1. Agenda

   Documents:

   2019-07-17 City Council Agenda.pdf

2. Meeting Materials

   Documents:

   2019-07-12 Library Addition.pdf
   2019-07-17 4.04 Update.pdf
   2019-07-17 Finance Report.pdf
   2019-07-17 Insurance Additions.pdf
   2019-07-17 Lincoln County Housing.pdf
   2019-07-17 Visitor Center Report.pdf
   2019-07-17 City Manager Report.pdf

CITY OF YACHATS

CITY COUNCIL REGULAR COUNCIL MEETING

441 Hwy 101 N., Yachats Commons, Room 1, Yachats OR

Wednesday, July 17, 2019 at 6:00 PM

REGULAR COUNCIL MEETING

I. Announcements, Correspondence and Proclamations

II. Public Comment (topics not listed on the agenda: 5-minute limitation per person)

III. Consent Agenda
- A. June Minutes

IV. New Business:
- A. Library Remodel Materials
- B. Review & Update to Section 4.04.020
- C. Council Goals
- D. Insurance Coverages
- E. Lincoln County Housing Memorandum

V. Reports
- A. Visitors Center
- B. Financial Report
  1. Transient Lodging & Food and Beverage Tax Update
- C. Council Reports
- D. City Manager Report

VI. Other Business
- A. From Mayor
- B. From Council
- C. From Staff

The work session and regular council meeting are open to the public and interested citizens are invited to attend. These are open meetings under Oregon law, but a work session is not a community forum; audience participation is at the discretion of the Council. Meetings are audio-recorded. Public meeting minutes are available for review at City Hall. The meeting place is accessible to persons with disabilities. For accommodations, please call (541) 547-3565, or Oregon Relay 1-800-735-2900 TDD) two days in advance. City of Yachats does not discriminate on the basis of race, color, religion, creed, gender, national origin, age, disability, marital or veteran status, sexual orientation, or any other legally protected status.

In accordance with ORS 192.630, City of Yachats 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 July 10, 2019

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 Council Action Item Cover Sheet

DATE: July 17, 2019

Agenda Item:

Library Addition/Remodel

Question Before Council:

Will the Council take the work and recommendation of the Library Commission to move forward in issuing the invitation to bid.

Person/Group Initiating Request:

Library Commission

Item Summary/Background:

The Library Addition/remodel invitation to bid is the long awaited next step in the project and is associated to the selection of a contractor for constructing the addition and remodeling the current facility.

Projected Project Timeline:

Council Approval: July 17; ITB Issuance: August 2; Bids Due: September 20; Award Letter: Nov 1

Protests deadline: Nov 8; Final contract signed: Nov 15; Council Approval: Dec 4;

Project completion/Occupancy: May 1, 2020

Table 1

LIBRARY EXPANSION/REMODEL PROJECT FUNDING PLAN - JULY 17, 2019				
	ADDITION (400sq. ft. @ $325/sq.ft.)	**REMODEL** (2000 sq. ft. @ $85/sq.ft.)	**FURNITURE/ FIXTURES**	**TOTAL**
BUDGET:	$130,000	$170,000	$70,000	$370,000
FUNDING GOAL:	$140,000	$180,000	$80,000	$400,000
	CITY OF YACHATS	**CITY OF YACHATS**	**FRIENDS OF THE YACHATS LIBRARY**	
FUNDING TO DATE:				
CIP Funds	$26,250	$33,750		$60,000
Hall Bequest Funds	$43,750	$56,250		$100,000
Lincoln County Community and Economic Development Funds			$15,000	$15,000
Oregon Community Foundation - Community Grants Program			$11,400	$11,400
Ford Family Foundation - Technical Assistance Grant			$4,000	$4,000
Fundraising - Events			$2,100	$2,100
Fundraising - Individual Donations			$17,000	$17,000
In-Kind Labor (estimate: 800 hours @ $15/hr.)	$5,250	$6,750	$12,000	$12,000
Total To Date	$75,250	$96,750	$49,500	$221,500
TO BE RAISED:	$64,750	$83,250	$30,500	$178,500
PENDING AND PLANNED:				
Ford Family Foundation - Rural Capital Grant	$55,000	$70,000		$125,000
Collins Foundation	$15,000	$20,000		$35,000
Siletz Tribal Charitable Contribution Fund			$5,000	$5,000
Fundraising/Grants			$25,500	$25,500
TOTAL TO DATE AND PLANNED:	$145,250	$186,750	$80,000	$412,000

Yachats Public Library

Addition and Remodel

INVITATION TO BID

Contractors are invited to bid on the construction of the addition to the Yachats Public Library located at 560 W 7th St. Yachats, OR 97498. The Addition will be approximately 400 sq. ft., as well as the remodeling and updating of the existing building. Sealed bids will be received by The City of Yachats, 441 Hwy 101 N, Yachats, OR 97498 at or before 4:00 p.m., September 20, 2019 .

This contract is for a public work subject to ORS 279C.800 to 279C.870 relating to the payment of prevailing wages.

The terms, conditions and specifications for this Project (Project Documents) may be examined at Yachats City Hall office located at 441 Hwy 101 N, Yachats, OR 97498, between the hours of 9:00 a.m. to 4:oo p.m., [Monday through Friday] until September 20, 2019. The Project Documents will be available at this location from the date of this Notice until November 15, 2019.

_____

Shannon Beaucaire, Yachats City Manager

City of Yachats

PO Box 345

441 Highway 101 N.

Yachats OR 97498

INSTRUCTIONS TO BIDDERS

Bids will be received by The City of Yachats (hereinafter called "City") at 441 Hwy 101 N., Yachats, OR 97498, until 4:00 p.m., Pacific Daylight Time, September 20, 2019.

Each bid must be submitted in a sealed envelope, addressed to Shannon Beaucaire, City Manager, City of Yachats, at the above address. Each bid must be plainly marked on the outside of the envelope with the name of the bidder, and "Library Addition Project." Bids not so marked may be disqualified. Faxed or electronically submitted bids shall be refused as non-responsive.

This contract is for a public work subject to ORS 279C.800 to 279C.870 , relating to the payment of prevailing wages.

No prequalification will be required for this Project.

Contract terms, conditions and Project specifications for this Project (Project Documents) may be examined at the City office located at 441 Hwy 101 N. , Yachats, Oregon.

All bids must be submitted on the required bid form. All blank spaces for bid prices must be completed in ink and the bid form must be fully completed and executed when submitted. Only one copy of the bid form is required.

Contractor must comply with all federal, state, and local laws or regulations dealing with the prevention of environmental pollution and preservation of natural resources that affect the performance of the Contract.

1. Non-Compliant Bids

The City may reject any bid not in compliance with all prescribed public bidding procedures and requirements. Any bid failing to certify compliance with ORS 279C.800 to 279C.870 et seq. will not be received or considered by the City. All bids must identify whether the bidder is a resident bidder as defined in ORS 279A.120. The City may reject for good cause any and all bids upon finding it is in the public interest to do so. Any bid may be withdrawn prior to the above scheduled time for the opening of bids. Any bid received after the closing time and date specified above shall not be considered. No bidder may withdraw a bid within forty (40) days after the actual date of the bid opening. Should there be reasons why the contract cannot be awarded within the specified time; the time may be extended by mutual agreement between the City and the bidder.

2. Bidder Responsibilities

Before submitting a bid, each bidder must:

(a) Examine the contract documents thoroughly;

(b) Visit the site, so that the bidder may familiarize itself with local conditions which may, in any manner, affect cost progress, or performance of the Work;

(c) Be familiar with state, federal, and local laws, ordinances, rules and regulations which may, in any manner, affect cost, progress or performance of the Work; and

(d) Study and carefully correlate bidder's observations with the contract documents.

3. Instructions for First-Tier Subcontractor Disclosure

Bidders are required to disclose information about certain first-tier subcontractors when the contract value for a Public Improvement is greater than $100,000 (see ORS 279C.370). Specifically, when the contract amount of a first-tier subcontractor furnishing labor or labor and materials would be greater than or equal to: (i) 5% of the Project Bid, but at least $15,000, or (ii) $350,000 regardless of the percentage, the bidder must disclose the following information about that subcontract either in its Bid submission, or within two hours after Bid Closing:

(a) The subcontractor's name;

(b) The category of work that the subcontractor would be performing, and

(c) The dollar value of the subcontract.

If the bidder will not be using any subcontractors that are subject to the above disclosure requirements, the bidder is required to indicate "NONE" on the accompanying form.

4. The Importance of Bids and Contract Documents

The submission of a bid will constitute an incontrovertible representation by the bidder: (1) of bidder's intent to be bound by the attached contract documents, if awarded the contract; (2) that the bidder has complied with each of the requirements within these bid documents; (3) that the contract documents are sufficient in scope and detail to indicate and convey understanding of all terms and conditions for performance of the Work; and (4) of bidder's intent to sign, upon negotiation of a contract price acceptable to The City.

The contract documents contain the provisions required for the construction of the Project. Information obtained from an officer, agent, or employee of the City or any other person is not binding upon the City, and shall not affect the risks or obligations assumed by the Contractor or relieve Contractor from fulfilling any conditions of this solicitation or the contract, once executed, unless confirmed by written addendum or contract amendment.

5. Requests for Clarification/Addenda

All questions about the meaning or intent of the contract documents shall be submitted to the City representative in writing. If merited, replies may be issued by addendum, mailed or delivered to all parties recorded by the City representative as having received the bidding documents. Only questions answered by formal written addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.

6. Performance and Payment Bonds

A performance bond and a payment bond, in the forms attached, each in the amount of 100% of the contract price, with a corporate surety approved by the City, will be required for the faithful performance of the contract. Attorneys in fact who sign bid bonds or payment bonds and performance bonds must file with each bond a certified and effective dated copy of their Power of Attorney. All bonding companies must be authorized to do business in the State of Oregon.

7. City Investigation of Bidder

The City may make such investigations as deemed necessary to determine the ability of the bidder to perform work. In determining the lowest responsible bidder, the City shall check the list created by the Construction Contractors Board under ORS 701.227 for bidders who are not qualified to hold a public improvement contract and determine whether the bidder has met the standards of responsibility. City shall also consider the following factors and may disqualify any person as a bidder if it finds the bidder:

`(a) Does not have available the appropriate financial, material, equipment, facility and personnel resources and expertise, or the ability to obtain the resources and expertise, necessary to meet all contractual responsibilities;

(b) Does not hold a current license that a contractor operating in Oregon must hold in order to undertake or perform Project Work;

(c) Is not covered by liability insurance or other insurance in required amounts;

(d) Does not qualify as a carrier insured employer or a self-insured employer under ORS 656.407 or has not elected coverage under ORS 656.128;

(e) Failed to provide a First-Tier Subcontractor Disclosure Form, if required under ORS 279C.370;

(f) Does not have a satisfactory record of performance. The City shall document the record of performance of a bidder if the City finds the bidder not to be responsible under this paragraph (f);

(g) Does not have a satisfactory record of integrity. The City shall document the record of integrity of a bidder if the City finds the bidder not to be responsible under this paragraph (g);

(h) Is not qualified legally to contract with the City; or

(i) Has not supplied all necessary information in connection with the inquiry concerning responsibility.

Each bidder shall promptly supply information as requested by the City pursuant to such investigation. If a bidder fails to promptly supply information requested by the City concerning responsibility, the City shall base the determination of responsibility upon any available information, or may find the bidder not to be responsible. Failure to supply such information may be grounds for disqualification.

8. Registration and Licenses

No bid for a construction contract shall be received or considered by the City unless the bidder is registered and in good standing with the Construction Contractors Board or licensed and in good standing with the State Landscape Contractors Board, as required by ORS 671.530. Bidders need not be licensed to work with asbestos, under ORS 468A.720.

9. Protests

Award and solicitation protests shall be submitted in accordance with City Rule 137-049-0260(3) and 137-049-0450(4), respectively.

10. Process

At least seven (7) days prior to final award, all bidders will receive the City's Notice of Intent to Award issued via email. The City anticipates final Contract award on or before November 1, 2019.

The bidder to whom the contract is awarded will be required to execute the attached agreement and obtain the performance and payment bonds within ten (10) calendar days from the date when Notice of Award is delivered to the bidder. Submittal of a bid indicates bidder's intent to be bound to all terms and conditions of the attached agreement. The Notice of Award shall be accompanied by the necessary agreement and bond forms. In case of a failure of the bidder to execute the agreement, the City may, at its option, consider the bidder in default in which case the bid bond accompanying the bid shall become the property of the City.

The award will be made to the lowest responsible bidder. The Contractor shall submit to the City representative by the last calendar day of each month a partial payment estimate for work performed during the prior pay period.

NOTICE OF INTENT TO AWARD

The City of Yachats

Invitation to Bid

Library Addition and Remodel Project

To all Bidders:

Based on responses to the recent Invitation to Bid and other information obtained from third party sources, _____ has been identified as the lowest responsible, responsive bidder to contract with the City for the above referenced Project. Protests regarding this intended award will be received by Shannon Beaucaire, City Manager, City of Yachats, 441 Hwy 101 N., Yachats, OR 97498, until November 8, 2019. Award will become final on November 15, 2019, or once the City responds to all timely filed protests and affirms the award, whichever is later.

It is the City's intent to begin negotiations and enter into a contract for these services with _____, by November 8, 2019. The City would like to finalize the contract no later than November 15, 2019, with approval by the City Council on December 2, 2019. The contract terms, specifications and conditions were included with the ITB.

If you have any questions, please feel free to call me at _____.

Sincerely,

City of Yachats

By: _____

BID FORM

The City of Yachats

Library addition and remodel (Project)

Yachats, OR 97498

This bid is submitted to The City of Yachats, 441 Hwy 101 N., Yachats, OR 97498.

1. The undersigned bidder proposes and agrees, if this bid is accepted, to enter into a Construction Agreement with the City in the form included in the contract documents and to complete all work as specified or indicated in the contract documents for the contract price and within the contract time indicated in this bid and in accordance with the contract documents.

2. Bidder accepts all of the terms and conditions of the Instructions to Bidders, including without limitation, those dealing with disposition of bid security. This bid may not be amended or withdrawn and is subject to acceptance for forty (40) days after the date of bid opening. The successful bidder will sign the Construction Agreement included as part of the bid packet and submit the security and other documents required by the contract documents within ten (10) days after the date of City's Notice of Award.

3. In submitting this bid, bidder represents as more fully set forth in the Construction Agreement, that:

(a) Bidder has examined copies of the contract documents and the following addenda:

Date: Number:

Date: Number:

Date: Number:

Date: Number:

and also copies of the advertisement or Invitation to Bid and Instructions to Bidders;

(b) Bidder has examined the site and locality where the Work is to be performed, the applicable legal requirements (federal, state, and local, ordinances, rules, and regulations) and the conditions affecting cost, progress, or performance of work, and has made such independent investigation as bidder deems necessary;

(c) This bid is genuine and not made in the interest of or on behalf of any undisclosed person, firm, or corporation, and is not submitted in conformity with any agreement or rules

of any group, association, organization, or corporation; bidder has not directly or indirectly induced or solicited any other bidder to submit a false or sham bid; bidder has not solicited or induced any person, firm, or corporation to refrain from bidding; and bidder has not sought by collusion to obtain for himself any advantage over any other bidder or the City;

(d) The City anticipates awarding to contractor, in the City's sole discretion. The City does not have to award any contract based on the bids submitted. Any award which the City makes will be on the basis of the lowest responsible bidder.

4. Bid Quantities and Specifications	Unit Price	Total
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Bidder will complete the entire Library Project for the following

Total price: $

5. Bidder agrees to prepare the site and perform the labor necessary to complete the Library Project which will be substantially completed in accordance with the plans and specifications attached hereto within days of the receipt of the notice to proceed.

6. Bidder acknowledges that bidder has reviewed the provisions of the Construction Agreement as to liquidated damages which may be assessed in the event of failure to complete the Work on time and has considered those potential damages in formulating this bid.

7. The following documents are attached to and made a condition to the bid:

(a) Required bid security in the form of a bid bond or certified check in the amount of 10% of the bid;

(b) Non-Collusion Affidavit;

(c) First Tier Subcontractor Disclosure Form (attached to the bid or submitted to the City within two (2) hours after bid closing).

8. Bidder agrees and certifies as follows:

(a) The provisions of ORS 279C.800 et seq., relating to the prevailing wage rates, will be complied with;

(b) Bidder is a resident of the State of as defined in ORS 279A.120;

(c) The provisions of ORS 305.385 relating to Oregon tax laws will be complied with;

(d) Bidder has not and will not discriminate against minorities, women or emerging small business enterprises in obtaining any subcontracts required under this Contract, or against a business enterprise owner controlled by, or that employs, a disabled veteran as defined in ORS 408.225;

(e) All employers, including bidder, that employ subject workers who work under the Construction Agreement shall comply with ORS 656.017 and provide the required Workers' Compensation coverage unless such employers are exempt under ORS 656.126. Bidder shall ensure that each of its subcontractors complies with these requirements;

(f) Bidder is registered and in good standing with the Construction Contractors Board in accordance with ORS 701.035 to 701.055;

(g) All subcontractors performing work as described in ORS 701.005(2) will be registered with the Construction Contractors Board in accordance with ORS 701.035 to 701.055 before the subcontractors commence work under the contract.

9. Communications concerning this bid shall be addressed to:

Bidder:

Submitted this day of , 2019.

