1. Agenda

    Documents:

        10-11-16 CC WS AGENDA.PDF

2. Meeting Materials

    Documents:

        10-11-16 DRAFT FRAGRANCE-FREE AND TOBACCO-FREE POLICY.PDF
        10-11-16 MAYOR-COUNCIL TRANSITION.PDF
        10-11-16 PACEX CONSTRUCTION PLAN.PDF
        10-11-16 PROGRESS MATRIX 2016 UPDATED 10-07-16.PDF
        10-11-16 SAMPLE AFFORDABLE HOUSING FUND GRANT AGREEMENT.PDF
        10-11-16 SAMPLE ORDINANCE - CONSTRUCTION EXCISE TAX.PDF
        10-11-16 VACATION RENTALS MAP.PDF

Yachats City Council Vision

Our village is a place where natural resources are valued and protected, where diversity is celebrated, and where a vibrant economy and sense of community pride create and recreate a living spirit. Yachats cares not just for its citizens' basic needs but also supports them in their efforts to excel mentally, physically, artistically, and spiritually. It is a community with an enduring sense of itself.

CITY OF YACHATS

CITY COUNCIL WORK SESSION

441 Hwy 101 N., Yachats Commons, Room 1

Tuesday, October 11, 2016 at 9:30am

AGENDA

I. Call meeting to order

II. Continued Discussion: Hwy 101 Project Update

III. Continued Discussion: Vacation Rentals
VR stats; Ord 346 continued hearing; limit by cap; limit by density

IV. Continued Discussion: Affordable housing proposal – Layne Morrill

V. Continued Discussion: Proposed construction excise tax – Layne Morrill

VI. Continued discussion: Tobacco-free and fragrance-free policy

VII. Continued discussion: Mayor transition/council goals

VIII. New Discussion: Liquor permit signatures

IX. Status Update: Water supply, tank site status

X. Monthly-Review: Status of Work on Measurable Objectives/Goals
a. Addition of Affordable Workforce Housing – Councilor Glenn

XI. Approve agenda for October 13, 2016 City Council meeting

XII. Move date of November work session to Nov. 8, 2016

This meeting is open to the public and all interested persons are invited to attend. This meeting will be audio taped. All items to be considered by the Commission must be submitted to City Hall no later than one week prior to the meeting. Minutes of all public meetings are available for review at City Hall, or on the City website at www.yachatsoregon.org .
In accordance with ORS 192.630, City of Hines will make a good faith effort to provide accommodations for any person desiring to attend a public meeting, if the request is made at least 48 hours in advance of the meeting time. The meeting room is physically accessible to persons with mobility devices; a sign language or foreign language interpreter may be available, with advance notice. Call City Hall at 541-547-3565 or Oregon Relay 1-800-735-2900 (TDD) two days in advance. Posted October 7, 2016

DRAFT POLICY

City of Yachats Policy: "To reasonably accommodate employees and visitors who have chemical sensitivity to perfume, scents, cleaning chemicals and smoke, City of Yachats strives to ensure the comfort and safety of staff and visitors by encouraging a smoke-free and fragrance-free environment."

Given that chemically-sensitive individuals may react to different products with widely varying degrees of severity, it is very difficult to ensure a consistently comfortable and accommodating environment under every conceivable set of circumstances. Even so, it is the general consensus of the Yachats City Council and the desire of the Council to minimize, to the extent possible, the barriers and difficulties experienced in City buildings by both employees and clients subject to chemical/fragrance sensitivities. The City of Yachats requests that all offices and spaces used by the staff and visitors remain free of vape instruments, tobacco, chemical-based or scented products.

Staff and visitors are asked to minimize the use of hairsprays, lotions, aftershave or colognes, and to refrain from using any air fresheners in City buildings, because the use of such products may trigger allergic reactions and create health problems for others. This does not include deodorant or bath soap. All tobacco-derived and tobacco-containing products, including, but not limited to, cigarettes, electronic cigarettes, cigars and cigarillos, hookah-smoked products and pipes. It also includes any product intended to mimic tobacco products or the smoking of any other substance.

Signs are posted in various places throughout City buildings, stating that this is a fragrance-free environment. All vaping instruments and tobacco products are included in the policy of non-use. This request is also included in rental agreements, newsletters and notices.

