overtime. No overtime hours will be authorized.

The workweek for most City employees runs from 12:01 A.M. on Monday and ends at midnight on Sunday; therefore, as an example, if an FLSA exempt employee takes furlough days on Thursday and Friday, they can only work a total of 24 hours Monday through Wednesday, and they cannot work over the weekend. As stated above, no overtime hours will be authorized.

Employees working evening and/or weekend hours in the weeks that furlough time is taken will need to adjust hours worked in those weeks to ensure they are working no more than 32 hours in those weeks.

Oregon meal and rest period requirements, and time reporting will be required during weeks the unpaid furlough days are taken in less than a full week increment and the exempt status is changed to non-exempt (less than a full week).

Time reporting

Actual hours worked will be recorded on the time report on the weeks the single unpaid furlough days are taken. Time report code of 'furlough' will be used to identify the unpaid furlough days on the time report.

For any workweek exempt employees do not take a furlough day, they will remain FLSA exempt and their work hours are not limited.

Prohibited to Work on Furlough Days

It is critical employees do not perform work on the days they take furlough. This limitation includes not checking emails, answering work calls or completing any other work-related tasks.

If employees exceed their regular hours, they must be compensated. It is imperative employees' hours are limited, as applicable, in the work week or pay periods they are taking furlough days.

Department Heads and Supervisor staff are responsible to hold employees to the expectation of not working on furlough days.

Work Share Program

Oregon's Work Share Program provides an alternative for workers facing the prospect of layoff or furlough. Partial Unemployment Insurance benefits are then paid to supplement workers' reduced wages.

Employers are limited to reduction in hours and wages of at least 20%, but no more than 40% per week. The city is in the process of obtaining approval for participation in Oregon's Work Share program. Because Work Share is a state program, the city does not determine eligibility nor entitlement to benefits. If you are interested in participation in the Work Share program, you will need to contact Human Resources and complete a claim form.

Note: Employees taking furloughs in increments of more than 2 days a week (i.e. full week furloughs) will not be eligible to participate in the Work Share Program since the reduction in hours is more than 40% of the weekly hours. They would be eligible to apply for unemployment benefits. However, if an employee's earnings for the week exceed the weekly unemployment benefit amount of \$648, then the employee receives \$0 in regular unemployment compensation and would not be eligible for the \$600 weekly benefit under the CARES Act.

Unemployment Insurance

Unemployment insurance is a state program. The Oregon Employment Department has stated that workers may be able to receive Unemployment Insurance benefits. UI benefits may be available to those who have been furloughed, even if those individuals eventually return to work after a short period of time. Please contact the Oregon Employment Department directly to see if you are eligible for unemployment benefits.

<https://www.oregon.gov/employ/Pages/default.aspx>

Benefits

Employee's healthcare coverage and the level of sick and vacation accruals an employee would normally receive will not change during any required furloughs.

City of Newport Retirement Plan

Defined Benefit 2106 Plan Restatement – Section 6.02-3 (f)

During the periods of reduced Compensation because of such causes as illness, disability, leave of absence or layoff, Compensation shall be figured at the last regular rate before the start of the period.

PERS

Furloughs are treated, and recorded in the PERS system, as Leave without Pay (LWOP). The City will report the furloughs on the actual furlough days (reports as LWOP). Generally, if an employee takes only one day a month, it will not affect PERS service credit. If an employee takes 11 or more unpaid days in one month, then they would lose a month of credit."

This means that if employees have to take one furlough day a month or a week, it does not affect PERS credit. If the employee takes all 12-furlough days in one month, then they would lose a month of PERS credit.

Guidelines

Leave accruals, and other paid time off (comp time) cannot be used in lieu of furlough days. Furlough time is unpaid, which supports the overall cost savings to the city.

Furlough days must be taken in the time frame listed above. The City Manager must approve any exceptions.

Furlough days must be identified, scheduled, and approved in advance by department management.

Employees are prohibited from performing any work during a furlough. This includes checking emails, making and receiving calls and text messages. If an employee is suddenly required to report to work on a scheduled furlough day (emergency issues), the employee will be compensated for work performed and a new furlough day will be scheduled.

Represented employees are currently not required to take furlough days. Outcome of negotiations with labor partners will be shared once decisions are made.

Since the full impacts of COVID-19 are unknown, further furlough action may be implemented or extended by the City Manager.

Employees on a full-time approved FFCRA leave due to an approved COVID-19 reason will be required to furlough upon their return to work.

Furlough hours/days are to be accurately recorded, tracked, and coded on the time report.

Employees will be allowed to carryover a maximum of 400 hours of accrued vacation time at year-end 2020. The 160 hours (the amount over the current carryover cap of 240 hours) must be taken in the calendar year 2021. Requests for vacation time will continue to be made in writing and given to your supervisor for review and approval.

Exempt employees taking a full week furlough in a week a City paid holiday falls, will not be paid for that holiday. In this case, the employee will be credited a selectable holiday to be used no later than June 30, 2021.

Non-exempt employees taking furlough days (regardless of the number of days taken) in the week a City paid holiday falls, will be paid for the holiday.

Department Heads and Supervisor staff are responsible to hold employees to the expectation of not working on furlough days and meeting all other requirements listed as part of the furlough implementation plan.

Disciplinary action may be appropriate if either the employee, department head or supervisor do not adhere to the furlough guidelines.