(Corporate Name) (Company Name)

(Corporate Seal, if any)

By:

(Name of person authorized to

Sign, or Title)

Business Address:

Phone:( )

State of Incorporation:

Oregon Contractor Board No.:

ATTEST:

Secretary of bidding corporation

NOTICE OF AWARD

To:

PROJECT description: The City of Yachats

The City of Yachats (City)

Yachats Public Library Addition and Remodel (Project)

The City has considered the bid submitted by (Contractor) for the above described Project in response to its advertisement for bids dated [weekday], _____, 20__, and Instructions to Bidders.

Contractor is hereby notified that its bid in the amount of
(amount in written form) ($) has been accepted by the City.

Contractor is required by the Instructions to Bidders to execute the Construction Agreement and furnish the required Contractor's Performance Bond, Payment Bond and certificates of insurance within ten (10) calendar days from the date of this notice.

If Contractor fails to execute the Construction Agreement and to furnish the required bonds and certificates of insurance within ten (10) days from the date of this notice, City will be entitled to consider all Contractor's rights arising out of City's acceptance of Contractor's bid as abandoned and as a forfeiture of Contractor's bid bond. The City will be entitled to such other rights as may be granted by law.

Please return an acknowledged copy of this Notice to Award to City.

DATED this day of , 2019.

The City of Yachats

Yachats Public Library

By: ___

* * * * * * * *

ACCEPTANCE OF AWARD

Receipt of the above Notice of Award is hereby acknowledged by
on this day of , 2019.

By:

Title:

NOTICE TO PROCEED

TO: Date:

The City of Yachats (City)

Library addition and remodel Project (Project)

(Contractor) is hereby notified to commence Project in accordance with the Construction Agreement dated , 20___, on or before , 20___, and Contractor is to complete the Work on the Project within ____ consecutive calendar days thereafter. The date of final completion for all work is , 20__.

Please return an acknowledged copy of this Notice to Proceed to The City.

The City of Yachats

Yachats Public Library

By: ___

* * * * * * * *

ACCEPTANCE OF NOTICE TO PROCEED

Receipt of the above Notice to Proceed is hereby acknowledged by
on this day of , 2019.

By:

Title:

NON-COLLUSION AFFIDAVIT

STATE OF Oregon) The City of Yachats

) ss. Yachats Public Library

County of Lincoln) Addition and Remodel Project

I state that I am of
and that I am authorized to make this affidavit on behalf of my firm, and its owners, directors, and officers. I am the person responsible in my firm for the price(s) and the amount of this bid.

I state that:

(1) The price(s) and amount of this bid have been arrived at independently and without consultation, communication or agreement with any other contractor, bidder or potential bidder, except as disclosed on the attached appendix.

(2) That neither the price(s) nor the amount of this bid, and neither the approximate price(s) nor approximate amount of this bid, have been discussed with any other contractor, bidder or potential bidder, except as disclosed on the attached appendix.

(3) No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit a bid higher than this bid, or to submit any intentionally high or noncompetitive bid or other form of complementary bid.

(4) The bid of my firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive bid.

(5) , its affiliates, subsidiaries, officers, directors and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted of or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as described on the attached appendix.

I state that understands and acknowledges that the above representations are material and important, and will be relied on by the City in awarding the contract(s) for which this bid is submitted. I understand and my firm understands that any misstatement in this affidavit is and shall be treated as fraudulent concealment from the City of the true facts relating to the submission of bids for this contract.

Name of Company:

Position:

SIGNED and SWORN to before me this day of , 2019, by

Notary Public for _____

FIRST-TIER SUBCONTRACTOR DISCLOSURE FORM

PROJECT NAME: Library addition and remodel Project

BID #:

BID CLOSING: Date: Time:

This form must be submitted at the location specified in the Invitation to Bid on the advertised bid closing date and within two working hours after the advertised bid closing time.

List below the name of each subcontractor that is required to be disclosed, the category of work that the subcontractor will be performing and the dollar value of the subcontract. Enter "NONE" if there are no subcontractors that need to be disclosed. (ATTACH ADDITIONAL SHEETS IF NEEDED.)

NAME	DOLLAR VALUECATEGORY OF WORK
1)	$
2)	$
3)	$
4)	$
5)	$
6)	$

FAILURE TO SUBMIT THIS FORM BY THE DISCLOSURE DEADLINE WILL RESULT IN A NON-RESPONSIVE BID. A NON-RESPONSIVE BID WILL NOT BE CONSIDERED FOR AWARD.

Form submitted by (bidder name):

Contact name:

Phone no.:

BIDDER'S PERFORMANCE AND PAYMENT

BOND STATEMENT

(Contractor) is submitting a bid to The City of Yachats (City) pursuant to the City's advertisement for bids dated [weekday], [date], 20__.

Contractor certifies that, if it is awarded the contract, Contractor has the financial ability to obtain good and sufficient bonds in the forms attached, issued by a surety to the City, each in a sum equal to the amount of the bid providing for the faithful performance of the contract.

Contractor understands and agrees that if Contractor fails to provide either the required performance bond or payment bond, the City may reject the bid and the bid bond submitted with the bid may be forfeited.

The surety requested to issue the performance bond will be (Surety Company). Contractor authorizes Surety Company to disclose any information to the City concerning Contractor's ability to supply a performance bond in the amount of the contract.

The surety requested to issue the payment bond will be
(Surety Company). Contractor authorizes Surety Company to disclose any information to the City concerning Contractor's ability to supply a payment bond in the amount of the contract.

(Name of Contractor)

By:

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS that

(Name of Contractor)

(Address of Contractor)

a hereinafter called "PRINCIPAL", and

(Corporation, Partnership, or Individual)

(Name of Surety)

(Address of Surety)

(Oregon representative for service of process for Surety)

hereinafter called "SURETY", are held and firmly bound unto

The City of Yachats

441 Hwy 101, Yachats, Oregon 97498

hereinafter called "OWNER", in the total amount of

(insert here a sum

Dollars ($) for the

equal to the contract price)

payment whereof PRINCIPAL and SURETY bind themselves, their heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents.

WHEREAS, the PRINCIPAL has by written agreement entered into a certain contract with the OWNER, dated the day of , 2019, a copy of which is hereto attached and made a part hereof and is hereinafter referred to as the Contract. Said Contract is for:

NOW, THEREFORE:

1. The condition of this obligation is such that, if PRINCIPAL shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

2. The SURETY hereby waives notice of any alteration or extension of time made by the OWNER.

3. It is expressly agreed that the Bond shall be deemed amended automatically and immediately, without formal and separate amendments hereto, upon amendment of the Contract, so as to bind the PRINCIPAL and the SURETY to the full and faithful performance of the Contract as so amended. The term "Amendment," wherever used in this Bond, and whether referring to this Bond, the Contract, or any Loan Documents shall include any alteration, addition, extension or modification of any character whatsoever.

4. Whenever PRINCIPAL shall be, and declared by OWNER to be in default under the Contract, the OWNER having performed OWNER's obligations thereunder, the SURETY may promptly remedy the default, or shall promptly:

a) Arrange for the PRINCIPAL, with consent of the OWNER, to perform and complete the contract;

b) Complete the Contract in accordance with its terms and conditions, or

c) Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by OWNER and the SURETY jointly of the lowest responsible bidder, arrange for a contract between such bidder and OWNER, and make available as work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, including other costs and damages for which the SURETY may be liable hereunder, the amount set forth above. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by OWNER to PRINCIPAL under the Contract and any amendments thereto, less the amount properly paid by OWNER to PRINCIPAL.

5. Any suit under this Bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls due.

6. If any provision of this Bond conflicts with state law, such portion will be deemed deleted therefrom and provisions conforming to such state law shall be deemed incorporated herein. The intent is that the bond shall be construed as a statutory bond and not as a common law bond.

7. No right of action shall accrue on this Bond to or for the use of any person or corporation other than the OWNER named herein or the heirs, executors, administrators or successors of the OWNER.

IN WITNESS WHEREOF, this instrument is executed in counterparts, each one of which shall be deemed an original and this the day of , 201 .

ATTEST:

PRINCIPAL

(PRINCIPAL) Secretary

(SEAL)

By:

(Witness to PRINCIPAL) (Address)

(Address)

(SURETY)

ATTEST:

By

(Witness to SURETY) (Attorney-in-Fact)

(Address) (Address)

NOTE: Date of Bond must not be prior to date of Contract.

If CONTRACTOR is partnership, all partners must execute Bond.

IMPORTANT: SURETY companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in Oregon. SURETY companies must also have an Oregon representative for service of process.

PAYMENT BOND

Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

Principal Place of Business):

SURETY (Name and Address of

CONTRACT

Effective Date of Agreement:

Amount:

Description (Name and Location):

BOND

Bond Number:

Date (Not earlier than Effective Date of Agreement):

Amount:

Modifications to this Bond Form:

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Payment Bond to be duly executed by an authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL	SURETY
(Seal)	(Seal)
Contractor's Name and Corporate Seal	Surety's Name and Corporate Seal
By:	By:
Signature	Signature (Attach Power of Attorney)
Print Name:	Print Name:
Title:	Title:
ATTEST:	ATTEST:

Signature Signature

Title Title

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to Owner to pay for labor, materials, and equipment furnished by Claimants for use in the performance of the Contract, which is incorporated herein by reference.

2. With respect to Owner, this obligation shall be null and void if Contractor:

2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

2.2 Defends, indemnifies, and holds harmless Owner from all claims, demands, liens, or suits alleging non-payment by Contractor by any person or entity who furnished labor, materials, or equipment for use in the performance of the Contract, provided Owner has promptly notified Contractor and Surety (at the addresses described in paragraph 12) of any claims, demands, liens, or suits and tendered defense of such claims, demands, liens, or suits to Contractor and Surety, and provided there is no Owner Default.

3. With respect to Claimants, this obligation shall be null and void if Contractor promptly makes payment, directly or indirectly, for all sums due.

4. Surety shall have no obligation to Claimants under this Bond until:

4.1 Claimants who are employed by or have a direct contract with Contractor have given notice to Surety (at the address described in paragraph 12) and sent a copy, or notice thereof, to Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

4.2 Claimants who do not have a direct contract with Contractor:

1. Have furnished written notice to Contractor and sent a copy, or notice thereof, to Owner, within 90 days after having last performed labor or last furnished materials or

equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials or equipment were furnished or supplied, or for whom the labor was done or performed; and

2. Have either received a rejection in whole or in part from Contractor, or not received within 30 days of furnishing the above notice any communication from Contractor by which Contractor indicated the claim will be paid directly or indirectly; and

3. Not having been paid within the above 30 days, have sent a written notice to Surety (at the address described in paragraph 12) and sent a copy, or notice thereof, to Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to Contractor.

5. If a notice by a Claimant required by paragraph 4 is provided by Owner to Contractor or to Surety, that is sufficient compliance.

6. Reserved.

7. Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by Surety.

8. Amounts owed by Owner to Contractor under the Contract shall be used for the performance of the Contract and to satisfy claims, if any, under any performance bond. By Contractor furnishing and Owner accepting this Bond, they agree that all funds earned by Contractor in the performance of the Contract are dedicated to satisfy obligations of Contractor and Surety under this Bond, subject to Owner's priority to use the funds for the completion of the Work.

9. Surety shall not be liable to Owner, Claimants, or others for obligations of Contractor that are unrelated to the Contract. Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10. Surety hereby waives notice of any change, including changes of time, to the Contract or to related subcontracts, purchase orders, and other obligations.

11. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the Work or part of the Work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Paragraph 4.1 or Paragraph 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Contract, whichever of (1) or (2) first occurs. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12. Notice to Surety, Owner, or Contractor shall be mailed or delivered to the addresses shown on the signature page. Actual receipt of notice by Surety, Owner, or Contractor, however accomplished shall be sufficient compliance as of the date received at the address shown on the signature page.

13. When this Bond has been furnished to comply with a statutory requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory requirement shall be deemed deleted here from and provisions conforming to such statutory requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory Bond and not as a common law bond.

14. Upon request of any person or entity appearing to be a potential beneficiary of this Bond, Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15. Definitions

15.1 Claimant: An individual or entity having a direct contract with Contractor, or with a first-tier subcontractor of Contractor, to furnish labor, materials, or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service, or rental equipment used in the Contract, architectural and engineering services required for performance of the Work of Contractor and Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials, or equipment were furnished.

15.2 Contract: The agreement between Owner and Contractor identified on the signature page, including all Contract Documents and changes thereto.

15.3 Owner Default: Failure of Owner, which has neither been remedied nor waived, to pay Contractor as required by the Contract, or to perform and complete or otherwise comply with the other terms thereof.

FOR INFORMATION ONLY:

Name, Address and Telephone:

Surety Agency or Broker:

Owner's Representative (Engineer or other):

AGREEMENT

THIS AGREEMENT is made this day of , 2019, by and between the City of Yachats, hereinafter called Owner, and , hereinafter called Contractor, in consideration of mutual covenants hereinafter set forth, agree as follows:

1. Work. Contractor shall complete all work as specified in the contract documents and in accordance with the documents and drawings provided for the Project known as the Station Construction Project (Project).

2. Materials. Contractor will furnish all materials, supplies, tools, equipment, labor and other services necessary for the construction and completion of the Project described herein.

3. Contract Time. The Work will commence within ten (10) calendar days after the date of the Notice to Proceed and will be completed by the Contractor and accepted by the City no later than _____, 20___, unless the period for completion is extended otherwise by the contract documents or by written agreement of the parties.

4. Contract Price. Owner shall pay Contractor for performance of the Work in accordance with the documents the sum of $ as shown in Contractor's bid.

5. Liquidated Damages. Owner and Contractor acknowledge and agree that if the Work is not completed by the contract time, the amount of Owner's actual loss of use damages will be difficult and impractical, or impossible to determine. Accordingly, the parties agree that if the Project is not completed by the agreed upon date, as adjusted pursuant to the contract documents, the Contractor shall pay $_____ to Owner, as liquidated damages for the loss of use of the Project.

The parties further acknowledge and agree that the daily sum for liquidated damages to be paid, as set forth above, is reasonable and that the payment of such liquidated damages is not intended to nor constitutes a penalty or forfeiture. The parties further acknowledge that these liquidated damages are meant to reimburse the Owner only for loss of use delay damages and that Owner reserves the right to claim other types of damages against Contractor including but not limited to actual delay damages.

6. Progress Payments. Owner shall make progress payments on the basis of the Contractor's application for payment as approved by the Owner's representative on or about the last day of each month during construction as provided herein. All progress payments shall be on the basis of progress of the Work measured by the schedule of values provided for in Section 19 of the General Conditions. Prior to substantial completion, progress payments will be an amount equal to not more than 95% of the Work completed and 95% of the materials and equipment not incorporated in the Work, but delivered and suitably stored, less in each case the aggregate of payments previously made. Upon substantial completion, the Owner shall pay an amount sufficient to increase total payments to Contractor to 95% of the contract price, less such amounts as the Owner shall determine in accordance with Section 19 of the General Conditions. Final payment shall be upon final completion and acceptance of the Work. Approved partial payment estimates shall be reviewed and approved at the next regularly scheduled Board meeting.

7. Contract Documents. The term "contract documents" means and includes the following:

(a) Invitation to Bid;

(b) Instructions to Bidders;

(c) Bid;

(d) Bid Bond;

(e) Construction Agreement;

(f) First-Tier Subcontractor Disclosure Form

(g) Oregon Prevailing Wage Rates;

(h) General Conditions;

(i) Payment Bond;

(j) Performance Bond;

(k) Notice of Intent to Award;

(l) Notice to Proceed;

(m) Drawings and Specifications attached;

(n) Change Orders;

(o) Addenda; Number: Dated:

(p) Proof of Insurance

8. Contractor's Representations. In order to induce Owner to enter into this agreement, Contractor makes the following representations:

(a) Contractor has familiarized itself with the nature and extent of the contract documents, work, locality, and with all local conditions and any federal, state, and local laws, ordinances, rules, and regulations which, in any manner, may affect cost, progress, or performance of the Work;

(b) Contractor has studied carefully all reports, investigations, and tests of subsurface and latent physical conditions at the site which may affect cost, progress, or performance of work and which were relied upon in the preparation of the drawings and specifications;

(c) Contractor has made or has caused to be made examinations, investigations, tests and studies of reports and related data, in addition to those referred to in paragraph (b), which Contractor deems necessary for the performance of the Work, determination of the contract price, and completion of the Project within the contract time in accordance with the other terms and conditions of the contract documents. No additional examinations, investigations, tests, reports, or similar data are or will be required by Contractor for such purposes;

(d) Contractor has reconciled the results of all such observations, examinations, investigations, tests, reports, and data with the terms and conditions of the contract documents;

(e) Contractor has given the Owner's representative written notice of all conflicts, errors or discrepancies which he has discovered in the contract documents and the written resolution thereof by the Owner's representative is acceptable to the Contractor.

9. Miscellaneous.

(a) No assignment by a party hereto of any rights under or interests in the contract documents will be binding on another party to this contract without the written consent of the parties sought to be bound; and specifically but without limitation, monies which may become due and monies which are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law) and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the contract documents.

(b) This Agreement shall be binding upon all parties to the contract and their respective partners, successor, heirs, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the contractual documents.

THIS AGREEMENT is effective on the day of , 2019.

OWNER: CONTRACTOR:

By: By:

Address for giving notices:

Address for giving notices:

ATTEST:

ATTEST:

Agent for Service of Process

License #

GENERAL CONDITIONS

Section 1. Definitions. Whenever used in these General Conditions or in the other contract documents, the following terms have the meanings indicated which are applicable in both the singular and plural or masculine or feminine thereof:

1. Addenda. Written or graphic instruments issued prior to the execution of the Agreement which modify or interpret the contract documents, Drawings and specifications by additions, deletions, clarifications, or corrections.