Sanctions

Successful enforcement of this policy will depend on the cooperation of all staff and visitors not only to comply with the policy, but also to encourage others to comply, in order to promote a healthy environment in which to work, study, and live. Civility and respect are expected by all members of the community in regards to this policy.

Violations of the policy should be referred to City Hall for review and action. Violations of tobacco use by minors may also result in a citation by law enforcement, under Oregon law.

Mayor-Council Transition

Redefine the role of the mayor:
clarify what it means to be the political head of the city
- possible focus areas:
  - the community - attends & facilitates meetings; joins organizations
  - communications - newsletter; web site news / info; e-mail to citizens; state of the city
  - goals - annual council goals process
  - process - who is involved; desired outcomes; how should conversation be structured; etc.
  - city finances - continue on finance committee;
  - legislation - presiding officer & unbiased leader; active in LOC & related orgs

Define new roles for the council:
- goal shepherding
- new member orientation / training
- commission relationships - liaison role for council?
- administrative assistance - how to serve as a liaison role with city administrator

Council Goals - incorporate a basic ranking of priorities to differentiate the essential from the desirable

Goal Shepherding - continue this practice. It has proven very successful.

Organize city activities around programatic areas like:
- public works (water, sewer, storm water, streets)
- recreation & culture (library, Log Church, commons, trails, visitor services)
- capital projects
- administration (accounting, billing, budgeting, records, human resources HR)

This will serve as the basis for a new budget structure and will simplify both budget preparation and understanding for the public what the city is doing while maintaining current fund integrity.

Prepared by: Joan Davies & Greg Scott

Pacific Excavation, Inc.

1639 - Yachats Hwy 101 Sidewalk Improvements

10/10 Schedule Update

WORK ACTIVITY	M 10/3	T 10/4	W 10/5	Th 10/6	F 10/7			M 10/10	T 10/11	W 10/12	Th 10/13	F 10/14			M 10/17	T 10/19	W 10/20	Th 10/21	F 10/22	
SAFETY / MEETINGS	XXX							X							X					
SUBMITTALS																				
SURVEY / LOCATES / INSPECT																				
PROJECT MEETINGS		x							x							x				
TPDT Set Up, Sawcut, Pothole, & Eros	X	x	x	x																
South Storm - Day Shift								x	x	x	x	x								
South Storm - Day Shift															x	x	x	x	x	
North Storm																				
Franchise Utility Meeting																		x		
MATERIAL DELIVERIES																				
cc: (SUBS):																				
cc: (SUPPLIERS):	Consolidated & Advantage Delivery 9/29																			

COUNCIL PROGRESS MATRIX 2016 ***GOAL: To provide for the effective governance of the City of Yachats***

Goal/Objective	Individual or Team Assigned	Shepherd	Progress
Convene a team to consider City management of the State Park facilities in Yachats. a. Yachats State Park b. Smelt Sands c. Yachats Ocean Road d. 804 Trail	Team to be convened	Brean	06-01-16 Discussed possibility of City taking over State Park. A future meeting needed. 05-09-16 Conversations with State Parks Regional Director.
Hire and work with City Administrator for fully coordinated transition to the new structure and evaluate staff roles as it relates to the organizational study.	City Administrator	Frye	05-09-16 City hired City Administrator COMPLETED
Convene an ad-hoc committee to consider appropriate uses of Visitor Amenities funds to attract visitors and to serve the needs of the residents as well. (Public art, visitors serving facilities, marketing efforts, festival support, etc.). Committee will make recommendations to the City Council.	Committee to be convened	Brean	09-07-16 City Administrator working with Chamber Events Coordinator and Facility Manager on events 05-09-16 Approved $50k in 2016-17 budget for projects and a contract with Chamber to hire coordinator. Task Force still needs to convene.
Continue development of emergency plans and resilience preparedness.	Emergency Preparedness Committee	Glenn	06-01-16 Worked with committee, media on public notices for drill 05-09-16 Coordinated with the media for the June 10 Drill
Convene an ad-hoc committee to consider methods of more effectively communicating the programs, activities, policies, processes, topics of council discussion to the citizens of Yachats. Recommendations of this committee will be made to Council, including general communications, social media considerations and new ideas. This committee will be chaired by the new City Administrator.	Committee to be convened	Glenn	09-07-16 Still waiting to hear from Chamber about social media position; using multiple sites for info outlets
Develop plans for diversifying revenue opportunities. a. Franchise fees b. Street district or utility fee c. Grant writing d. Methods for funding workforce housing	Finance Committee	Brean (Glenn assisting with item d.)	06-01-16 Glenn asked City Planner to look into recently-passed law re: inclusionary housing. Brean: talked with County regarding workforce housing on two small lots the County purchased as part of 804 Trail Settlement Agreement. Brean: possible street fee to put within water/sewer bill, not as an increase. Money could be used for streets now, transferred to reserves accounts if not needed later.

