

MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
July 22, 2019
6:00 p.m.

Planning Commissioners Present: Jim Patrick, Lee Hardy, and Bob Berman.

Planning Commissioners Present by Phone: Bill Branigan

Planning Commissioners Absent: Jim Hanselman, and Mike Franklin (*all excused*)

PC Citizens Advisory Committee Members Present: Dustin Capri

Public Members Present: Mona Linstromberg

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

1. **Call to Order.** Chair Patrick called the Planning Commission work session to order at 6:01 p.m.
2. **Unfinished Business.** No unfinished business.
3. **New Business.**
- A. **Review Final Draft of the Lincoln County Regional Housing Strategy.** Tokos reviewed his staff memo concerning the Lincoln County Housing Strategy Plan. Patrick asked why the plan said to address Short-Term Rentals (STR) when the City already had. Tokos explained the City had been addressing STRS the last few years but there wasn't a section in the Comprehensive Plan where STRs were addressed and was what they were getting at here. Patrick asked how many second homes in Newport there were that didn't have full time residences and weren't being rented out as STRs. Cotton didn't have the numbers but said it could be provided. Tokos reported that the housing needs analysis would be revisited soon and they could talk about the numbers at that time.

Tokos explained that the City Council accepted the report and sent it to the Planning Commission for review. The Commission would be deciding how best to implement the plan and would be reviewing House Bill (HB) 2001. They would also review code provisions on considerations for allowing triplexes in R-2 zones, and courtyard apartments in R-3 zones. Patrick asked what a courtyard apartment was. Tokos would report back on what they were. Patrick noted that R-3 and R-4 zones had almost identical density standards and was something they might want to review.

Tokos said under HB 2001 Accessory Dwelling Units (ADU) would have to be reviewed. Patrick asked how much the HB would increase the max floor area of ADUs. Tokos said up to 800 square feet. Cotton explained the HB was more about the lot percentage coverage for an ADU on a lot, rather than square footage. Hardy asked if the City would have to rewrite setback requirements. Tokos didn't think it was necessary but they could take a look at it. He thought that if the Commission looked at setbacks, they would also need to look at lot coverage as well. Tokos explained that cottage cluster housing would also be a potential amendment. A discussion ensued regarding building height requirements in R-3 & R-4 zones.

Tokos reviewed the Home Rehabilitation Loan/Grant Program next, discussing incentives, regulatory barriers, potential property tax exemptions, and the regional buildable land bundle. Carpi asked if the CET percentage for funding was flexible. Tokos said this was in the law. The only thing that was flexible was the 35 percent. The 50 percent was set for developer incentives. Berman asked if the City had seen any funds

from the Construction Excise Taxes (CET) yet. Tokos reported there hadn't been much yet. The Samaritan Hospital and the OSU MSI new build projects were exempt from CETs. There had been about \$50,000 collected last year and Tokos thought there might be around \$100,000 collected the next year. Berman asked if they were collecting CETs for the Surf View Village apartment complex build. Cotton explained this project was exempt from CETs because it was an affordable housing project.

Tokos noted that the thought was to package the Regional Housing Plan with HB 2001 and move forward with Comprehensive Plan changes, zoning changes, and a vertical housing decision if the Commission wanted to implement it. Patrick asked if the Commission would be talking about tiny houses when dealing with ADUs. Tokos said he would touch on this later in the meeting along with a discussion on Urban Growth Boundary agreements. Patrick asked if they could do a 10 year ramp up for taxes when doing annexations. Tokos explained that was for residential and residential use properties, not commercial.

Tokos reminded the Commission that a lot of the things in the report were already being done. Patrick asked if there had been any concerns raised over System Development Charges (SDC) being determined by home sizes. Tokos reported there hadn't been any concerns raised and other jurisdictions had been talking to Newport about doing SDCs this way.