2. Bid. The offer or proposal of the bidder submitted on the prescribed form setting forth the prices for the Work to be performed.

3. Bonds. Bid, performance and payment bonds and other instruments of security.

4. Change Order. A written order to the Contractor signed by the Owner authorizing an addition, deletion or revision in the Work, or an adjustment in the contract price or the contract time issued after the effective date of the Agreement.

5. Contract Price. The total monies payable to the Contractor under the terms and conditions of the contract documents.

6. Contract Time. The number of calendar days stated in the contract documents for completion of the Work.

7. Contractor. The person, firm, or corporation with whom the Owner has executed the Agreement.

8. Drawings. The part of the contract documents which show the characteristics and scope of the Work to be performed and are referred to in the contract documents.

9. Owner's Representative. That person appointed by the Board of Directors of the Owner to act as the Owner's Representative in all matters relating to this contract.

10. Field Order. A written order issued by the Owner's Representative which orders minor changes in Work not involving an adjustment in the contract price or an extension of the contract time.

11. Substantial Completion. The date certified by the Owner's Representative when the construction of the Project or a specified part thereof is sufficiently completed in accordance with the contract documents so that the Project or a specified part can be utilized for purposes for which it is intended.

12. Subcontractor. An individual, firm, or corporation having a direct contract with the Contractor or with any other Subcontractor for the performance of a part of the Work at the site.

13. Supplier. Any person or organization who supplies materials or equipment for the Work, including that fabricated to a special design but who does not perform labor at the site.

14. Work. All labor necessary to produce the construction required by the contract documents and all materials and equipment incorporated or to be incorporated in the Project.

15. Written Notice. Any notice to any party to the Agreement, or relative to any part of this Agreement, in writing is considered delivered and service completed when posted by certified mail or registered mail to the party at the party's last given address as shown on the Agreement, or when delivered in person to the party or the party's authorized representative on the worksite.

Section 2. Preliminary Matters.

1. Delivery of Bonds. When the Contractor delivers the executed Contract Documents to the Owner, Contractor shall also deliver to Owner such bonds as the Contractor may be required to furnish.

2. Copies of Documents. Owner shall furnish to Contractor up to three (3) copies of the contract documents. Additional copies will be furnished upon request at the cost of reproduction.

3. Commencement of Contract Time. The contract time will commence to run on the day indicated in the Notice to Proceed.

4. Insurance. Before undertaking any Work on the Project, Contractor shall obtain and, during the life of this Agreement, Contractor shall maintain the following minimum public liability and property damage insurance naming the Owner as an additional insured, which shall protect the Owner and the Contractor from claims for injuries, including accidental death, as well as from claims for property damage which may arise out of or result from Contractor's performance of the Work and Contractor's other obligations under the Contract Documents whether such performance is by Contractor or any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

(a) Commercial general liability insurance, including personal injury liability, blanket contractual liability and broad form property damage liability. The combined single limit for bodily injury and property damage shall not be less than $2,000,000.

(b) Statutory workers' compensation and employer's liability insurance for the State of Oregon.

Contractor shall provide the Owner with certificates of insurance before undertaking any Work on the Project. Insurance policies shall not be amended, canceled or terminated without 30-days prior written notice to the Owner.

5. Owner Insurance. The Owner shall be responsible for purchasing and maintaining its own liability insurance. Owner shall also purchase and maintain property insurance upon the Work at the site to the full insurable value thereof and shall include the interest of the Owner, Contractor and Subcontractors in the Work against the perils of fire and extended coverage. All other risk of loss at the Work site shall be borne by Contractor until acceptance of building by Owner.

6. Subrogation Waiver. Owner and Contractor waive all rights against each other, their agents and any Subcontractors and their agents and employees for damages caused by fire or other perils to the extent covered by insurance provided for in this Section. The Contractor shall require similar written waivers from each Subcontractor and each such waiver shall be in favor of all other parties enumerated in this paragraph.

Section 3. Contract Documents.

1. The contract documents comprise the entire agreement between Owner and Contractor concerning the Work. They may be altered only by written modification, as provided in this Agreement.

2. The contract documents are complementary; what is called for by one is binding as if called for by all. If, during the performance of the Work, Contractor finds a conflict, error or discrepancy in the contract documents, Contractor shall report it to the Owner's Representative in writing at once and before proceeding with the Work affected by the conflict.

3. It is the intent of the specifications and Drawings to describe the complete Project to be constructed in accordance with the contract documents. Any Work which may reasonably be inferred from the specifications or Drawings as being required to produce the intended result shall be supplied whether or not it is specifically called for. When words which have a well-known technical or trade meaning are used to describe Work, materials, or equipment, such words shall be interpreted in accordance with such meaning. Reference to standard specifications, manuals, or codes of any technical society, organization, or association, or to the code of any governmental authority, whether such reference be specific or by implication, shall mean the latest standard, specification, manual or code in effect at the time of the opening of the bid, except as may be otherwise specifically stated. However, no provision of any reference, standard, specification, manual or code shall change the duties and responsibilities of the Owner, Contractor, or any of their agents or employees from those set forth in the contract documents. Clarifications and interpretations of the contract documents shall be issued by the Owner's Representative.

4. Re-use of Documents. Neither Contractor nor any Subcontractor, manufacturer, fabricator, Supplier, or distributor shall have or acquire any title to or ownership rights in any of the Drawings, specifications, or other documents which are a part of this contract. They may not be reused by any party without the express written consent of the Owner and of the preparer of the Drawings.

Section 4. Materials, Service and Facilities.

1. It is understood that, except as otherwise specifically stated in the contract documents, the Contractor shall provide and pay for all materials, labor, tools, equipment, water, lights, power, transportation, supervision, temporary construction of any nature, and all other services and facilities of any nature whatsoever necessary to execute, complete, and deliver the Work within the specified time.

2. Materials and equipment shall be stored so as to ensure the preservation of their quality and fitness for the Work. Stored materials and equipment to be incorporated in the Work shall be located so as to facilitate prompt inspection. All materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned as directed by the manufacturer.

3. All materials and equipment shall be of good quality and new except as otherwise provided in the contract documents.

4. Equivalent Materials and Equipment. Whenever materials or equipment are specified or described in Drawings or specifications by using the name of proprietary item or the name of a particular manufacturer, fabricator, Supplier or distributor, the name of the item is intended to establish the type, function and quality required. Unless the name is followed by words indicating that no substitution is permitted, materials or equipment of other manufacturers, fabricators, Suppliers, or distributors may be accepted by the Owner's Representative if sufficient information is submitted by Contractor to allow the Owner's Representative to determine that the material proposed is equivalent to that named.

5. Contractor shall be fully responsible for all acts and omissions of its Subcontractors and of persons and organizations directly or indirectly employed by Contractor and any Subcontractor and of persons or organizations for whose acts any of them may be liable to the same extent Contractor is responsible for the acts and omissions of persons directly employed by Contractor. Nothing in these documents creates any obligation on the part of the Owner to pay or to see to the payment of any monies due any Subcontractor or other person or organization except as may otherwise be required by law.

Section 5. Fees, Taxes and Permits.

1. Contractor shall pay all applicable royalties and license fees. Contractor shall defend all suits or claims for infringement of any patent rights and save Owner harmless from loss on account thereof.

2. All permits and licenses, [including SDC or other governmental fees, licenses, and inspections] required for construction shall be obtained at the expense of Contractor. Owner shall assist the Contractor when necessary in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the prosecution of the Work and which are applicable at the time of Bid opening. Contractor shall pay all charges of utility service companies for connections to the Work. Contractor shall pay all sales, consumer, use and other similar taxes required to be paid by Contractor in accordance with the laws of the place of the Project.

Section 6. Survey, Permits and Regulations.

1. Owner shall furnish all boundary surveys and establish all base lines for locating principal component parts of the Work together with a suitable number of bench marks adjacent to the Work as shown in the contract documents. From the information provided by Owner, unless otherwise specified in the contract documents, Contractor shall develop and

make all detailed surveys needed for construction such as slope stakes, stakes for piling locations, and other working points, lines, elevations and cut sheets.

2. The Contractor shall carefully preserve bench marks, reference points and stakes and, in case of willful or careless destruction, Contractor shall be charged with the resulting expense and shall be responsible for any mistakes which may be caused by unnecessary loss or disturbance.

Section 7. Protection of Work, Property and Persons.

Contractor will be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. Contractor will take all necessary precautions for the safety of, or provide the necessary protection to prevent injury, damage, or loss, to all employees on the worksite and other persons who may be affected. Contractor shall also be responsible for all safety precautions regarding all Work and all materials or equipment to be incorporated into the Work, whether in storage on or off the site, and the property at the site or adjacent to it, including trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designed for removal, relocation, or replacement in the course of construction. Contractor will remedy all damage, injury or loss to any property caused, directly or indirectly, in whole or in part, by the Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or any for whose acts any of them may be liable except for acts directly attributable to Owner or Owner's Representative or any person employed by either of them whose acts are not attributable directly or indirectly in whole or in part to the fault or negligence of Contractor.

Section 8. Supervision by Contractor.

The Contractor will supervise and direct the Work. Contractor will be solely responsible for the means, methods, techniques, sequences, and procedures of construction. Contractor will employ and maintain on the Work a qualified supervisor who shall have been designated in writing by Contractor as Contractor's representative at the site. The supervisor shall have full authority to act on behalf of Contractor and all communications given to the supervisor shall be as binding as if given to Contractor. The supervisor shall be present on the site at all times as required to perform adequate supervision and coordination of the Work.

Section 9. Changes in Work.

Owner, at any time the need arises, may order changes in the scope of the Work without invalidating the Agreement. If such changes increase or decrease the amount due under the contract documents, or the time required for performance of the Work, an equitable adjustment shall be authorized by Change Order. Owner or its representative may also, at any time, by issuing a Field Order, make changes in the details of the Work. Contractor shall proceed with the performance of any changes in the Work so ordered, unless Contractor believes that such Field Order entitles Contractor to a change in Contract Price or Contract Time, or both, in which event Contractor shall give Owner's Representative Written Notice of the proposed Change Order within two (2) days after receipt of the Field Order. Contractor shall document in Contractor's notice the basis for the change in Contract Price or Contract Time by separate notice delivered within five (5) days of the date of the Written Notice of the proposed Change Order. Contractor shall not execute such changes pending the receipt of an executed Change Order or further instruction from Owner.

Section 10. Changes in Contract Price.

The Contract Price may be changed only by a written, signed Change Order. The value of any Work covered by a Change Order or of any claim for increase or decrease in the Contract Price shall be determined by one or more of the following methods in the order of precedence listed below:

1. Unit prices previously approved.

2. An agreed lump sum.

3. The actual cost of labor, direct overhead, materials, supplies, and other services necessary to complete the Work plus an amount not to exceed 10% of the actual Work to cover the cost of general overhead profit.

Section 11. Limitation on Liquidated Damages.

Contractor shall not be charged with liquidated damages when the delay in completion of the Work is due to the following and Contractor has promptly given Written Notice of such delay to Owner or its representative:

1. Unforeseeable causes beyond the control and without the fault or negligence of Contractor, including but not restricted to acts of God or of the public enemy, acts of Owner, acts of another Contractor in performance of the contract with the Owner, fires, floods, epidemics, quarantine restriction, strikes, freight embargoes, and abnormal and unforeseen weather; and

2. Any delays of Subcontractors occasioned by any of the causes specified above.

Section 12. Correction of Work.

1. Contractor shall promptly remove from the premises all Work rejected by Owner's Representative for failure to comply with the contract documents, whether incorporated in construction or not, and Contractor shall promptly replace and re execute the Work in accordance with the contract documents and without expense to Owner and shall bear the expense of making good all Work of other contractors destroyed or damaged by such removal or replacement.

2. All removal and replacement Work shall be done at Contractor's expense. If Contractor does not take action to remove rejected Work within five (5) days after receipt of Written Notice of rejection, Owner may remove such Work and store the materials at the expense of Contractor.

Section 13. Subsurface Conditions.

Contractor shall promptly and before such conditions are disturbed, except in the event of an emergency, notify Owner by Written Notice of:

1. Subsurface or latent physical conditions at the site differing materially from those indicated in the contract documents.

2. Unknown physical conditions at the site of an unusual nature, differing markedly from those ordinarily encountered and generally recognized as inherent in Work of the character provided for in the contract.

Owner shall promptly investigate the conditions and if found that such conditions do so materially differ and cause an increase or decrease in the cost of or in the time required for performance of the Work, an equitable adjustment shall be made and the contract documents shall be modified by a change order. Any claim of Contractor for adjustment hereunder shall not be allowed unless he has given the required Written Notice.

Section 14. Suspension of Work, Termination Delay.

1. If Contractor is adjudged a bankrupt or insolvent or if Contractor makes a general assignment for the benefit of Contractor's creditors, or if a trustee or receiver is appointed for the Contractor or for any of Contractor's property, or if Contractor files a petition to take advantage of any debtor's act or to reorganize under bankruptcy or applicable laws, or if Contractor repeatedly fails to supply sufficient skilled workmen or suitable material or equipment, or if Contractor repeatedly fails to make prompt payments to Subcontractors for labor, materials, or equipment, or if Contractor disregards laws, ordinances, rules, regulations, or orders of any public body having jurisdiction of the Work, or if Contractor disregards the authority of Owner's Representative or if Contractor otherwise violates any provision of the contract documents, then Owner may, without prejudice to any other right or remedy, after giving Contractor and Contractor's surety a minimum of five (5) days' Written Notice, terminate the services of the Contractor and take possession of the Project and all materials, equipment, tools, construction equipment, and machinery owned by Contractor and finish the Work by whatever method Owner may deem expedient. In such case, Contractor shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the contract price exceeds the direct and indirect costs of completing the Project, including compensation for additional professional services, such excess shall be paid to Contractor. If the costs exceed such unpaid balances, Contractor will pay the difference to Owner. Such costs incurred by Owner will be determined by Owner and incorporated in a change order.

2. Where Contractor's services have been terminated under Section 14.1, by Owner, the termination shall not affect any right of Owner against Contractor then existing or which may thereafter accrue. Any retention or payment of monies by Owner due Contractor will not release Contractor from compliance with the contract documents.

3. After five (5) days from delivery of Written Notice under Section 14.1 to Contractor, Owner may, without cause and without prejudice to any other right or remedy, elect to

abandon the Project and terminate the contract. In such case, Contractor shall be paid for all Work executed and any reasonable expense sustained plus reasonable profit for the Work performed.

Section 15. Equal Opportunity.

Contractor agrees to comply with the applicable provisions of the Equal Opportunity Act of 1972 and the Civil Rights Act of 1964 as amended. Contractor shall have the obligation to ensure that the employees and applicants for employment are not discriminated against because of race, creed, color, sex, or national origin.

Section 16. Public Contracting Code Requirements.

1. Contractor shall pay promptly, as due, all persons supplying labor or materials for the prosecution of the Work provided for in the contract, and shall be responsible for such payment of all persons supplying such labor or material to any Subcontractor.

(a) ORS 279C.580(3)(a) requires the prime Contractor to include a clause in each subcontract requiring Contractor to pay the first-tier Subcontractor for satisfactory performance under its subcontract within ten (10) days out of such amounts as are paid to the prime Contractor by the public contracting agency; and

(b) ORS 279C.580(3)(b) requires the prime Contractor to include a clause in each subcontract requiring Contractor to pay an interest penalty to the first-tier Subcontractor if payment is not made within thirty (30) days after receipt of payment from the public contracting agency.

(c) ORS 279C.580(4) requires the prime Contractor to include in every subcontract a requirement that the payment and interest penalty clauses required by ORS 279C.580(3)(a) and (b) be included in every contract between a Subcontractor and a lower-tier Subcontractor or Supplier.

2. Contractor shall promptly pay all contributions or amounts due the Industrial Accident Fund from such Contractor or Subcontractor incurred in the performance of the contract, and shall be responsible that all sums due the State Unemployment Compensation Fund from Contractor or any Subcontractor in connection with the performance of the contract shall promptly be paid.

3. Contractor shall not permit any lien or claim to be filed or prosecuted against the Owner on account of any labor or material furnished and agrees to assume responsibility for satisfaction of any such lien so filed or prosecuted.

4. A notice of claim on Contractor's payment bond shall be submitted only in accordance with ORS 279C.600 and 279C.605.

5. Contractor and any Subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

6. Contractor shall demonstrate to Owner that an employee drug-testing program is in place within ten (10) days of receiving a Notice of Award.

7. Pursuant to ORS 279C.515, if Contractor fails, neglects or refuses to make prompt payment of any claim for labor or materials furnished to the Contractor or a Subcontractor by any person in connection with the contract as such claim becomes due, the Owner may pay such claim to the persons furnishing the labor or material and charge the amount of payment against funds due or to become due to Contractor by reason of the contract. The payment of a claim in the manner authorized hereby shall not relieve the Contractor or its surety from their obligations with respect to any unpaid claim. If Owner is unable to determine the validity of any claim for labor or material furnished, Owner may withhold from any current payment due Contractor an amount equal to said claim until its validity is determined and the claim, if valid, is paid.

8. Pursuant to ORS 279C.515, if the Contractor or a first-tier Subcontractor fails, neglects, or refuses to make payment to a person furnishing labor or materials in connection with the public contract for a public improvement within 30 days after receipt of payment from Owner or Contractor, the Contractor or first-tier Subcontractor shall owe the person the amount due plus interest charges commencing at the end of the 10 day period that payment is due under ORS 279C.580(4) and ending upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest charged to Contractor or first-tier Subcontractor on the amount due shall equal three times the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve City that includes Oregon on the date that is thirty (30) days after the date when payment was received from the public contracting agency or from the Contractor, but the rate of interest shall not exceed thirty (30) percent. The amount of interest may not be waived.