Work with Library Commission to develop/revise a strategic plan. a. Library operations b. Library location c. Funding strategies d. Bequest allocation	Library Commission	Dunn	05-09-16 Library Commission has some sub-committees set up to meet more often to work on the planning. 04-11-16 Library Commission will meet more often to begin work on updating strategic plan. Task Force to start needs assessment.
New accounting software	IT Committee	Scott	10-19/20-16 staff will be trained in new software for accounting system 09-07-16 Scott has reviewed several programs and has found one that fits City's needs; working on coordination now
Develop 50-year city anniversary logo for council approval	Marketing Committee	Dunn	04-11-16 Agreed to hire a graphic artist to design logo COMPLETED
Database development	IT Committee	Scott	09-7-16 Integrating data. Google log-in process completed for the City's database site and the Facebook capabilities will be done shortly. He is also working on the integration of data to the City's database from the MuniBilling records
Continue improvements in IT capabilities Develop and implement service satisfaction instruments	City Administrator and IT Team	Scott	06-01-16 Scott has been researching online survey capabilities for the service satisfaction instrument and found one that is reasonable. Mayor to develop survey questions.
Use of the 501 bank building	Bank Team	Glenn	Now scheduling events with Events Coordinator and Facilities Manager 09-07-16 HVAC, window cleaning, electrical outlets, grounds and tree care done. Next is plumbing repairs. 06-01-16 Working on list of people to interview for remodeling 05-09-16 Recommendations for the 501 Building Study Group is on May 12, 2016 agenda

Complete Highway 101 improvements including undergrounding of electric service	Public Works	City Council	09-07-16 Project to begin 09-12-16
Complete south city reservoir project	Public Works	City Council	Purchase offer accepted; awaiting geo-tech testing results, closing 09-07-16 Negotiating with owners; exec session 09-15-16. Appraisal completed 06-01-16 McClung reported on the alternative site and the cost savings if the tank were built there instead of current site.
Increase parking in the core business area	City Planner	Frye	5-9-16 Brean reported that City is looking at a lot, and trying to make an agreement with an adjoining property owner for additional access that would increase the number of available spaces and make the lot easier to develop for parking.
Complete south city entrance sign	Public Works	Dunn	On hold
Work with the County to complete upgrade and repairs to Ocean View Drive and the 804 south trail	Public Works	Brean	06-01-16 Brean has been working with the State and the County on improvements to Ocean View Drive that would allow City to take over jurisdiction. State Park naturalists want to move the camas that is blooming. The archaeologists also need to do assessment of the area before road can be moved.
Participate in programs that seek to bring health care services to Yachats.	Frye	Frye	09-07-16 Info meeting held 08-28 at 501; 45 attended; good interaction with LCHC staff 05-09-16 Lincoln County Community Health Clinic conducted a site visit to look at potential places for clinic. Their Board Meeting will be May 10. They liked the space in the Commons if City Hall moved to the 501 Building.