- B. 2019 State of Oregon Legislative Session Update.** Tokos reviewed his staff memo on the House Bills that were adopted. He noted that HB 2001 required that duplexes could be built in residential zones. Hardy asked if they could require parking for duplexes. Tokos explained there was the ability to require off-street parking as long as it wasn't an ADU. There were development standards that could be put in place that would preclude certain options on certain lots based on size and configuration of the lot. Hardy asked if they could require street widths. Tokos explained the State set aside the TPR findings as part of the process and asked if the transportation system was sufficient to support all of the potential additions to density. Branigan asked if setbacks would still apply. Tokos explained they would, and the Commission could do sighting and design standards as long as they were not unduly purposeful. There had to be a clear and objective path to approval. Tokos continued to review the additional requirements of HB 2001. He said the HB would not be effective immediately. The DLCDC was charged with putting together an ordinance by the end of 2020. Local governments that didn't adopt by June 30, 2021 would then be mandated to apply a model ordinance.

Tokos reviewed HB 2003 concerning housing production strategies. He then covered HB 2174 next that said when adding public buildings or changing funding to go toward public buildings, a jurisdiction would have to have concurrence with three of the four taxing districts, with the most taxes tied up in their taxing district. Tokos explained that the HB was meant to help jurisdictions be careful with using urban renewal funding when working with public buildings.

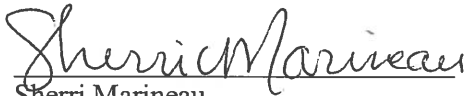
Tokos reviewed the remaining HBs starting with HB 2206 that required jurisdictions to post evaluations of the conditions of buildings after an emergency to determine which buildings were safe to occupy. HB 2306 concerned the issuing of residential building permits upon substantial completion of construction of public improvements in residential subdivisions. HB 2312 required a statement that flood insurance may be required for homes in a 100-year floodplain on the seller real estate disclosure forms. HB 2333 changed the definition of "recreational vehicles" and "park model recreational vehicles" in the Oregon Vehicle Code saying that recreational vehicles having a title by ODOT wouldn't qualify as a structure. HB 2423 made changes to Oregon's small home construction standards. The HB prohibited the State from making any changes to the code until 2026. HB 2436 started the process for the Department of State Lands (DSL) to develop a proposal for a partial assumption of the authority to administer Federal Water Pollution Control Act section 404 permits. HB 2574 gave better estuary information on shellfish inventories. HB 2577 was an annexation bill to deal with island annexations. It clarified what the definition of residential use was and the circumstances when someone could get annexed under the island annexation provisions. HB 2812 amended some of the rules to make some funds available through the Oregon Housing Community Services to support households below median area income levels. HB 2916 dealt with transitional housing. HB 3309 changed rules to essential facilities in tsunami inundation areas. HB 5027 increased funding for the technical assistance grant program.

Tokos reviewed Senate Bill (SB) 8 and explained that it directed the Land Use Board of Appeals to award reasonable attorney fees and expenses to a prevailing respondent. SB 92 was an island annexation bill for up to a 20-year ramp up of property in an annexed territory. SB 256 extended the prohibition for the Feds to explore, develop, or produce oil, gas, or sulfur within the territorial seas. SB 262 permitted cities and counties to grant a property tax exemption for multiple unit rental housing. SB 410 exempted the RV code from state building code, plan review, and licensure requirements. SB 1045 stated that if an owner was willing to home share with an individual or family with an area median income at or below 60 percent, they would be eligible for a property tax exemption up to \$300,000 of assessed value. This program excluded family members from being considered home shares.

Capri asked if there could be a review of how the City used CET funds when reviewing these bills. Tokos explained the City Council asked to put a committee together. This committee included some of the members who helped with CETs who had already provided recommendations on how to utilize funds. A discussion ensued regarding grants and loans and the difference between finance based incentives and grants. Capri didn't think having a small amount of money spread over a number of projects was advantageous. Tokos disagreed and noted that the City had talked to a lot of nonprofits and mapped out how they were engaged in housing. They determined that smaller grants were something the nonprofits needed because the groups had limited resources.

Adjourned at 6:58 p.m.

Respectfully submitted,



Sherri Marineau,
Executive Assistant