9. As provided in ORS 279C.515, if the Contractor or a Subcontractor fails, neglects, or refuses to make payment to a person furnishing labor or materials in connection with the public contract, the person may file a complaint with the Construction Contractors Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580.

10. Pursuant to ORS 279C.530, Contractor shall promptly, as due, make payment to any person, co-partnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all monies and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.

11. Contractor shall employ no person for more than ten (10) hours in any one day, or forty (40) hours in any one week, except in cases of necessity, emergency, or where public policy absolutely requires it, and in such cases, except in cases of contracts for personal services designated under ORS 279A.055, Contractor shall pay the employee at least time and one-half pay for all overtime in excess of eight (8) hours a day or forty (40) hours in any one week when the Work is five (5) consecutive days, Monday through Friday; or for all overtime in excess of ten (10) hours a day or forty (40) hours in any one week when the Work week is 4 consecutive days, Monday through Friday; and for all Work performed on Saturday and on any legal holidays as specified in ORS 279C.540.

12. Pursuant to ORS 279C.540(2), the Contractor must give notice to employees who Work on this contract in writing, either at the time of hire or before commencement of Work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and the days per week that the employees may be required to Work.

13. The provisions of ORS 279C.800 to ORS 279C.870 relating to the prevailing wage rates will be complied with.

(a) The hourly rate of wage to be paid by Contractor or any Subcontractor to workers in each trade or occupation required for the public works employed in the performance of this Contract shall not be less than the specified minimum rate of wage in accordance with ORS 279C.838 and ORS 279C.840.

(b) The latest prevailing wage rates for public works contracts in Oregon are contained in the following publications: The January 1, 2019, Prevailing Wage Rates for Public Works Projects in Oregon, including the April 1, 2019, July 1, 2019 Amendments. Such publication can be reviewed electronically at:

https://www.oregon.gov/boli/WHD/PWR/Pages/PWR-Rate-Publications---2019.aspx

and are hereby incorporated as part of the contract documents.

(c) Contractor and all Subcontractors shall keep the prevailing wage rates for this Project posted in a conspicuous and accessible place in or about the Project.

(d) The Owner shall pay a fee to the Commissioner of the Oregon Bureau of Labor and Industries as provided in ORS 279C.825. The fee shall be paid to the Commissioner as required by the administrative rules adopted by the Commissioner.

(e) If Contractor or any Subcontractor also provides for or contributes to a health and welfare plan or a pension plan, or both, for its employees on the Project, it shall post notice describing such plans in a conspicuous and accessible place in or about the Project. The notice shall contain information on how and where to make claims and where to obtain future information.

14. Unless exempt under ORS 279C.836(4), (7), (8) or (9), before starting Work on this contract, or any subcontract hereunder, Contractor and all Subcontractors must have on file with the Construction Contractors Board a public works bond with a corporate surety authorized to do business in the State of Oregon in the amount of $30,000. The bond must provide that the Contractor or Subcontractor will pay claims ordered by the Bureau of Labor

and Industries to workers performing labor upon public works projects. The bond must be a continuing obligation, and the surety's liability for the aggregate of claims that may be payable from the bond may not exceed the penal sum of the bond. The bond must remain in effect continuously until depleted by claims paid under ORS 279C.836(2), unless the surety sooner cancels the bond. The surety may cancel the bond by giving thirty (30) days' Written Notice to the Contractor or Subcontractor, to the Construction Contractors Board and to the Bureau of Labor and Industries. When the bond is canceled, the surety is relieved of further liability for Work performed on contracts entered into after the cancellation. The cancellation does not limit the surety's liability for Work performed on contracts entered into before the cancellation. Contractor further certifies that Contractor will include in every subcontract a provision requiring a Subcontractor to file a public works bond with the Construction Contractors Board before starting Work on the Project, unless exempt under ORS 279C.836(4), (7), (8), or (9).

(a) Unless exempt under ORS 279C.836(4), (7), (8), or (9), before permitting a Subcontractor to start Work on this public works project, the Contractor shall verify that the Subcontractor has filed a public works bond as required under this section or has elected not to file a public works bond under ORS 279C.836(7).

(b) Unless the Owner has been notified of any applicable exemptions under ORS 279C.836(4), (7), (8), or (9), the public works bond requirement above is in addition to any other bond Contractor or Subcontractors may be required to obtain under this contract.

15. As may be required by ORS 279C.845, Contractor or Contractor's surety and every Subcontractor or Subcontractor's surety shall file certified payroll statements with the Owner in writing.

(a) If Contractor is required to file certified statements under ORS 279C. 845, the Owner shall retain twenty-five (25) percent of any amount earned by the Contractor on the public works project until the Contractor has filed with the Owner a certified statement as required by ORS 279C.845. The Owner shall pay the Contractor the amount retained within 14 days after the Contractor files the required certified statements, regardless of whether a Subcontractor has failed to file certified statements required by statute. The Owner is not required to verify the truth of the contents of certified statements filed by the Contractor under this section and ORS 279C.845.

(b) The Contractor shall retain twenty-five (25) percent of any amount earned by a first-tier Subcontractor on this public works contract until the Subcontractor has filed with the Owner certified statements as required by ORS 279C.845. The Contractor shall

verify that the first-tier Subcontractor has filed the certified statements before the Contractor may pay the Subcontractor any amount retained. The Contractor shall pay the first-tier Subcontractor the amount retained within fourteen (14) days after the Subcontractor files the certified statements as required by ORS 279C.845. Neither the Owner nor the Contractor is required to verify the truth of the contents of certified statements filed by a first-tier Subcontractor.

16. All employers, including Contractor, that employ subject workers who Work under this contract shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Contractor shall ensure that each of its Subcontractors complies with these requirements.

17. All sums due the State Unemployment Compensation Fund from the Contractor or any Subcontractor in connection with the performance of the contract shall be promptly so paid.

18. The contract may be canceled at the election of Owner for any willful failure on the part of Contractor to faithfully perform the contract according to its terms.

19. Contractor certifies that it has not and will not discriminate against minorities, women or emerging small business enterprises in obtaining any required Subcontractors, or against a business enterprise that is owned or controlled by, or that employs a disabled veteran as defined in ORS 408.225.

20. Contractor certifies its compliance with the Oregon tax laws, in accordance with ORS 305.385.

21. In the performance of this contract, the Contractor shall use, to the maximum extent economically feasible, recycled paper, materials, and supplies, and shall compost or mulch yard waste material at an approved site, if feasible and cost effective.

22. As may be applicable, Contractor certifies that all Subcontractors performing construction Work under this contract will be registered with the Construction Contractors Board or licensed by the state Landscaping Contractors Board in accordance with ORS 701.035 to ORS 701.055 before the Subcontractors commence Work under this contract.

23. Pursuant to City Rule 137-049-0880, the Owner may, at reasonable times and places, have access to and an opportunity to inspect, examine, copy, and audit the records relating to the Contract.

24. Pursuant to ORS 279C.510, if feasible and cost-effective and contract is for demolition, Contractor shall salvage or recycle construction and demolition debris.

25. Pursuant to ORS 279C.510, if feasible and cost-effective and contract is for lawn and landscape maintenance, Contractor shall compost or mulch yard waste material at an approved site.

26. In compliance with the provisions of ORS 279C.525, the following is a list of federal, state and local agencies, of which the Owner has knowledge, that have enacted ordinances or regulations dealing with the prevention of environmental pollution and the preservation of natural resources that may affect the performance of the contract:

FEDERAL AGENCIES:

- Agriculture, Department of
  - Forest Service
  - Soil Conservation Service
- Defense, Department of
  - Army Corps of Engineers
- Environmental Protection Agency
- Interior, Department of
  - Bureau of Sport Fisheries and Wildlife
  - Bureau of Outdoor Recreation
  - Bureau of Land Management
  - Bureau of Indian Affairs
  - Bureau of Reclamation

- Labor, Department of
  - Occupational Safety and Health Administration
- Transportation, Department of
  - Federal Highway Administration
- Homeland Security, Department of
  - Coast Guard

STATE AGENCIES:

- Agriculture, Department of
- Environmental Quality, Department of
- Fish and Wildlife, Department of
- Forestry, Department of
- Geology and Mineral Industries, Department of
- Human Resources, Department of
- Land Conservation and Development Commission
- Soil and Water Conservation Commission
- State Engineer
- State Land Board
- Water Resources Board

LOCAL AGENCIES:

- City Council
- County Court
- County Commissioners, Board of
- Port District

- Metropolitan Service District
- County Service District
- Sanitary District
- Water District
- Fire Protection District

24. Once before the first payment and once before final payment is made of any sum due on account of the contract for a public work, Contractor or Contractor's surety and every Subcontractor with a Subcontractor's surety, shall file a statement with Owner in writing in the form prescribed by the Commissioner of the Bureau of Labor and Industries, certifying the hourly rate of wage paid each classification of worker which Contractor or Subcontractor has employed upon such public work, and further certifying that no worker employed upon such public work has been paid less than the prevailing rate of wage or less than the minimum hourly rate of wage specified in the contract, which certificate and statement shall be verified by the oath of Contractor or Contractor's surety or Subcontractor or the Subcontractor's surety, that Contractor or Subcontractor has read such statement and certificate, knows the contents thereof, and that the same is true to Contractor's or Subcontractor's knowledge. A true copy of the certification or certifications required to be filed pursuant to this section shall also be filed at the same time with the Commissioner of the Bureau of Labor and Industries.

Section 17. Warranty and Guarantee.

1. Contractor warrants and guarantees to Owner that all Work will be done in accordance with the Contract Documents and will not be defective. Prompt notice of all defects shall be given to Contractor. All defective Work, whether or not in place, may be rejected, corrected or accepted. Contractor understands that the City of Yachats and their various departments, and agencies, must be consulted and be allowed to inspect the Work and sign off in each particular area. At all times Owner's Representative and appropriate inspectors shall have access to the Work for inspection and testing. Contractor shall provide proper and safe conditions for such access.

2. Where any law, ordinance, rule, regulation, code, or other order of any public body having jurisdiction requires any Work or part thereof to specifically inspected, tested or approved, Contractor shall assume full responsibility for such inspection, testing, or approval, and pay all costs in connection therewith and furnish Owner's Representative with the required certificates of inspection, testing or approval. If any Work to be inspected, tested,

or approved is covered without written concurrence of Owner's Representative, it must be, if requested, uncovered for observation. Such uncovering shall be at Contractor's expense.

3. Neither observations by the Owner's Representative nor inspection tests or approvals by others shall relieve the Contractor from his obligations to perform the Work in accordance with the contract documents.

4. If, within two (2) years after the date of final completion and sign off and payment of any retainage by Owner to Contractor, there is any defect in materials or workmanship, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions, either correct such defective Work or, if it has been rejected by Owner, remove it from the site and replace it with non-defective Work. If Contractor does not promptly comply with the terms of such instructions, or in an emergency where a delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or the rejected Work removed and replaced. All direct or indirect costs of such removal or replacement, including compensation for additional professional services, shall be paid by Contractor. Such additional professional services include the services of any attorney employed by Owner to assist it in dealings with Contractor. If Contractor does not pay for such Work, or does not ensure that such Work is performed as required by this section, Owner may pursue reimbursement from Contractor, including pursuing a claim upon Contractor's bond, if applicable, for payment of such Work. All notices sent to Contractor shall have copies sent to Contractor's surety.

5. Contractor warrants and guarantees that title to all Work, materials, and equipment covered by the application for payment, whether incorporated in the Project or not, will pass to Owner at the time of payment, free and clear of all liens, claims, security interests and encumbrances of any party whomsoever.

Section 18. Bond Form.

Payment and Performance Bonds shall be in the form provided within the Invitation to Bid packet. Bid Bonds shall be in the standard form of the issuing company. If a standard form is not available, the AIA Form A-310 shall be acceptable for the Bid Bond.

Section 19. Payments to Contractor.

1. By the 5th day of each month, Contractor will submit to Owner's Representative a partial payment estimate filled out and signed by Contractor covering the Work performed during the period covered by the partial payment estimate and supported by such data as Owner's Representative may reasonably require. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at or near the site, the partial payment estimate shall also be accompanied by such supporting data, satisfactory to Owner, as will establish Owner's title to the material and equipment, and protect its interest therein, including applicable insurance. Owner's Representative will, within ten (10) days after receipt of each partial payment estimate, either indicate in writing his approval of payment and present the partial payment estimate to Owner, or return the partial payment estimate to Contractor indicating in writing his reasons for refusing to approve payment. In the latter case, Contractor may make the necessary corrections and resubmit the partial payment estimate. Owner will, within ten (10) days of the next Board meeting after presentation by Owner's Representative of an approved partial payment estimate, pay Contractor a progress payment on the basis of the approved partial payment estimate. Owner shall retain five percent (5%) of the amount of each payment until final completion and acceptance of all Work covered by the contract documents. After fifty percent (50%) of the Work has been completed, Owner may, at Owner's sole discretion, reduce or eliminate retainage on the remaining progress estimates. When the Work is substantially complete, Owner may, at Owner's sole discretion, further reduce the retained amount below 5% to only that amount necessary to assure completion. On completion and acceptance of a part of the Work on which the price is stated separately in the contract documents, Owner may, in Owner's sole discretion, pay for that part of the Work in full, including retained percentages, less authorized deductions.

2. A request for payment may also include an allowance for the cost of such major materials and equipment which are suitably stored either at or near the site.

3. Prior to Substantial Completion, Owner, with the approval of Owner's Representative and with the concurrence of the Contractor, may use any completed or substantially completed portions of the Work. Such use shall not constitute an acceptance of such portions of the Work.

4. Owner shall have the right to enter the premises for the purpose of doing Work not covered by the contract documents. This provision shall not be construed as relieving Contractor of the sole responsibility for the care and protection of the Work, or the restoration of any damaged Work except such as may be caused by agents or employees of Owner. Such entry or Work shall only be allowed to the extent it does not interfere with Contractor's Work.

5. Upon completion and acceptance of the Work, Owner's Representative shall issue a certificate attached to the final payment request that the Work has been accepted by him under the conditions of the contract documents. The entire balance found to be due the Contractor, including the retained percentages, but except such sums as may be lawfully retained by Owner, shall be paid to the Contractor within thirty (30) days of the issuance of the certificate of completion and acceptance of the Work.

6. Contractor will indemnify and save Owner and Owner's officials, employees, agents, and volunteers harmless from all claims arising out of the lawful demands of Subcontractors, laborers, workmen, mechanics, materialmen, and furnishers or machinery and parts thereof, equipment, tools, and all supplies, incurred in the furtherance of the performance of the Work. Contractor shall, at Owner's request, furnish satisfactory evidence that all obligations of the nature designated above have been paid, discharged or waived. If Contractor fails to do so, Owner may, after having notified Contractor, either pay unpaid bills or withhold from Contractor's unpaid compensation a sum of money deemed reasonably sufficient to pay any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged whereupon payment to Contractor shall be resumed in accordance with the terms of the contract documents, but in no event shall the provisions of this Section be construed to impose any obligations upon Owner to either Contractor, Contractor's surety or any third party. In paying any unpaid bills of Contractor, any payment so made by Owner shall be considered as a payment made under the contract documents by Owner to Contractor and Owner shall not be liable to Contractor for any such payments made in good faith.

7. If Owner fails to make payment thirty (30) days after approval of a partial payment estimate by Owner's Representative, in addition to the other remedies available to Contractor, there shall be added to each such payment interest at the maximum legal rate commencing on the first day after said payment is due and continuing until the payment is received by the Contractor.

Section 20. Cleanup.

1. From time to time as the Work progresses and immediately after completion of the Work, Contractor shall clean up and remove all refuse and unused materials of any kind resulting from the Work. Upon failure of Contractor to do so within 24 hours after being so directed by Owner's Representative, the Work may be done by Owner and the cost thereof may be deducted from any payment due Contractor.

2. After all other Work embraced in the contract is completed and before final acceptance of the contract, the entire right of way and driveways, alleys, and side street

approaches, slopes, ditches, utility trenches, and construction areas shall be neatly finished to the lines, grades and cross sections shown in the specifications.

3. As a condition precedent to final acceptance of the Project, Contractor shall remove all equipment and temporary structures, and all rubbish, waste and generally clean the right of way and premises.

Section 21. Use of Light, Power and Water.

Contractor shall furnish temporary light, power, and water complete with connecting piping, wiring, lamps, and similar equipment necessary before the Work is improved. Contractor shall install, maintain and remove temporary lines upon completion of Work. Contractor shall obtain all permits and bear all costs for connection with temporary services and facilities at no expense to Owner.

Section 22. Arbitration.

1. All claims, disputes, and other matters in question between Owner and Contractor arising out of, or relating to, the contract documents, including rescission, reformation, enforcement, or the breach of the terms thereof, except for claims which may have been waived by the making or acceptance of final payment or for acquisition of property subject to eminent domain, may be decided by arbitration. Owner shall have the sole discretion as to whether or not a dispute will be decided by arbitration conducted in Lincoln County, Oregon, rather than through the court process.

2. No demand for arbitration of any claimed dispute or other matter shall be effective until after a claim or demand regarding the underlying dispute is made to the City's Board and the Board at its next regularly scheduled meeting, has rendered a written decision with respect thereto denying the claim or demand. No demand for arbitration of the denial of any such claim, dispute, or other matter shall be made later than thirty (30) days after the date on which the Board of Directors has rendered a written decision denying the claim. The failure to demand arbitration within thirty (30) days of the date of the Board of Director's decision denying the claim shall result in the Board of Director's decision being binding upon Owner and Contractor.