Revisit backyard chicken concept	Brean	Brean	05-09-16 City Council agreed to pilot program. Res. 2016-05-05 adopted on 05-12-16. COMPLETED
Continue efforts to develop public transportation options to the south	Dunn	Dunn	05-09-16 Grant received for a pilot Lincoln County-Florence transportation connection project. Money to come in around July 1 after reviews.
Continue to participate and provide leadership in marketing endeavors that enhance business opportunities and that provide benefit to Yachatians as well.	Marketing Team	Dunn	09-07-16 Team working on events for 50/100 anniversary.
Find appropriate means of protecting the character of Yachats from the negative implications of formula business models.	Planning Commission	Frye	09-07-16 Planning Commission still working on language for council ordinance
Improve the visual appeal of Yachats: a. Address "blight" appearance in neighborhoods and business areas. b. Devise a method of encouraging and displaying public art, especially kinetic art.	Convene an ad-hoc Committee	Glenn	5-9-16 Glenn: not sure who should convene committee; now he knows he is authorized, he will. 6-1-16 Glenn is putting together a list of names for ad-hoc committee to improve City visual appeal. Glenn thinks City needs public art plan, but planters have already been installed and fundraising for "Portia" statue.
Re-visit and solidify City policies related to vacation rentals	City Council	City Council	09-07-16 Vacation rentals on agenda 05-09-16 City Council began discussion regarding possible cap on the number.
1. Participate in alternative energy projects. a. Encourage solar systems. b. Explore opportunities for city participation in EIP wind energy project.	Finance Committee	Brean	06-01-16 Brean said he and others met with PUD regarding the preliminary plans to bring alternative energy to City. Brean said Burkle device can actually store energy even if power is made by Bonneville. 05-09-16 Met with PUD to talk about Burkle's energy machine.
Work with Planning Commission to develop appropriate policies for industrial businesses.	Planning Commission	Scott	05-09-16 Still working on definition. 06-01-16 Plan Comm working on definition of "light industrial" Will hold public hearing; wants any industrial use to include retail space.

Work with other governmental entities to explore more efficient and productive use of wastewater bio-solids.	Public Works	Brean	
Plan for the long-term development of additional raw water storage.	Finance Committee and Public Works	Brean	09-07-16 McClung and Davies met 08-17-16 with IFA and Water Source Protection 06-01-16 McClung said the City could qualify for a matching grant to develop additional raw water storage. There are some steps the City will need to take first, such as a water source protection plan and a feasibility study. May be a small grant for study.
Work with the Planning Commission on developing policies that might lead to certification as an International Dark Sky Community.	Planning Commission	Scott	09-07-16 Dark Sky considerations included in Hwy 101 project lighting considerations. No development by Planning Commission yet. 06-01-16 Scott said Planning Commission has issue on agenda, but they are working on formula businesses and new steep slope building regulations, so it may be some time before they get to Dark Sky. 05-09-16 Planning Commission will add Dark Sky to agenda.

Created date: March 29, 2016

Last update: October 7, 2016

AFFORDABLE HOUSING FUND
GRANT AGREEMENT

This Grant Agreement ("Agreement") is between the City of Yachats, a municipal corporation (the "City") and _____, a(n) _____ ("Recipient").

RECITALS

A. The City's Affordable Housing Fund, supported by the Construction Excise Tax, makes grants that help qualified affordable housing projects in Yachats achieve financial feasibility.

B. Recipient has applied for a grant from the Affordable Housing Fund for the project known as _____ to be located at _____ in Yachats (the "Project").

C. City has approved Recipient's grant application and Recipient and City desire to enter into this Agreement pursuant to section 3.16.130 of the Yachats City Code.

TERMS OF AGREEMENT

1. Description of Grant. The grant is for the purpose of:

   ___ Subsidizing construction costs of the Project, and shall be paid in a lump sum of $_____ concurrently with the closing of the construction loan for the Project.

   ___ Subsidizing operating expenses of the Project, and shall be paid in equal annual installments of $_____ each commencing one month after issuance of the last certificate of occupancy for the Project and on the same day of each year thereafter until fifteen (15) payments shall have been made.

2. Representations and Warranties. Recipient represents and warrants that the information contained in the grant application is true, correct, and complete in all material respects as of the date of this Agreement and that the Project will, at all times, satisfy the definition of qualified affordable housing in section 16.3.020 of the Yachats City Code.

3. Covenants. Recipient covenants and agrees that: (a) all funds received from the Affordable Housing Fund will be used for the purposes specified in the grant application and in this Agreement; (b) if the Project ceases to be qualified affordable housing as defined in section 3.16.020 of the Yachats City Code before

the income restriction period ends, Recipient shall promptly repay to the City all amounts previously paid by the City hereunder.