3. Notice of demand for arbitration shall be filed in writing with the other party to the agreement. The demand for arbitration shall be made within the 30 day period specified above. Owner, if not the party demanding arbitration, has the option of allowing the matter to proceed with arbitration or by Written Notice within five (5) days after receipt of a demand for arbitration, or rejecting arbitration and requiring Contractor to proceed through the courts for relief. Arbitration shall be conducted under the Uniform Arbitration Act, ORS 36.600 et seq. If the parties are unable to mutually select an arbitrator within twenty (20) days following Owner's decision to pursue arbitration, then each party shall select an arbitrator, and the two arbitrators shall select a single arbitrator. The arbitrator(s) shall have substantial experience in construction disputes. The parties agree that any award rendered by the arbitrator will be final, and judgment may be entered upon the award in any court having jurisdiction thereof, and will not be subject to modification or appeal except to the extent permitted by Oregon law.

Section 23. Attorney Fees.

If suit, action or arbitration is brought either directly or indirectly to rescind or enforce the terms of this agreement, the prevailing party shall recover and the losing party hereby agrees to pay reasonable attorney's fees incurred in such proceeding, in both the trial and appellate courts, as well as any costs and disbursements. Further, if it becomes necessary for Owner to incur the services of an attorney to enforce any provision of this agreement without initiating litigation, Contractor agrees to pay Owner's attorney's fees so incurred. Such costs and fees shall bear interest at the maximum legal rate from the date incurred, until the date paid by losing party.

SPECIFICATIONS

[INSERT SPECIFICATIONS]

City Council Action Item Cover Sheet

DATE: July 17, 2019

Agenda Item:

Review & Update to Section 4.04

Question Before Council:

Consider the following Update to Municipal Code 4.04

Person/Group Initiating Request:

Mayor Moore

Item Summary/Background:

The policy issue addressed in the attached is to exempt certain garage sales ro obtain a business license. The definition has been adjusted to exempt up to 4 times per year as a discussion starting point for Council. This update also removes terms that are defined but never used in the business license chapter. None of these terms are used in Chapter 4.04 so there is no need for their definitions.

By Charter, this will need to be heard, considered, and voted on twice.

After discussion, the City Manager recommends that the following motion be considered: "I move, that Ordinance 359, amending Chapter 4.04, be accepted."

Section 4.04.020 Definitions.

For the purpose of licensing businesses in the City, the following definitions apply:

~~"Amusement device" means any game, device or machine kept, operated or played in any place of business or other place where the public is invited or permitted to attend and which may be played by the insertion of coins.~~

~~"Arcade" means any business whose primary purpose is providing entertainment by the playing of amusement devices.~~

"Business" means any trade, occupation, calling, profession, pursuit or activity which is carried on for the purpose of profit.

~~"Exhibition" means the display of goods or materials for which an admission fee is charged.~~

~~"Flea market" means all general sales, open to the public, conducted in any commercial zone or public facilities zone within the City, for the purpose of disposing of personal property. These general sales include, but are not limited to, sales entitled "flea markets," "bazaars" and "rummage sales." This includes situations where booths, tables or spaces are sold or rented for the purpose of conducting sales of personal property. For this definition "personal property" means property which is owned by the individual conducting the sale, is purchased for resale, or is obtained on consignment.~~

"Garage sale" ~~includes, but is not limited to,~~(also known as "porch sales," "patio sales" or "yard sales~~," and consists of~~") means any public sale of new or used goods by an individual or group from private property when the group or individual is not in the business of selling goods ~~or is not licensed as a secondhand dealer,~~ and when the property from which the sale is to be conducted is not within a zone permitting commercial business or otherwise permitted under the provisions of this chapter.

~~"Hotel" and "motel" includes any single structure or multiple combination of two (2) or more structures, operated as a single business venture where one or more units, rooms or apartments are hired out to the public for rent on less than a monthly rental basis, exclusive of any unit, room or apartment that is occupied by the owner, contract vendee or manager.~~

~~"Itinerant merchant/peddler" means a person or persons traveling from place to place selling and delivering from stock on hand.~~

"Nonprofit" means any business or organization which holds a certificate of exemption from taxes from the Internal Revenue Service.

"Person" means any ~~person~~individual, firm, partnership, association ~~or~~, corporation or entity.

Section 4.04.030 Exemptions.

The following are exempt from the license requirements under this chapter:

A. Hobbies. Any pursuit or activity which is carried on in a casual manner, such as a hobby, where no display or advertising is conducted to promote the products or services of the pursuit or activity.

B. Income Based on Wages. No person whose income is based solely on a wage or salary shall, for the purpose of this chapter, be deemed a person transacting or carrying on any business in the City, and it is the intention that license fees will be borne by the employer.

C. Franchise. Any business paying a franchise tax or fee under City ordinances or resolutions now existing.

D. Wholesalers. Wholesalers making deliveries or taking orders from duly licensed retail outlets within the City.

E. Sixteen (16) Years or Younger. Any person sixteen (16) years or younger who operates a business on a part-time basis, which business has an annual gross income of less than five hundred dollars ($500.00).

F. Nonprofit organizations as defined in this chapter.

G. Rentals. Any person having for rent three (3) or fewer residential or commercial units which rent for a period of thirty (30) days or longer.

H. Vacation Rentals. Any person having a vacation rental license.

I. Garage sales. Garage sales, provided that sales are conducted no more than four days in any calendar year on a property.

CITY OF YACHATS
ORDINANCE 359
A ORDINANCE AMEDNING THE YACHATS MUNICIPAL CODE
CHAPTER 4.04
RELATED BUSINESS LICENSES

Whereas, the City maintains a business license program with the intent to provide revenue to pay for expenses incurred in issuing licenses, to pay for municipal services to businesses, and to provide for the health, safety and welfare of the citizens of Yachats; and

Whereas, the City Council wishes to formally exempt infrequent garage sales from having to obtain a business license because such activities do not impact the community in the same manner as more regular business activities within the City; and

Whereas, with these amendments to YMC Chapter 4.04, the City Council believes that its scarce code enforcement and business enforcement resources will be allocated more appropriately,

NOW THEREFORE, the City of Yachats ordains as follows:

Section 1. Yachats Municipal Code Section 4.04.020.

Yachats Municipal Code Section 4.04.020 shall be amended to read as follows:

Section 4.04.020 Definitions.

For the purpose of licensing businesses in the City, the following definitions apply:

"Business" means any trade, occupation, calling, profession, pursuit or activity which is carried on for the purpose of profit.

"Garage sale" (also known as "porch sales," "patio sales" or "yard sales") means any public sale of new or used goods by an individual or group from private property when the group or individual is not in the business of selling goods and when the property from which the sale is to be conducted is not within a zone permitting commercial business or otherwise permitted under the provisions of this chapter.

"Nonprofit" means any business or organization which holds a certificate of exemption from taxes from the Internal Revenue Service.

"Person" means any individual, firm, partnership, association, corporation or entity.

Section 2. Yachats Municipal Code Section 4.04.030.

Yachats Municipal Code Section 4.04.030 shall be amended to read as follows:

Section 4.04.030 Exemptions.

The following are exempt from the license requirements under this chapter:

A. Hobbies. Any pursuit or activity which is carried on in a casual manner, such as a hobby, where no display or advertising is conducted to promote the products or services of the pursuit or activity.

B. Income Based on Wages. No person whose income is based solely on a wage or salary shall, for the purpose of this chapter, be deemed a person transacting or carrying on any business in the City, and it is the intention that license fees will be borne by the employer.

C. Franchise. Any business paying a franchise tax or fee under City ordinances or resolutions now existing.

D. Wholesalers. Wholesalers making deliveries or taking orders from duly licensed retail outlets within the City.

E. Sixteen (16) Years or Younger. Any person sixteen (16) years or younger who operates a business on a part-time basis, which business has an annual gross income of less than five hundred dollars ($500.00).

F. Nonprofit organizations as defined in this chapter.

G. Rentals. Any person having for rent three (3) or fewer residential or commercial units which rent for a period of thirty (30) days or longer.

H. Vacation Rentals. Any person having a vacation rental license.

I. Garage sales. Garage sales, provided that sales are conducted no more than four days in any calendar year on a property.

Section 3. Effective date.

Pursuant to the Yachats Charter, this ordinance shall take effect 30 days after adoption.

Passed and adopted by the City Council of the City of Yachats on this ___ day of _____, 2019.

	YES	NO	NOT PRESENT
John Moore, Mayor	☐	☐	☐
Max Glenn	☐	☐	☐
James Kerti	☐	☐	☐
Jim Tooke	☐	☐	☐
Leslie Vaaler	☐	☐	☐

_____
W. John Moore, Mayor

Attest by:

_____
Shannon Beaucaire, City Manager

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
			R E V E N U E S			
3-01-0101	BEGINNING FUND BALANCE	400,000	--	633,047.87	233,047.87-	158
	REVENUE	400,000		633,047.87	233,047.87-	158
3-30-1500	INTEREST EARNED	--	--	--	--	0
3-30-4110	PROPERTY TAXES CURRENT YR	50,000	39,347.27	39,347.27	10,652.73	79
3-30-4120	PROPERTY TAXES PRIOR YRS	1,000	960.14	960.14	39.86	96
3-30-4210	BUSINESS LICENSES	11,000	11,078.91	11,078.91	78.91-	101
3-30-4211	VACATION RENTAL LICENSES	38,000	31,640.00	31,640.00	6,360.00	83
3-30-4221	CABLE TV FRANCHISE TAX	19,000	21,594.51	21,594.51	2,594.51-	114
3-30-4222	TELEPHONE FRANCHISE TAX	4,000	3,851.00	3,851.00	149.00	96
3-30-4223	DISPOSAL FRANCHISE TAX	11,000	13,069.62	13,069.62	2,069.62-	119
3-30-4224	ELECTRIC FRANCHISE TAX	44,000	47,874.34	47,874.34	3,874.34-	109
3-30-4230	PERMITS & FILING FEES	2,000	1,275.00	1,275.00	725.00	64
3-30-4235	FINES OR LIENS	--	--	--	--	0
3-30-4240	TRANSIENT ROOM TAX	950,000	1,059,913.28	1,059,913.28	109,913.28-	112
3-30-4490	OTHER LOCAL SOURCES	3,000	16,488.00	16,488.00	13,488.00-	550
3-30-4610	CIGARETTE TAX	1,000	790.70	790.70	209.30	79
3-30-4620	LIQUOR TAX	10,000	12,015.75	12,015.75	2,015.75-	120
3-30-4622	MARIJUANA TAX	1,200	4,061.02	4,061.02	2,861.02-	338
3-30-4630	STATE REVENUE SHARE	8,000	12,481.90	12,481.90	4,481.90-	156
3-30-4690	OTHER STATE SOURCES	--	--	--	--	0
3-30-4810	ADMIN REIMBURSEMENT URD	13,000	13,000.00	13,000.00	--	100
3-30-4852	EARNINGS FROM TEMP INVEST	--	89,095.15	89,095.15	89,095.15-	0
	REVENUE	1,166,200	1,378,536.59	1,378,536.59	212,336.59-	118
T O T A L DEPT 100 R E V E N U E		1,566,200	1,378,536.59	2,011,584.46	445,384.46-	128
			E X P E N S E S			
5-60-7121	INTERFUND TRANS: STREETS	35,000	35,000.00	35,000.00	--	100
5-60-7122	OP TRANSFER-LIBRARY	63,080	63,080.00	63,080.00	--	100
5-60-7123	OP TRANSFER-MUSEUM	3,225	3,225.00	3,225.00	--	100
5-60-7124	OP TRANSFER-COMMONS	93,000	93,000.00	93,000.00	--	100
5-60-7125	TRANSFER-VISITOR AMEN	369,000	369,000.00	369,000.00	--	100
5-60-7126	INTERFUND TRANS: CAP RSRV	--	--	--	--	0
5-60-7127	OP TRANSFER - PARKS/TRAIL	9,125	9,125.00	9,125.00	--	100
5-60-7130	TRANSFER TO PERS RESERVE	--	--	--	--	0
5-60-7174	OP TRANSFER-STORM DRAINS	39,000	39,000.00	39,000.00	--	100
5-60-7175	OP TRANSFER CITY HALL	40,000	40,000.00	40,000.00	--	100
	INTERFUND TRANSFERS	651,430	651,430.00	651,430.00	--	100
	TOTAL PERSONAL SERVICES					0
	TOTAL MATERIAL & SERV					0
	TOTAL CAPITAL OUTLAY					0
	TOTAL ALL OTHER	651,430	651,430.00	651,430.00		100
T O T A L DEPT 100 E X P E N D I T U R E		651,430	651,430.00	651,430.00		100

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNENCUMBERED BALANCE	%
		E X P E N S E S				
5-10-5110	WAGES-GROSS PAY	--	--	--	--	0
5-10-5120	EMPLOYER PAYROLL TAXES	--	--	--	--	0
5-10-5121	HEALTH CARE BENEFITS	--	--	--	--	0
5-10-5160	ALLOCATED LABOR	115,000	97,317.46	97,317.46	17,682.54	85
	PERSONNEL SERVICES	115,000	97,317.46	97,317.46	17,682.54	85
5-20-5209	EMER PREP & PUBLIC SAFETY	10,000	1,692.14	1,692.14	8,307.86	17
5-20-5210	DUES/MEMBERSHIPS/FEES	9,000	5,361.51	5,361.51	3,638.49	60
5-20-5212	CODE ENFORCEMENT	80,000	19,013.71	19,013.71	60,986.29	24
5-20-5213	EDUC - COUNCIL & COMMISS	2,000	1,455.24	1,455.24	544.76	73
5-20-5222	INSURANCE	8,000	4,429.43	4,429.43	3,570.57	55
5-20-5240	OFF MATERIALS & SUPPLIES	10,000	10,673.93	10,673.93	673.93-	107
5-20-5251	OFFICE PHONE/CELL/DSL	3,000	2,891.86	2,891.86	108.14	96
5-20-5252	OFFICE UTILITIES	3,000	1,887.52	1,887.52	1,112.48	63
5-20-5253	POSTAGE	200	123.53	123.53	76.47	62
5-20-5255	EDUCATION & TRAINING	5,000	1,876.83	1,876.83	3,123.17	38
5-20-5259	IT VENDOR SUPPORT	10,000	26,410.27	26,410.27	16,410.27-	264
5-20-5260	PROFESSIONAL SERVICES	30,000	21,809.44	21,809.44	8,190.56	73
5-20-5261	AUDITOR	4,000	4,000.00	4,000.00	--	100
5-20-5264	CITY PLANNER	40,000	34,270.46	34,270.46	5,729.54	86
5-20-5270	TRAVEL	7,000	7,573.03	7,573.03	573.03-	108
5-20-5311	EQUIPMENT RENTAL	2,000	2,036.78	2,036.78	36.78-	102
5-20-5320	YARD DEBRIS DUMPSTER	7,000	5,255.80	5,255.80	1,744.20	75
5-20-5330	BUILDING OR LAND MAINTEN	5,000	1,789.33	1,789.33	3,210.67	36
5-20-5335	CUSTODIAL SUPPORT/SUPPLY	2,000	1,838.66	1,838.66	161.34	92
5-20-5411	STREET LIGHTING	--	--	--	--	0
5-20-5422	LEGAL NOTICES	1,000	1,125.88	1,125.88	125.88-	113
5-20-5439	PUBLIC SERVICES - MSC	39,000	38,250.00	38,250.00	750.00	98
5-20-5440	OFFICE EXPENSES - OTHER	6,000	917.49	917.49	5,082.51	15
5-20-5445	RENT ALLOCATION - BLDGS	17,800	17,800.00	17,800.00	--	100
5-20-5470	EQUIPMENT REPAIR/MTC	3,000	--	--	3,000.00	0
5-20-5490	MATERIALS/SERVICES OTHER	3,000	2,275.19	2,275.19	724.81	76
	MATERIALS AND SERVICES	307,000	214,758.03	214,758.03	92,241.97	70
5-40-5641	CAP OUT: EQUIPMENT	--	--	--	--	0
	CAPITAL OUTLAY					0
5-50-5800	CONTINGENCIES	18,000	5,420.72	5,420.72	12,579.28	30
	OTHER USES	18,000	5,420.72	5,420.72	12,579.28	30
	TOTAL PERSONAL SERVICES	115,000	97,317.46	97,317.46	17,682.54	85
	TOTAL MATERIAL & SERV	307,000	214,758.03	214,758.03	92,241.97	70
	TOTAL CAPITAL OUTLAY					0
	TOTAL ALL OTHER	18,000	5,420.72	5,420.72	12,579.28	30
	TOTAL DEPT 101 EXPENDITURES	440,000	317,496.21	317,496.21	122,503.79	72

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNENCUMBERED BALANCE	%
			E X P E N S E S			
5-10-5160	PERSONNEL SERVICES	11,700	5,616.84	5,616.84	6,083.16	48
	PERSONNEL SERVICES	11,700	5,616.84	5,616.84	6,083.16	48
5-20-5222	INSURANCE	2,500	2,363.00	2,363.00	137.00	95
5-20-5252	UTILITIES	3,000	2,248.30	2,248.30	751.70	75
5-20-5330	BUILDING OR LAND MAINTEN	8,000	4,333.56	4,333.56	3,666.44	54
5-20-5335	CUSTODIAL SUPPORT/SUPPLY	1,000	20.88	20.88	979.12	2
	MATERIALS AND SERVICES	14,500	8,965.74	8,965.74	5,534.26	62
	TOTAL PERSONAL SERVICES	11,700	5,616.84	5,616.84	6,083.16	48
	TOTAL MATERIAL & SERV	14,500	8,965.74	8,965.74	5,534.26	62
	TOTAL CAPITAL OUTLAY					0
	TOTAL ALL OTHER					0
T O T A L DEPT 102 E X P E N D I T U R E		26,200	14,582.58	14,582.58	11,617.42	56

YIKIMUE
FUND-660 WATER SYSTEM
DEPT-100 NON DEPARTMENTAL

7/01/18 THRU 6/30/19

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNENCUMBERED BALANCE	%
			R E V E N U E S			
3-01-0101	BEGINNING FUND BALANCE	[illegible]	--	142,422.31	125,422.31-	838
	REVENUE	[illegible]		142,422.31	125,422.31-	838
3-30-0101	BEGINNING FUND BALANCE	--	--	--	--	0
3-30-4310	WATER SERVICE	606,000	650,598.71	650,598.71	44,598.71-	107
3-30-4312	CAPITAL RESERVE FEES	37,000	41,750.22	41,750.22	4,750.22-	113
3-30-4320	INSTALLATION CHARGES	3,000	13,600.00	13,600.00	10,600.00-	453
3-30-4450	CREDIT CARD FEES	3,500-	2,226.56-	2,226.56-	1,273.44-	64
	REVENUE	642,500	703,722.37	703,722.37	61,222.37-	110
T O T A L DEPT 100 R E V E N U E S		659,500	703,722.37	846,144.68	186,644.68-	128
			E X P E N S E S			
5-10-5160	PERSONNEL SERVICES	285,000	254,110.54	254,110.54	30,889.46	89
	PERSONNEL SERVICES	285,000	254,110.54	254,110.54	30,889.46	89
5-20-5210	DUES/MEMBERSHIPS/FEES	2,000	3,923.52	3,923.52	1,923.52-	196
5-20-5222	INSURANCE	15,000	13,656.99	13,656.99	1,343.01	91
5-20-5240	OFFICE MATERIALS/SUPPLIES	6,000	7,969.23	7,969.23	1,969.23-	133
5-20-5251	OFFICE PHONE/CELL/DSL	9,500	9,898.91	9,898.91	398.91-	104
5-20-5253	POSTAGE	3,000	3,412.05	3,412.05	412.05-	114
5-20-5255	EDUCATION & TRAINING	3,000	12.50	12.50	2,987.50	0
5-20-5258	ENGINEERING SERVICES	7,000	--	--	7,000.00	0
5-20-5259	IT VENDOR SUPPORT	4,000	9,653.64	9,653.64	5,653.64-	241
5-20-5260	PROFESSIONAL SERVICES	10,000	12,637.42	12,637.42	2,637.42-	126
5-20-5261	AUDITOR	6,000	5,000.00	5,000.00	1,000.00	83
5-20-5270	TRAVEL	3,000	368.60	368.60	2,631.40	12
5-20-5311	EQUIPMENT LEASE	3,000	2,520.68	2,520.68	479.32	84
5-20-5312	EQUIP - FUEL/TIRES/PARTS	4,000	4,942.32	4,942.32	942.32-	124
5-20-5313	EQUIPMENT REPAIR	4,000	1,024.44	1,024.44	2,975.56	26
5-20-5317	TOOLS & SMALL EQUIPMENT	3,500	440.07	440.07	3,059.93	13
5-20-5330	BUILDING/LAND MAINTENANCE	2,000	1,944.69	1,944.69	55.31	97
5-20-5335	CUSTODIAL SUPPORT/SUPPLY	500	166.28	166.28	333.72	33
5-20-5342	PLANT UTILITIES	23,000	24,947.43	24,947.43	1,947.43-	108
5-20-5351	MAIN PLANT PARTS	7,000	19,392.80	19,392.80	12,392.80-	277
5-20-5352	MAIN PLANT CONSUMABLES	10,000	6,505.15	6,505.15	3,494.85	65
5-20-5353	MAIN PLANT OUTSIDE SVCS	40,000	21,657.24	21,657.24	18,342.76	54
5-20-5361	DISTRIBUTION SYS PARTS	14,000	18,179.58	18,179.58	4,179.58-	130
5-20-5362	DIST SYSTEM CONSUMABLES	2,000	1,641.92	1,641.92	358.08	82
5-20-5363	DIST SYS OUTSIDE SERVICES	2,000	6,211.03	6,211.03	4,211.03-	311
5-20-5440	OFFICE EXPENSES - OTHER	500	295.73	295.73	204.27	59
5-20-5470	[illegible]	1,500	450.00	450.00	[illegible]	30
5-20-5474	[illegible]	9,000	8,311.00	8,311.00	[illegible]	92
	[illegible]	194,500	185,163.22	185,163.22	[illegible]	95
[illegible]	[illegible]	15,000	5,420.60	5,420.69	[illegible]	36
	[illegible]	15,000	5,420.69	5,420.69	[illegible]	36
5-60-7126	[illegible] TRANS-CAP [illegible]	[illegible]	100,000.00	[illegible]	--	100

7/08/19
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YAKIMA
FUND-660 WATER SYSTEM
DEPT-100 NON DEPARTMENTAL

CITY OF YAKIMA
BUDGET STATUS EXPENDITURE REPORT
7/01/18 THRU 6/30/19

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNENCUMBERED BALANCE	%
5-60-7129	INT FUND TRANS-REST RESER	43,000	43,000.00	43,000.00	--	100
5-60-7131	INT FUND -STREET CAP RES	5,000	5,000.00	5,000.00	--	100
	INTERFUND TRANSFERS	148,000	148,000.00	148,000.00		100
	TOTAL PERSONAL SERVICES	285,000	254,110.54	254,110.54	30,889.46	89
	TOTAL MATERIAL & SERV	194,500	185,163.22	185,163.22	9,336.78	95
	TOTAL CAPITAL OUTLAY					0
	TOTAL ALL OTHER	163,000	153,420.69	153,420.69	9,579.31	94
T O T A L DEPT 100 E X P E N D I T U R E		642,500	592,694.45	592,694.45	49,805.55	92
T O T A L FUND 660 R E V E N U E		659,500	703,722.37	846,144.68	186,644.68-	128
	FUND PERSONAL SERVICES	285,000	254,110.54	254,110.54	30,889.46	89
	FUND MATERIAL & SERV	194,500	185,163.22	185,163.22	9,336.78	95
	FUND CAPITAL OUTLAY					0
	FUND ALL OTHER	163,000	153,420.69	153,420.69	9,579.31	94
T O T A L FUND 660 E X P E N D I T U R E		642,500	592,694.45	592,694.45	49,805.55	92
	FUND PRIOR BALANCE	142,422.31				
	NET FUND BALANCE	253,450.23				

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
			R E V E N U E			
3-01-0101	BEGINNING FUND BALANCE	120,000		186,506.88	66,506.88-	155
	REVENUE	120,000		186,506.88	66,506.88-	155
3-30-0101	BEGINNING FUND BALANCE	--	--	--	--	0
3-30-4310	WASTEWATER SERVICES	590,000	616,341.57	616,341.57	26,341.57-	104
3-30-4312	CAPITAL RESERVE FEES	40,000	39,766.57	39,766.57	233.43	99
3-30-4320	INSTALLATION CHARGES	2,500	6,050.00	6,050.00	3,550.00-	242
3-30-4450	CREDIT CARD FEES	4,500-	2,226.53-	2,226.53-	2,273.47-	49
	REVENUE	628,000	659,931.61	659,931.61	31,931.61-	105
T O T A L	DEPT 100 R E V E N U E	748,000	659,931.61	846,438.49	98,438.49-	113
			E X P E N S E S			
5-10-5160	PERSONNEL SERVICES	265,000	268,985.95	268,985.95	3,985.95-	102
	PERSONNEL SERVICES	265,000	268,985.95	268,985.95	3,985.95-	102
5-20-5210	DUES/MEMBERSHIPS/FEES	750	1,049.00	1,049.00	299.00-	140
5-20-5211	DEQ FEES	3,500	2,517.00	2,517.00	983.00	72
5-20-5222	INSURANCE	18,000	15,348.96	15,348.96	2,651.04	85
5-20-5240	OFFICE MATERIALS/SUPPLIES	7,200	6,751.89	6,751.89	448.11	94
5-20-5251	OFFICE PHONE/CELL/DSL	6,000	5,865.13	5,865.13	134.87	98
5-20-5253	POSTAGE	3,000	3,412.02	3,412.02	412.02-	114
5-20-5255	EDUCATION & TRAINING	1,100	1,278.70	1,278.70	178.70-	116
5-20-5258	ENGINEERING SERVICES	5,000	--	--	5,000.00	0
5-20-5259	IT VENDOR SUPPORT	4,000	9,653.62	9,653.62	5,653.62-	241
5-20-5260	PROFESSIONAL SERVICES	7,000	12,637.41	12,637.41	5,637.41-	181
5-20-5261	AUDITOR	6,000	5,000.00	5,000.00	1,000.00	83
5-20-5270	TRAVEL	1,000	397.35	397.35	602.65	40
5-20-5311	EQUIPMENT LEASE	2,000	2,647.16	2,647.16	647.16-	132
5-20-5312	EQUIP - FUEL/TIRES/PARTS	5,000	5,051.04	5,051.04	51.04-	101
5-20-5313	EQUIPMENT REPAIR	9,000	4,956.82	4,956.82	4,043.18	55
5-20-5317	TOOLS & SMALL EQUIPMENT	1,000	751.62	751.62	248.38	75
5-20-5330	BUILDING OR LAND MAINTENC	1,500	947.13	947.13	552.87	63
5-20-5335	CUSTODIAL SUPPORT/SUPPLY	600	188.25	188.25	411.75	31
5-20-5342	PLANT UTILITIES	30,000	29,420.69	29,420.69	579.31	98
5-20-5351	MAIN PLANT - PARTS	20,000	14,338.19	14,338.19	5,661.81	72
5-20-5352	MAIN PLANT -COMSUMABLES	10,000	11,075.19	11,075.19	1,075.19-	111
5-20-5353	MAIN PLANT OUTSIDE SERVIC	12,000	7,074.19	7,074.19	4,925.81	59
5-20-5361	COLLECTION SYSTEM -PARTS	5,000	1,150.63	1,150.63	3,849.37	23
5-20-5362	COLL SYSTEM -CONSUMABLES	2,500	1,743.45	1,743.45	756.55	70
5-20-5363	COLL SYSTEM OUTSIDE SERVI	5,000	14,096.06	14,096.06	9,096.06-	282
5-20-5364	COLLECTION - I & I	20,000	2,163.65	2,163.65	17,836.35	11
5-20-5440	OFFICE EXPENSES - OTHER	500	179.96	179.96	320.04	36
5-20-5470	EQUIPMENT REP/MAINT	1,500	--	--	1,500.00	0
5-20-5474	MOWING & TRIMMING	2,400	2,366.00	2,366.00	366.00-	99
	MATERIALS AND SERVICES	190,750	162,061.11	162,061.11	28,088.89	85
5-50-5600	CONTINGENCIES	15,000	5,420.69	5,420.69	9,579.31	36
	OTHER USES	15,000	5,420.69	5,420.69	9,579.31	36

CITY OF YACHATS
REVENUE/EXPENDITURE

WASTEWATER SYSTEM
DEPT 100 NON DEPARTMENTAL

ACCOUNT	DESC		MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
5-60-7126	INTERFUND TRAN- CAP RESER		80,000.00	80,000.00	--	100
5-60-7129	INTFUND TRANS-DEBT SERVIC		60,000.00	60,000.00	--	100
5-60-7131	INT FUND TRAN-STREET CAPI		5,000.00	5,000.00	--	100
	INTERFUND TRANSFERS	145,000	145,000.00	145,000.00		100
	TOTAL PERSONAL SERVICES	265,000	268,985.95	268,985.95	3,985.95-	102
	TOTAL MATERIAL & SERV	190,150	162,061.11	162,061.11	28,088.89	85
	TOTAL CAPITAL OUTLAY					0
	TOTAL ALL OTHER	160,000	150,420.69	150,420.69	9,579.31	94
TOTAL DEPT 100 EXPENDITURE		615,150	581,467.75	581,467.75	33,682.25	95
TOTAL FUND 670 REVENUE		748,000	659,931.61	846,438.49	98,438.49-	113
	FUND PERSONAL SERVICES	265,000	268,985.95	268,985.95	3,985.95-	102
	FUND MATERIAL & SERV	190,150	162,061.11	162,061.11	28,088.89	85
	FUND CAPITAL OUTLAY					0
	FUND ALL OTHER	160,000	150,420.69	150,420.69	9,579.31	94
TOTAL FUND 670 EXPENDITURE		615,150	581,467.75	581,467.75	33,682.25	95
	FUND PRIOR BALANCE	186,506.88				
	NET FUND BALANCE	264,970.74				

City of Yachats
Fiscal Collections
Transient Rental Income & F&B
Budget Worksheet
2018-2019

								Better (Worse) to Last Year $			Better (Worse) to Last Year %		
		Hotels & Motels	Individual Vacation Rentals	Total Quarter	Quarterly Share	Food & Beverage Tax	Quarterly Share	Hotels & Motels	Individual Transient Rentals	Food & Beverage Tax	Hotels & Motels	Individual Transient Rentals	Food & Beverage Tax
First Quarter	2004/05	77,988	12,164	90,152	21.2%								
Second Quarter	2004/05	141,679	32,007	173,686	40.8%								
Third Quarter	2004/05	67,293	16,368	83,661	19.7%								
Fourth Quarter	2004/05	63,891	14,131	78,022	18.3%								
Total Fiscal Year	2004/05	350,851	74,670	425,521	100.0%								
	Ratio	82.5%	17.5%	100.0%									
First Quarter	2005/06	82,479.98	12,194.73	94,674.71	22.1%								
Second Quarter	2005/06	145,998.29	34,908.65	180,906.94	42.1%								
Third Quarter	2005/06	70,308.16	11,083.97	81,392.13	19.0%								
Fourth Quarter	2005/06	65,062.91	7,254.82	72,317.74	16.8%								
Total Fiscal Year	2005/06	363,849.34	65,442.17	429,291.50	100.0%								
	Ratio	84.8%	15.2%	100.0%									
First Quarter	2006/07	93,895.62	13,572.43	107,468.05	22.3%			11,415.64	1,377.71				
Second Quarter	2006/07	168,457.64	42,543.87	211,001.51	43.8%			22,459.35	7,635.22				
Third Quarter	2006/07	70,891.99	12,249.72	83,141.71	17.3%			583.83	1,165.75				
Fourth Quarter	2006/07	71,558.28	8,253.62	79,811.90	16.6%			6,495.37	998.80				
Total Fiscal Year	2006/07	404,803.53	76,619.64	481,423.17	100.0%			40,954.19	11,177.48				
	Ratio	84.1%	15.9%	100.0%									
First Quarter	2007/08	110,265.42	18,835.82	129,101.24	24.3%	0.00	0.0%	16,369.80	5,263.39				
Second Quarter	2007/08	177,878.66	45,517.35	223,396.01	42.1%	92,700.29	51.8%	9,421.02	2,973.48				
Third Quarter	2007/08	82,828.58	15,246.15	98,074.73	18.5%	45,889.08	25.6%	11,936.59	2,996.43				
Fourth Quarter	2007/08	70,684.32	9,307.32	79,991.64	15.1%	40,373.20	22.6%	(873.96)	1,053.70				
Total Fiscal Year	2007/08	441,656.98	88,906.64	530,563.62	100.0%	178,962.57	100.0%	36,853.45	12,287.00				
	Ratio	83.2%	16.8%	100.0%									
First Quarter	2008/09	100,811.46	17,657.89	118,469.35	23.6%	57,731.28	25.3%	(9,453.96)	(1,177.93)	57,731.28			
Second Quarter	2008/09	176,732.48	43,564.03	220,296.51	43.9%	89,089.49	39.0%	(1,146.18)	(1,953.32)	(3,610.80)			
Third Quarter	2008/09	71,686.53	13,309.95	84,996.48	16.9%	39,543.42	17.3%	(11,142.05)	(1,936.20)	(6,345.66)			
Fourth Quarter	2008/09	66,719.77	11,566.19	78,285.96	15.6%	41,939.32	18.4%	(3,964.55)	2,258.87	1,566.12			
Total Fiscal Year	2008/09	415,950.24	86,098.06	502,048.30	100.0%	228,303.51	100.0%	(25,706.74)	(2,808.58)	49,340.94			
	Ratio	82.9%	17.1%	100.0%									
First Quarter	2009/10	93,679.93	18,522.61	112,202.54	22.9%	55,710.57	24.4%	(7,131.53)	864.72	(2,020.71)			
Second Quarter	2009/10	166,742.60	54,244.20	220,986.80	45.0%	96,686.12	42.3%	(9,989.88)	10,680.17	7,596.63			
Third Quarter	2009/10	65,973.08	17,571.37	83,544.45	17.0%	38,039.90	16.7%	(5,713.45)	4,261.42	(1,503.52)			
Fourth Quarter	2009/10	61,599.32	12,672.10	74,271.42	15.1%	37,979.18	16.6%	(5,120.45)	1,105.91	(3,960.14)			
Total Fiscal Year	2009/10	387,994.93	103,010.28	491,005.21	100.0%	228,415.77	100.0%	(27,955.31)	16,912.22	112.26			
	Ratio	79.0%	21.0%	100.0%									
First Quarter	2013/14	85,411.24	25,145.37	110,556.61	21.8%	55,773.11	23.1%						
Second Quarter	2013/14	159,902.57	63,346.40	223,248.97	44.1%	96,046.13	39.8%						
Third Quarter	2013/14	69,233.81	22,348.98	91,582.79	18.1%	45,671.09	18.9%						
Fourth Quarter	2013/14	61,297.83	19,605.75	80,903.58	16.0%	43,658.84	18.1%						
Total Fiscal Year 13-14	2013/14	375,845.45	130,446.50	506,291.95	100.0%	241,149.17	100.0%						
	Ratio	74.2%	25.8%	100.0%									
First Quarter	2014/15	85,273.00	28,065.00	113,338.00	19.9%	62,929.00	22.5%	(138.24)	2,919.63	7,155.89	-0.2%	11.6%	12.8%
Second Quarter	2014/15	170,460.00	74,632.00	245,092.00	43.1%	110,271.00	39.4%	10,557.43	11,285.60	14,224.87	6.6%	17.8%	14.8%
Third Quarter	2014/15	71,829.00	29,674.00	101,503.00	17.9%	50,546.00	18.1%	2,595.19	7,325.02	4,874.91	3.7%	32.8%	10.7%
Fourth Quarter	2014/15	82,955.00	25,431.00	108,386.00	19.1%	55,905.00	20.0%	21,657.17	5,825.25	12,246.16	35.3%	29.7%	28.0%
Total Fiscal Year 14-15	2014/15	410,517.00	157,802.00	568,319.00	100.0%	279,651.00	100.0%	34,671.55	27,355.50	38,501.83	9.2%	21.0%	16.0%
Share	Ratio	72.2%	27.8%	100.0%									
First Quarter	2015/16	115,553.00	32,427.00	147,980.00	21.1%	76,591.00		30,280.00	4,362.00	13,662.00	35.5%	15.5%	21.7%
Second Quarter	2015/16	211,373.00	87,747.00	299,120.00	42.7%	122,309.00		40,913.00	13,115.00	12,038.00	24.0%	17.6%	10.9%
Third Quarter	2015/16	85,725.00	31,444.00	117,169.00	16.7%	56,783.00		13,896.00	1,770.00	6,237.00	19.3%	6.0%	12.3%
Fourth Quarter	2015/16	103,906.00	32,636.00	136,542.00	19.5%	61,078.00		20,951.00	7,205.00	5,173.00	25.3%	28.3%	9.3%
Total Fiscal Year 15-16	2015/16	516,557.00	184,254.00	700,811.00	100.0%	316,761.00		106,040.00	26,452.00	37,110.00	25.8%	16.8%	13.3%
Share	Ratio	73.7%	26.3%	100.0%									