4. Amendment. This Agreement may be amended only written agreement signed by both parties.

5. Other Agreements. This Agreement does not affect or alter any other written agreements between City and Recipient.

Dated this ___ day of _____ 201__.

CITY OF YACHATS **[_____]**

_____ _____

_____, Mayor By_____

Its_____

CITY OF YACHATS
ORDINANCE NO. ___

AN ORDINANCE AMENDING THE YACHATS MUNICIPAL CODE TO ADD A CONSTRUCTION EXCISE TAX AND DECLARING AN EMERGENCY.

WHEREAS, the City, Oregon, and the entire Nation is currently facing a crisis in affordable housing for households of low and moderate income; and

WHEREAS, in its Comprehensive Plan the City made commitments to affordable housing for "people of all income levels" that carry the "force of law" and to which the City is "obligated to adhere"; and

WHEREAS, in Senate Bill 1533, the Oregon General Assembly recently authorized Oregon local governments to impose a construction excise tax for affordable housing; and

WHEREAS, enactment of the construction excise tax would provide new resources to help make affordable housing projects economically feasible and thereby encourage development of additional affordable housing in Yachats in fulfillment of commitments made in the Comprehensive Plan.

NOW THEREFORE, THE CITY OF YACHATS MAKES THE LEGISLATIVE FINDINGS SET FORTH IN SECTION 1 BELOW AND ORDAINS AS PROVIDED IN SECTION 2 BELOW:

Section 1. Legislative Findings.

A. The City's economy is based primarily on tourism and retirement and includes motels, vacation rentals, restaurants, shops, and assisted living.

B. A substantial majority of our local workforce earns at or under 60% of area median income and our local workforce is disproportionately composed of ethnic/racial minorities compared with our general population.

C. Dwelling units in Yachats have higher values than comparable dwelling units in neighboring coastal communities.

D. Yachats has a severe shortage of non-transient affordable rental housing units and a severe shortage of affordable housing for ownership.

E. Our local workforce cannot afford to rent or purchase safe, decent housing within the City.

F. In its Comprehensive Plan adopted in 2008, the City committed to encourage actively the development of affordable housing for all income levels.

G. A construction excise tax whose revenues are dedicated to helping new affordable housing achieve financial feasibility would increase the supply of affordable housing in fulfillment of commitments made in the Comprehensive Plan.

H. Yachats will benefit from our workers becoming an integral part of the social fabric of our community.

Section 2. The Yachats Municipal Code is amended to add Chapter 3.16 -- Construction Excise Tax:

Section 3.16.010 Purpose.

This Chapter establishes a construction excise tax on commercial and residential improvements to provide funding for affordable housing in the City. Chapter 3.16 of the City Code shall be known as the construction excise tax.

Section 3.16.020 Definitions.

As used in this Chapter:

A. "Area median income" means Lincoln County median household income by household size as defined by the United States Department of Housing and Urban Development and published periodically.

B. "Commercial" means designed or intended to be used, or actually used, for other than residential purposes.

C. "Construct" or "construction" means erecting, constructing, enlarging, altering, repairing, improving, or converting any building or structure for which the issuance of a building permit is required by Oregon law.

D. "Improvement" means a permanent addition to or modification of real property resulting in a new structure, additional square footage to an existing structure, or addition of living space to an existing structure.

E. "Net revenue" means revenues remaining after the administrative fees described in section 3.16.120(A) are deducted from the total construction excise tax collected.

F. "Qualified affordable housing" means dwelling units that:

1. Are rental housing set aside for households at or under 60% of area median income that is constructed using, in part, funding administered by the Oregon Housing and Community Services Department and which is income restricted for a period not less than thirty (30) years; or

2. Are ownership housing set aside for households at or under 80% of area median income which has a perpetual buyer income restriction and a perpetual limit on profit on resale of not more than 2% per year of ownership; and

3. In either case, incorporates a preference for applicants who are currently employed in the City or who have accepted offers for in-City employment that complies with section 42(g) of the Internal Revenue Code, Treasury Regulation 1.42-9, and HUD Handbook 4350.3 of the United States Department of Housing and Urban Development.

G. "Structure" means something constructed or built and having a fixed base on, or fixed to, the ground or to another structure.