City of Yachats
Transient Rental Income
Rate Impact
New Rates January 1, 2016

Stay Months	Collection Month	Hotels Motels	Individual Rental Homes	Total	Prior Year Tax	7% to 9% Rate Change	Actual Increase (Decrease)	
April - June 2015	July, 2015	115,553.00	32,427.00	147,980.00				
July - September 2015	October, 2015	211,373.00	87,747.00	299,120.00				
October - December 2015	January, 2016	85,725.00	31,444.00	117,169.00				
January - March 2016	April, 2016	103,906.00	32,636.00	136,542.00	108,386	139,353	(2,811)	
	Total Fiscal Year 15-16	516,557.00	184,254.00	700,811.00				
Stay Months	**Collection Month**							
April - June 2016	July, 2016	159,100.45	54,764.78	213,865.23	147,980	190,260	23,605	
July - September 2016	October, 2016	297,530.00	114,041.00	411,571.00	299,120	384,583	26,988	
October - December 2016	January, 2017	125,000.00	42,639.00	167,639.00	117,169	150,646	16,993	
January - March 2017	April, 7	101,959.00	32,146.00	134,105.00	136,542	136,542	(2,437)	
	Total Fiscal Year 16-17	683,589.45	243,590.78	927,180.23	700,811	862,031	65,150	7.56%

Budget 2017-2018					
April - June 2017	July, 2017	150,000.00	45,000.00		195,000.00
July - September 2017	October, 2017	250,000.00	100,000.00		350,000.00
October - December 2017	January, 2018	100,000.00	36,000.00		136,000.00
January - March 2018	April, 2018	100,000.00	32,000.00		132,000.00
	Total Fiscal Year 17-18	600,000.00	213,000.00		813,000.00

Visitor Amenities Share

30% of 7%	2.10%
70% of 2%	1.40%
Total	3.50%
Total	9.00%
VA Share	38.89%
Rounded	39%
Dollars	317,000

Budget 2018-2019		Hotels Motels	Individual Rental Homes	3d Party	Total
April - June 2018	July, 2018	173,810.49	61,033.99	7,050.50	241,894.98
July - September 2018	October, 2018	300,979.81	142,529.97	17,006.13	460,515.91
October - December 2018	January, 2019	132,784.30	51,498.23	7,967.71	192,250.24
January - March 2019	April, 2019	115,021.52	44,032.68	6,197.95	165,252.15
	Total Fiscal Year 18-19	722,596.12	299,094.87	38,222.29	1,059,913.28

Visitor Amenities Share

30% of 7%	2.10%
70% of 2%	1.40%
Total	3.50%
Total	9.00%
VA Share	38.89%
Rounded	39%
Dollars	413,366

		Food & Beverage Tax	
First Quarter	2013/14	55,773.11	23.1%
Second Quarter	2013/14	96,046.13	39.8%
Third Quarter	2013/14	45,671.09	18.9%
Fourth Quarter	2013/14	43,658.84	18.1%
Total Fiscal Year 13-14	2013/14	241,149.17	100.0%
First Quarter	2014/15	62,929.28	22.5%
Second Quarter	2014/15	110,271.02	39.4%
Third Quarter	2014/15	50,546.47	18.1%
Fourth Quarter	2014/15	55,905.00	20.0%
Total Fiscal Year 14-15	2014/15	279,651.77	100.0%
First Quarter	2015/16	76,591.00	24.2%
Second Quarter	2015/16	122,309.00	38.6%
Third Quarter	2015/16	56,783.00	17.9%
Fourth Quarter	2015/16	61,078.00	19.3%
Total Fiscal Year 15-16	2015/16	316,761.00	100.0%
First Quarter	2016/17	88,026.00	27.2%
Second Quarter	2016/17	127,509.00	39.5%
Third Quarter	2016/17	52,940.00	16.4%
Fourth Quarter	2016/17	54,571.00	16.9%
Total Fiscal Year 16-17	2016/17	323,046.00	100.0%
First Quarter	2017/18	86,032.35	22.8%
Second Quarter	2017/18	156,741.36	41.5%
Third Quarter	2017/18	68,887.70	18.2%
Fourth Quarter	2017/18	66,000.25	17.5%
Total Fiscal Year 17-18	2017/18	377,661.66	100.0%
First Quarter	2018/19	98,488.06	23.7%
Second Quarter	2018/19	159,696.88	38.4%
Third Quarter	2018/19	87,614.21	21.0%
Fourth Quarter	2018/19	70,497.46	16.9%
Total Fiscal Year 18-19	2018/19	416,296.61	100.0%

2017 - 2018 Budget	Not sure what this represents
First Quarter	85,000.00
Second Quarter	128,000.00
Third Quarter	52,000.00
Fourth Quarter	55,000.00
Total Fiscal Year 17 - 18	320,000.00

City Council Action Item Cover Sheet

DATE: July 17, 2019

Agenda Item:

Insurance Coverages

Question Before Council:

Whether to add recommended additional insurance coverages

Person/Group Initiating Request:

City Manager

Item Summary/Background:

I have confirmed that we do not have excess earthquake coverage. Any coverage is included in the City's general liability coverage. There are no additional costs for earthquake coverage.

The City currently purchases the bare minimum insurance coverage. The agent advises that cities of similar size do invest in higher limits placing Yachats below what might be considered average coverage.

The City Manager recommends Council consider all three coverages in the priority order provided in the memo. We have budgetary room this fiscal year for all 3 options since we did not experience the expected increase.

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MEMO

July 11, 2019

To: Shannon Beaucaire
City of Yachats
City Manager
Sent Via E-mail
shannon@yachatsmail.org

From: Geoff Sinclair
Brown & Brown NW Insurance

RE: Insurance renewal recommendations following our meeting

Thank you very much for meeting with me at City Hall to discuss the 2019 insurance renewal. During that meeting, I brought some recommendations for increasing the insurance coverage currently purchased by the City. These are not requirements, but rather items that we believe are worthy of a discussion and consideration by the City at this time.

Below are three recommendations for the City to consider. I have placed them in the order which I would recommend you consider increasing coverage. For example, the first is what I would consider adding first if you were to make a choice not to implement all three recommendations.

1. Crime Insurance – Inc – Increase from $50k to $250k - Additional $648

   The City has a relatively small amount of people that interact with money on a daily/weekly basis. Crime insurance is a coverage that is in place to reimburse the City of expenses and losses associated with embezzlement, failure to perform you duties resulting in a financial loss (faithful performance) and Social Engineering.

   Just last week, I was contacted by a small client who found that a manager had been making many personal purchases over the years and in total they will easily break 6 figures. This is unfortunate and more unfortunate is they only had $50k of coverage. Not only do they stand to lose an additional $50k+ but they also are in real jeopardy of losing the public's trust.

   Another coverage that is a part of Crime insurance is for Social Engineering. This is when an outside person pretends to be someone else and tricks the City

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employee into paying them money. An example if when you as the business manager sends out an email to your finance officer asking them to please pay this contractor, it's overdue and they are going to charge us. They obviously want to help and send that check out sometimes glossing over your protocols because "the boss" said to get it done now! As it turns out, you didn't send that message and the money sent was actually sent to a bank that no longer has the money and the criminal is gone.

The Crime insurance limit that you currently have is low for a City in Oregon and I recommend that all small cities increase this coverage to at least $250k. While I don't suspect any staff of wrongdoing at the City, I recommend that you increase this coverage as the most important consideration.

2. Cyber Liability Insurance – Increase from $50k to $250K – Additional $1,150

   Cybercrime and hacking is in the news nearly every day because of it's far reaching impact. Every corner of the globe including Yachats is not immune from its damaging effects.

   The City may be small but your risk from cyber-attacks is still significant. Cyber insurance covers losses of Personally Identifiable Information (PII) in both paper and digital media, including W2's, Spearfishing, ransomware etc. It is a robust coverage and losses can get expensive very quickly. An example is if you have a laptop that is lost or stolen and it has some employees or citizens person information on it.

   If this takes place, there are state required notification responses that must be done. Usually this is performed by hiring an attorney who then hires a forensic IT expert and an Forensic accountant. They determine what was lost, if something was lost that is PII and who/where they currently live. It matters where they live because what you need to do in order to "notify" them depends on where they reside and not where the data was lost.

   The next step is mailing them all a letter stating what happened and to offer them a year of free credit monitoring or whatever the state they live in requires. Next, you would engage the services of a call center to take the responses and process the affected persons needs. You also notify the state and other authorities if it is large enough.

   As you can probably imagine, the cost to do this can get very expensive, very quickly. It is for this reason that I recommend that City increase your Cyber insurance second next before considering the last recommendation.

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3. General Liability Insurance – Increase from $5Mill to $10Mill – Additional $646

   You currently have $5 Million dollars of General Liability insurance through your current carrier. They have an option to purchase double the amount of insurance for an additional amount of $646. The Oregon Tort Claims Act does limit the amount a person or company may claim in State court to just about $1.5 Million dollars.

   What the Tort Claims Act does NOT shield you from is Federal lawsuits. Employment claims, discrimination claims, retaliation claims all would be filed in federal court and there are no limitations including what they can win for attorney fees.

   If you had police as a risk, I would place this recommendation at number 1 on this list. There are large cases in place right now that will bump up against the limits you currently have that are all jail/police cases.

   I still believe the City should consider adding this coverage, but I have placed it third in this list given your risk profile and my experience in dealing with public entities of your size.

Again, I believe that all three of these recommendations are necessary to consider but I am very mindful of your budget and other expenses that may hold a higher priority for the City. Please reach out with any questions or if you would like to discuss any of the very general statements I have made within this memo.

The actual coverage wording, definitions and exclusions are the most important thing to consider whenever purchasing insurance so don't be afraid to ask.

City Council Action Item Cover Sheet

DATE: July 17, 2019

Agenda Item:

Lincoln County Housing Strategy Plan

Question Before Council:

Please review for suggested strategies and future Work Session topics

Person/Group Initiating Request:

City Manager

Item Summary/Background:

This was part of the Lincoln County Housing Study to suggest regional approaches to housing.

Lincoln County
OREGON

20 Years APG

JOHNSON ECONOMICS

LINCOLN COUNTY
HOUSING STRATEGY PLAN

JUNE 21, 2019

ACKNOWLEDGEMENTS:

TECHNICAL ADVISORY COMMITTEE

- Onno Husing, Lincoln County
- Craig Martin, City of Toledo
- Wayne Belmont, Lincoln County
- Lindsey Sehmel, Lincoln County
- Derrick Tokos, City of Newport
- Larry Lewis, City of Waldport and City of Depoe Bay
- Dave Mattison, City of Yachats
- Stewart Brannen, Siletz Tribal Business Corporation

POLICY ADVISORY COMMITTEE

The Policy Advisory Committee included members of participating jurisdictions' City Councils, Planning Commissions, and other Boards and Commissions, as well as several City Managers or Administrators.

CONSULTANT TEAM

- Matt Hastie, AICP, Angelo Planning Group
- Andrew Parish, AICP, Angelo Planning Group
- Brandon Crawford, Angelo Planning Group
- Brendan Buckley, Johnson Economics

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

EXECUTIVE SUMMARY

This Housing Strategy Plan has been prepared by Angelo Planning Group (APG) and Johnson Economics to assist Lincoln County and its cities in identifying and addressing issues related to housing. It will help the County and its cities move forward on a number of housing policy initiatives to respond to current and future housing needs.

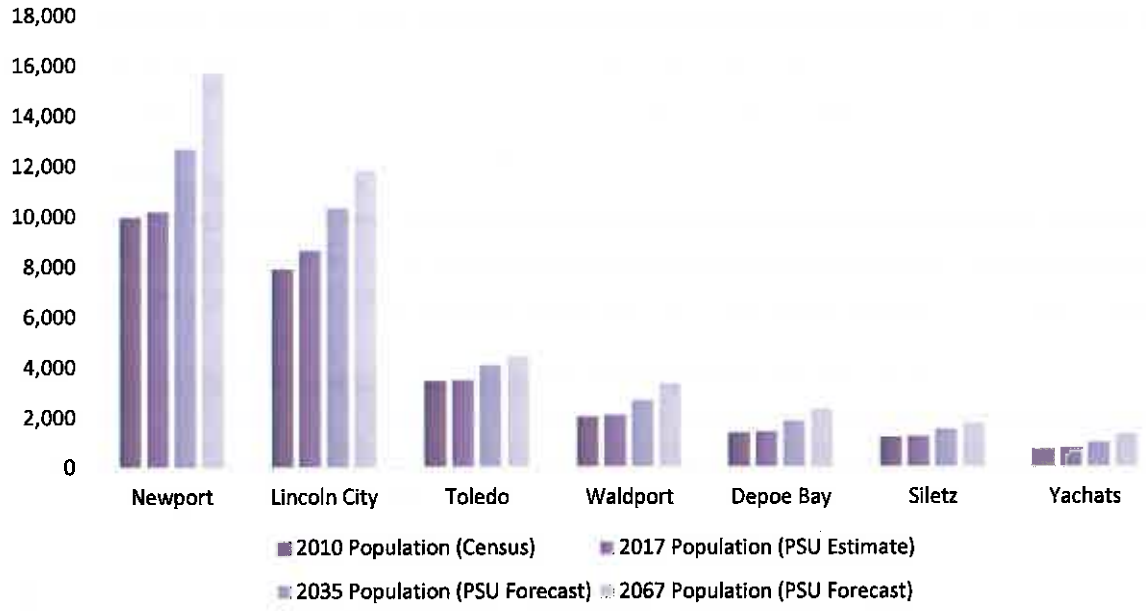
Lincoln County Demographic Information

Every city's population in Lincoln County has slightly increased since the most recent Census count (2010), and each jurisdiction is forecasted to continue growing over the next fifty years, with the greatest increases in Newport and Lincoln City. The County as a whole has followed a similar trend, and is projected to grow by almost 15,000 residents in that same time frame. The unincorporated portion of the County's population, however, is expected to remain fairly stable.