H. "Value of improvement" means the total value of the improvement as determined in the process of issuance of the building permit.

Section 3.16.030 Administration and Enforcement Authority.

The City Administrator is responsible for the administration of this Chapter.

Section 3.16.040 Imposition of Tax.

A. Each person who applies to construct a commercial improvement in the City shall pay a commercial construction excise tax in the amount of 1 percent of the full value of the improvement.

B. Each person who applies to construct a residential improvement in the City shall pay a residential construction excise tax in the amount of 1 percent of the full value of the improvement.

C. The construction excise tax shall be due and payable, and must be paid, prior to the issuance of any building permit as required by ORS 320.189

as amended by SB 1533 Section 8(4) and shall be collected by Lincoln County pursuant to an inter-governmental agreement.

Section 3.16.050 Exemptions.

A. The construction excise tax shall not apply to any of the following improvements:

1. Private school improvements.

2. Public improvements as defined in ORS 279A.010.

3. Qualified affordable housing.

4. Public or private hospital improvements.

5. Improvements to religious facilities primarily used for worship or education associated with worship.

6. Agricultural buildings, as defined in ORS 455.315(2)(1).

7. Facilities operated by a not-for-profit corporation and that are:

    a. Long term care facilities, as defined in ORS 442.015.

    b. Residential care facilities, as defined in ORS 443.400.

    c. Continuing care retirement communities, as defined in ORS 101.020.

8. Any other exemption required by Oregon statute.

B. The Lincoln County Building Department may require any person seeking an exemption to demonstrate that the improvements are eligible for an exemption and to establish all facts necessary to support the exemption.

Section 3.16.060 Failure to Pay.

The Lincoln County Building Department may not issue a building permit for construction of in-City improvements to any person who has failed to pay the applicable construction excise tax.

Section 3.16.070 Statement of Full Value of Improvement Required.

It is a violation of this Chapter for any person to fail to state, or to understate, the full value of improvements to be constructed in the City in connection with an application for a building permit.

Section 3.16.080 Interest and Penalties for Failure to Comply.

A. All amounts of construction excise tax not paid when due shall bear interest on the entire unpaid amount at the rate of .833 percent simple interest per month or fraction thereof (10 percent per annum), computed from the original due date to the 15th day of the month following the date of the payment. Interest amounts may not be waived.

B. A penalty of five percent of the underpayment of construction excise tax shall apply to:

1. Any underpayment due to the improvements constructed initially failing, or later ceasing, to be qualified affordable housing prior to expiration of the applicable income restriction period.

2. Any underpayment involving a failure to state or an understatement of the full value of improvements.

C. If not paid within ten days after billing all interest and penalties shall merge with and become part of the construction excise tax required to be paid under this Chapter. From the point of merger, the previously assessed interest and penalty become part of the tax due for calculation of interest and penalty for subsequent periods.

Section 3.16.090 Enforcement by Civil Action.

The construction excise tax, and any assessed interest and penalties due and owing under this Chapter constitutes a debt owing to the City by the person liable for the tax as set forth in Section 3.16.040.

Section 3.16.100 Refunds.

A. The City shall issue a refund to any person who has paid a construction excise tax the amount of the tax actually paid:

1. If the taxpayer establishes that the tax was paid for improvements that were otherwise eligible for an exemption under section 3.16.050.

2. If the taxpayer establishes that construction of the improvements was not commenced and the associated building permit has been cancelled by the Lincoln County Building Department.

3. Upon a determination by the City Administrator or the Council that the amount of any construction excise tax, penalty, or interest has been erroneously collected or paid to the City under this Chapter.

B. The City Administrator shall either refund all amounts due under this section within 30 days of a complete application for the refund or give written notice of the reasons why the application has been denied. Any request for refund must be submitted within three years from the date of payment.

C. Denial of a refund claim may be appealed as provided in section 3.16.110.

Section 3.16.110 Appeals.

A. Any written determination issued by Lincoln County Building Department applying the provisions of this Chapter pursuant to intergovernmental agreement, believed to be in error, may be reviewed by the City Administrator if the recipient requests review in writing delivered to the City Administrator within ten days after receipt of the written determination together with all documentation required to support the request.

B. Any written determination from the City Administrator applying the provisions of this Chapter regarding liability for payment of construction excise taxes may be appealed to the Council as provided in section 3.08.180 of the City Code.

C. The filing of any appeal shall not stay the effectiveness of the written determination unless the Council so directs.

Section 3.16.120 Dedication of Revenue.

A. Pursuant to intergovernmental agreement, the City shall pay to Lincoln County an amount equal to 4 percent of the construction excise tax collected, to cover its administrative expenses related to collection and distribution of the tax.

B. Net revenues from the construction excise tax imposed with respect to residential improvements shall be expended as follows:

1. Fifteen percent shall be remitted to the Oregon Housing and Community Services Department to fund home ownership programs that provide down payment assistance.

2. Eighty-five percent shall be transferred to and held in a segregated fund known as the Affordable Housing Fund and, as allowed by ORS 197.309(7), that fund shall be used to provide voluntary grants to assist developers achieve financial feasibility for new qualified affordable housing. Grants may be made either to: (i) subsidize the construction of qualified affordable housing; or (ii) subsidize the expenses of operating qualified affordable rental housing during the first fifteen years of its operation; or (iii) both (i) and (ii).

C. Net revenues from the construction excise tax imposed with respect to commercial improvements shall be expended as follows:

1. Fifty percent shall be transferred to the Affordable Housing Fund and shall be used as described in subsection B.2.

2. Fifty percent shall be transferred to the City's Streets Fund.

Section 3.16.130. Grant Procedures.

A. A person seeking a grant from the Affordable Housing Fund shall submit to the City Administrator an application that contains all of the following:

1. Description of the proposed affordable housing project.

2. Analysis showing how the project meets each element of the definition of qualified affordable housing.

3. The development pro forma, operating pro forma, and timeline for the project.

4. A statement of the requested amount and timing of the grant.

5. Analysis showing how the requested grant would help the project achieve financial feasibility.

B. After determining that an application is complete, the City Administrator shall submit the grant request to the Council for approval or disapproval.

C. If the Council approves a grant, the grant shall be disbursed to the applicant only:

1. After the applicant executes a written grant agreement in the form prescribed by the City Administrator which shall include:

    a. Representation and warranty that the project meets all conditions of eligibility and that the funds will be used solely for the purposes stated in the grant agreement.

    b. Covenant to repay to the City promptly all grant funds provided to the project if the project ceases to be qualified affordable housing before the applicable income restriction period expires.

    c. Continuing care retirement communities, as defined in ORS 101.020.

2. If the grant is a construction subsidy, concurrently with the closing of the construction loan for the project.

3. If the grant is an operating expense subsidy, only after all certificates of occupancy for the project have been issued but no earlier than the funding dates set forth in the grant application.

Section 3. Effective Date. Due to the emergency created by the current crisis in affordable housing, this Ordinance shall be effective immediately upon enactment.

Passed and adopted by the City Council of the City of Yachats on this ___ day of 2016.

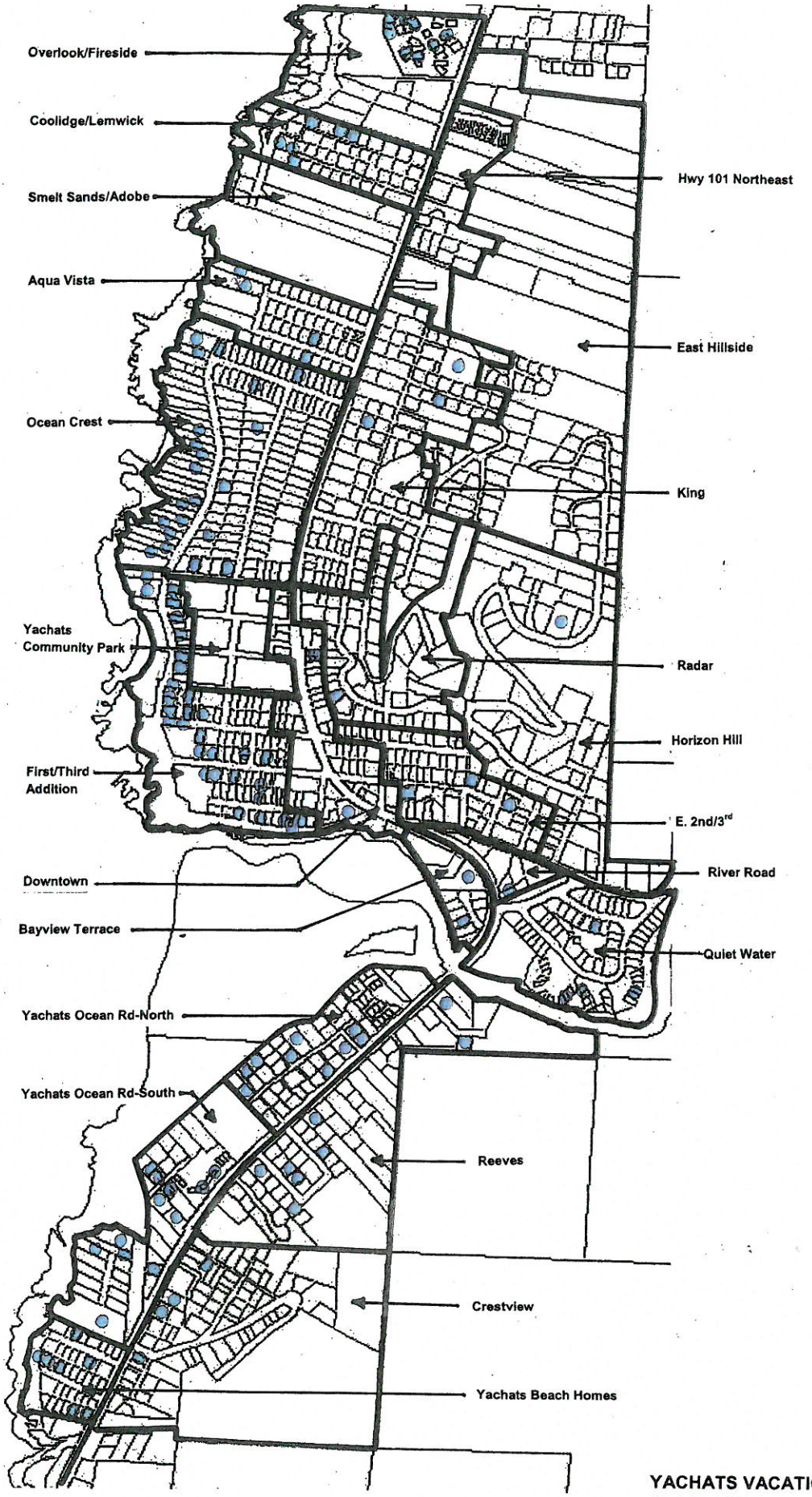
AYES: _____ NAYS: _____ ABSTENTIONS: _____ ABSENT: _____

Approved by the Mayor this ___ day of _____, 2016.

Attest:

_____ _____

Ronald L. Brean, Mayor Joan Davies, City Administrator



YACHATS VACATION RENTALS
October 2016

YACHATS VACATION RENTALS			October 4, 2016
Neighborhood	# of Vacation Rentals	Total # of Dwellings	% Vacation Rentals
Overlook/Fireside	8	24	33%
Coolidge/Lemwick	6	32	19%
Smelt Sands/Adobe	0	4	0%
Aqua Vista	4	43	9%
Ocean Crest	21	92	23%
Yachats Community Park	0	1	0%
First/Third Addition	31	81	38%
Downtown	2	13	15%
Hwy 101 Northeast	0	33	0%
East Hillside	0	0	0%
King	3	67	4%
Radar	1	36	3%
Horizon Hill	1	38	3%
E. 2nd/3rd	3	48	6%
River Road	1	52	2%
Bayview Terrace	2	8	25%
Quiet Water	4	52	8%
Yachats Ocean Rd-North	9	42	21%
Yachats Ocean Rd-South	12	32	38%
Reeves	8	42	19%
Crestview	4	40	10%
Yachats Beach Homes	7	30	23%
Citywide Total	**127**	**810**	16%

Note: # of Vacation Rentals is based on October 2016 Licenses
# of Dwellings per Neighborhood based on 2013 Aerial Photography
and new dwellings completed through October 2016.