Meeting of the Policy Housing Strategy Plan Policy Advisory Committee

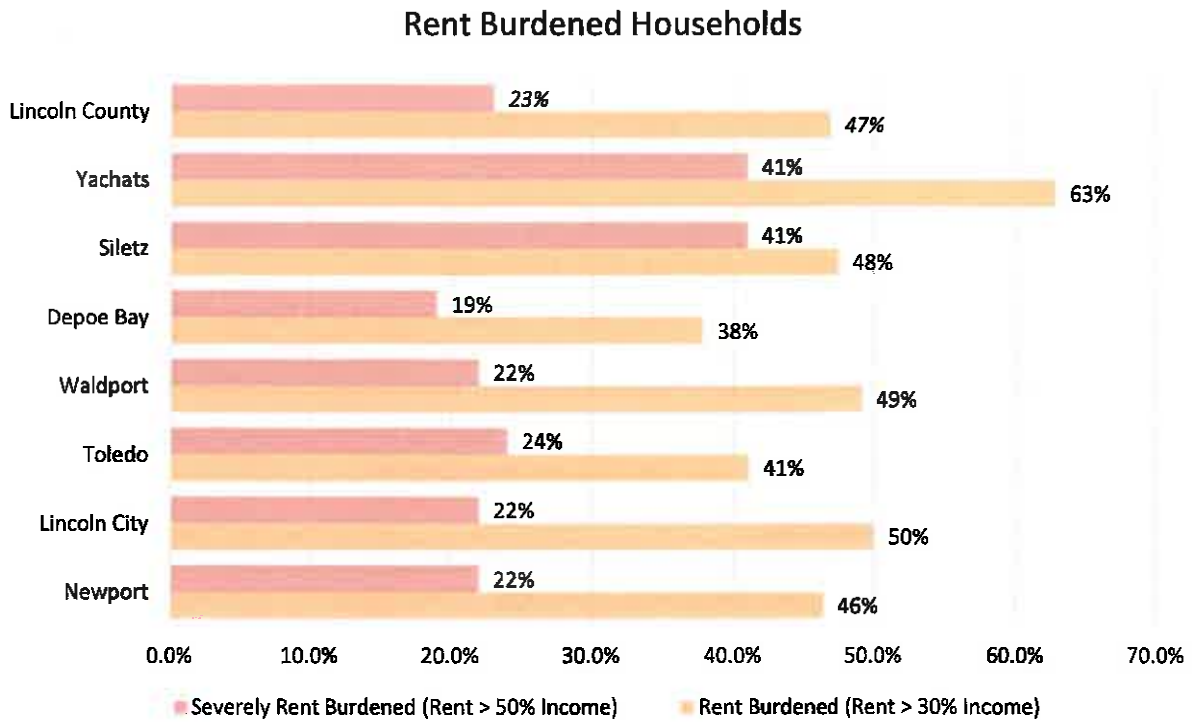
Most the County's total housing units are found in Newport and Lincoln City. Single-family detached units represent over half of each city's housing, with the exception of Siletz, which is composed of 50% manufactured housing. Unsurprisingly, the two largest cities (Newport and Lincoln City) have the largest share of multi-family housing, with both cities having over 15%.

Figure ES-1. Populations of Cities within Lincoln County



Lincoln County and its cities all have a median household income below the statewide median ($60,212) and the national median ($60,336). Depoe Bay and Toledo have the highest median household incomes (both close to $50,000), while Lincoln City and Siletz have the lowest (both below $40,000). Most other cities and the County have comparable median household incomes (slightly over $40,000). This level of income, combined with the amenity values of homes on the coast, have led to the level of rent burden shown in Figure ES-2.

Figure ES-2. Rent Burdened (2017 ACS) and Severely Rent Burdened (2018 DLCD) Households



Key Housing Issues

Over 20 stakeholders provided input regarding housing issues in Lincoln County. The following key themes emerged.

- **Overall housing need.** We have heard repeatedly that there is a need across all types and prices of housing in Lincoln County. Low achievable rents mean that multifamily housing is particularly unlikely to be built without subsidy, and there has been very little apartment construction in Lincoln County in recent decades.
- **Land Supply.** Supply of land in the right locations and zoned for the right housing types and densities is an issue in a number of coastal communities. Land supply is naturally constrained by the beach and ocean to the west and the hills to the east in a number of communities.
- **Sources of high costs and challenges to financial viability of coastal development.** The following issues were noted by many stakeholders:
    - High labor costs and low local labor availability.
    - Needed weatherization for the coastal area adds to project costs.
    - Transporting materials from the Willamette Valley or elsewhere adds to project costs.
    - Maintenance of structures on the coast is higher due to weather.
    - A significant amount of developable land in Lincoln County is either difficult/costly to serve with infrastructure, has steep slopes, or has wetland issues.

  - Profit margins for work on the coast generally needs to be higher than similar work in the Willamette Valley.
  - The smaller typical scale of projects on the coast is less attractive to Willamette Valley developers.
  - The cost of land, construction and debt does not always sync up well with the achievable rents available for coastal housing. In other words, it is harder for projects on the coast to "pencil out."
  - Because of these reasons, developers will not be aggressive about outpacing demand on the coast – they will always be trailing the pent-up demand.

- **Development Process and Fees.** Many local developers noted that Systems Development Charges (SDCs) contributed to housing costs for their projects. However, other developers said that the SDCs, and review process in Lincoln County generally, are similar to those of other jurisdictions.
- **Vacation Rentals.** We have heard varying perspectives on whether Vacation Rentals are contributing to the lack of inventory, how much, and what possible remedies may be.

Strategies and Recommendations

This report contains several strategies and recommendations for addressing housing issues in Lincoln County, listed briefly below and described in greater detail in the remainder of this report.

- Comprehensive Plan Policy Updates
- Development Code amendments
- Home Rehabilitation Loan/Grant Program.
- Construction Excise Tax (CET)
- Transient Lodging Tax (TLT) Reallocation
- SDC Methodology Updates and/or Deferrals
- Tax Abatements or Exemptions
- Regional Buildbable Lands Inventory (BLI)
- Staff Allocation to Regional Housing

Lastly, additional information is provided on the following topics:

- Tiny Homes, Recreational Vehicles, and Similar Types of Housing
- Accessory Dwelling Units
- Urban Growth Management Agreements (UGMAs)

INTRODUCTION

Angelo Planning Group (APG) and Johnson Economics have been contracted to prepare a Housing Strategy Plan for Lincoln County. The Housing Strategy Plan is intended to assist Lincoln County and its cities in identifying and addressing issues related to housing. It will help the County and its cities move forward on a number of housing policy initiatives to respond to current and future housing needs

As part of this effort, APG and Johnson Economics have consulted with Business Oregon and nonprofit organizations engaged in the provision and maintenance of housing to discuss potential opportunities for collaborations moving forward. In particular, Lincoln County and its cities are interested in leveraging the Community Development Block Grant (CDBG) program administered by Business Oregon to utilize an existing pool of funds and continue to secure additional funds in future years to implement a housing rehabilitation loan available for use throughout the County.

To this end, APG and Johnson Economics have engaged in several meetings and conference calls with members of Business Oregon, the Lincoln County Affordable Housing Partners group, Community Services Consortium, and Willamette Neighborhood Housing Services.

Housing and Population Conditions Summary

The following tables and figures help paint a picture of overall housing and related socioeconomic/demographic conditions within Lincoln County and its cities. This information was primarily derived from US Census/American Community Survey (ACS) counts and estimates, population projections from Portland State University's Population Research Center, and data provided by the Oregon Department of Land Conservation and Development (DLCD).

Population and Housing Units

Every city in Lincoln County has experienced a slight population increase since the most recent Census count (2010), and each jurisdiction is forecasted to continue growing over the next 50 years, with the greatest increases in Newport and Lincoln City (*Figure 1)*. The County as a whole is projected to grow by almost 15,000 residents in that same time frame, while the unincorporated portion of the County's population is expected to remain fairly stable (*Figure 2*).

Most of the County's housing is found in Newport and Lincoln City, with each city having over 5,000 units (*Figure 3)*. In the cities of Lincoln County, single-family detached units represent over half of the housing, which the exception of Siletz, which is composed of 50% manufactured housing (*Figure 4*). Unsurprisingly, the two largest cities (Newport and Lincoln City) have the largest share of multi-family housing, with both cities having over 15%. Every city has relatively comparable shares of "missing middle" housing types (duplex, triplex, etc.), while apart from Siletz, all the smaller cities are predominantly composed of single-family detached at 70% or higher. Lincoln City is the only city in the County that has a greater share of rental units than owner-occupied units (*Figure 5*).

Figure 1. Populations of Cities Within Lincoln County

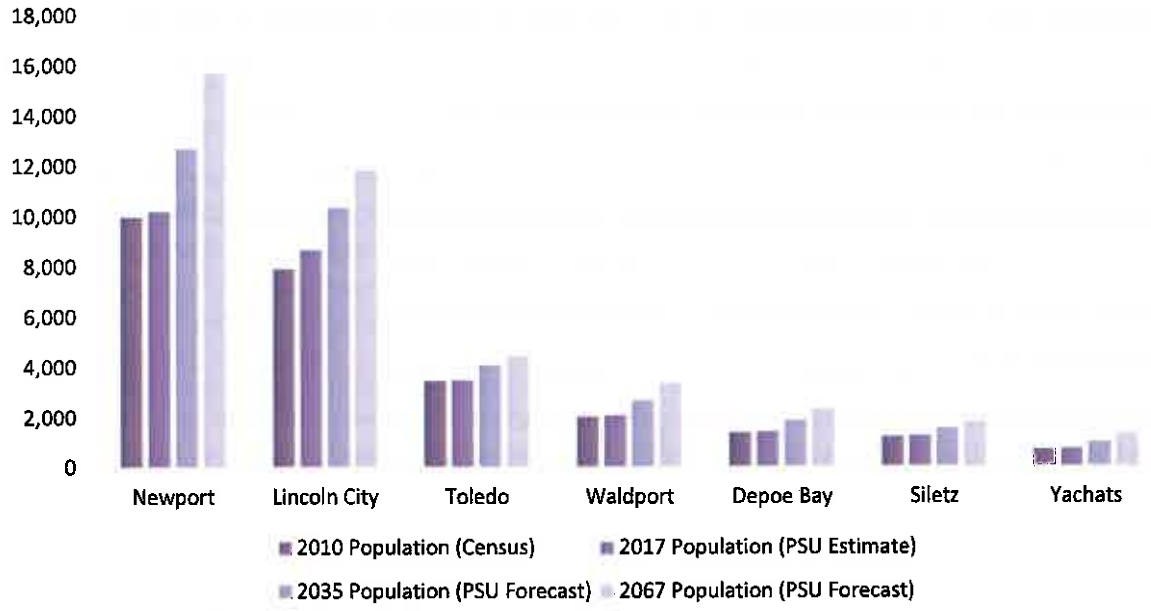


Figure 2. Populations of Lincoln County and its Unincorporated Area

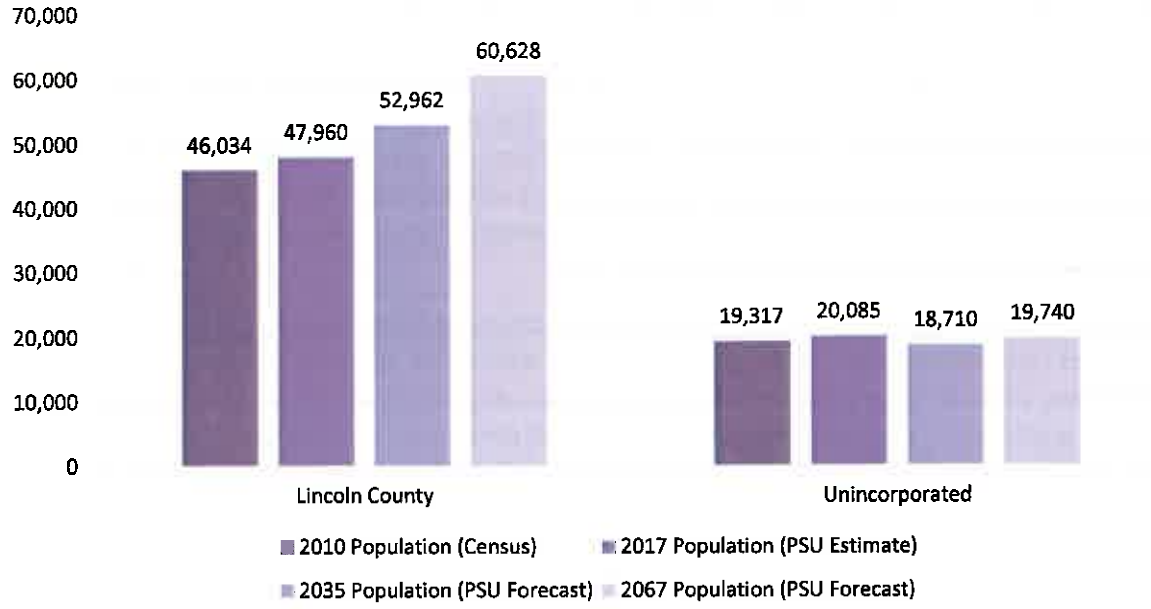


Figure 3. Total Housing Units in Lincoln County Cities (2017 ACS)

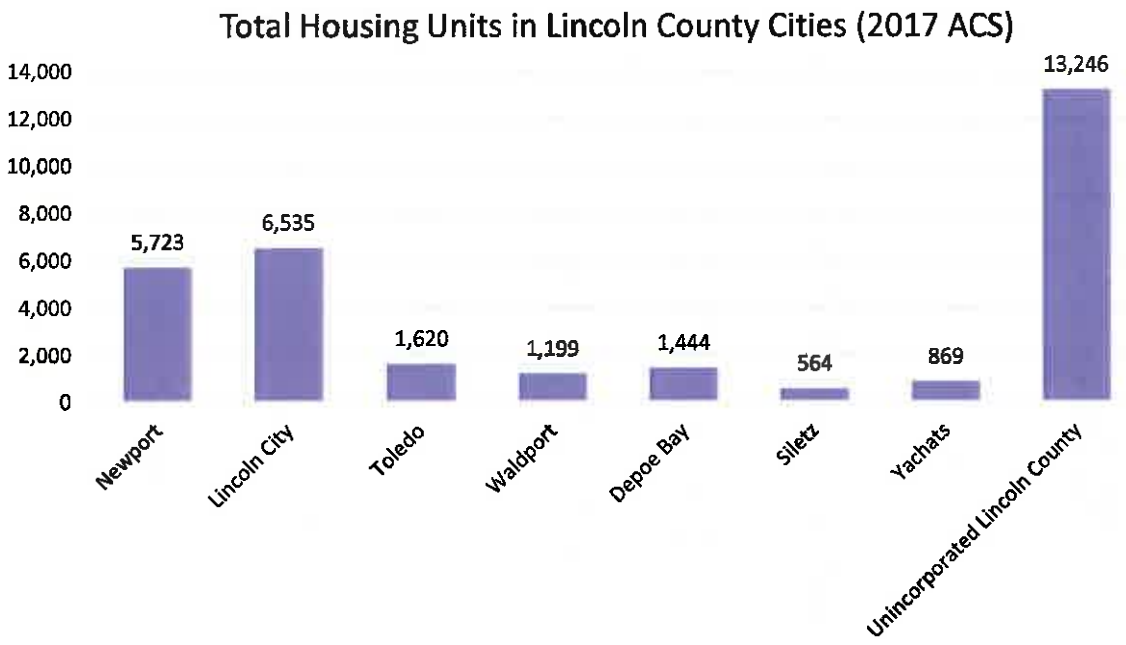


Figure 4. Housing Type Share by Jurisdiction (2017 ACS)

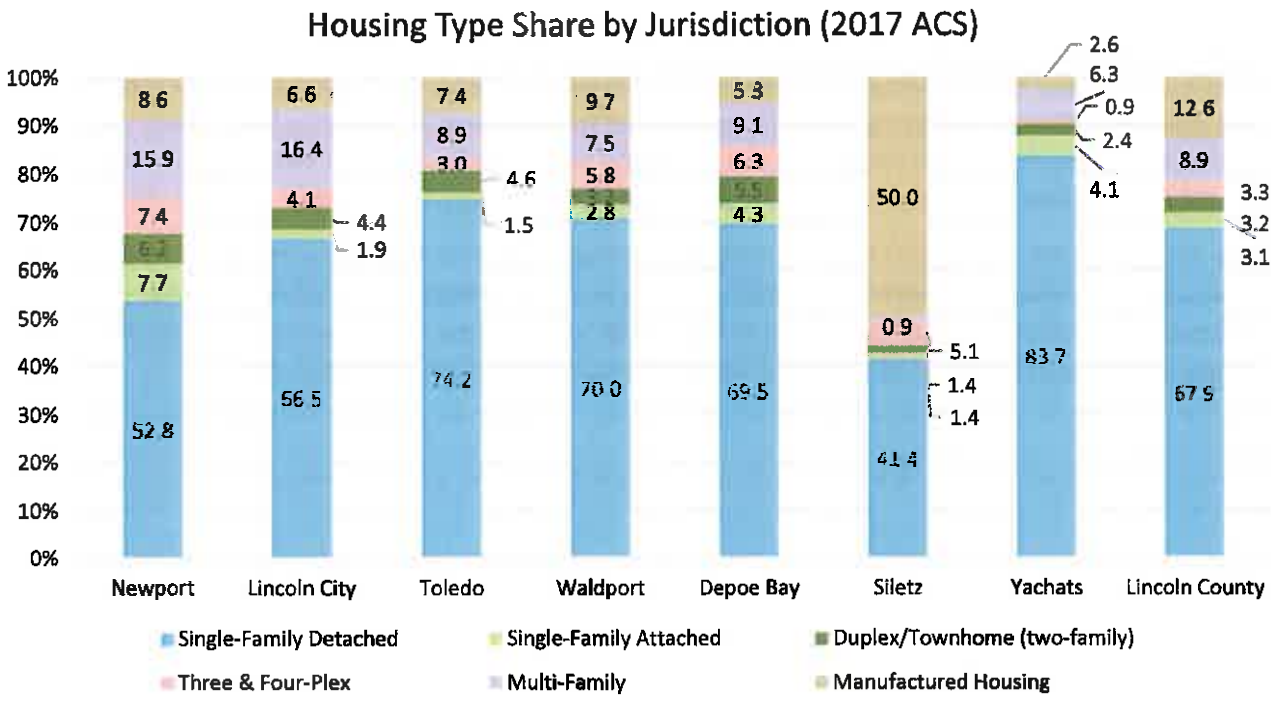
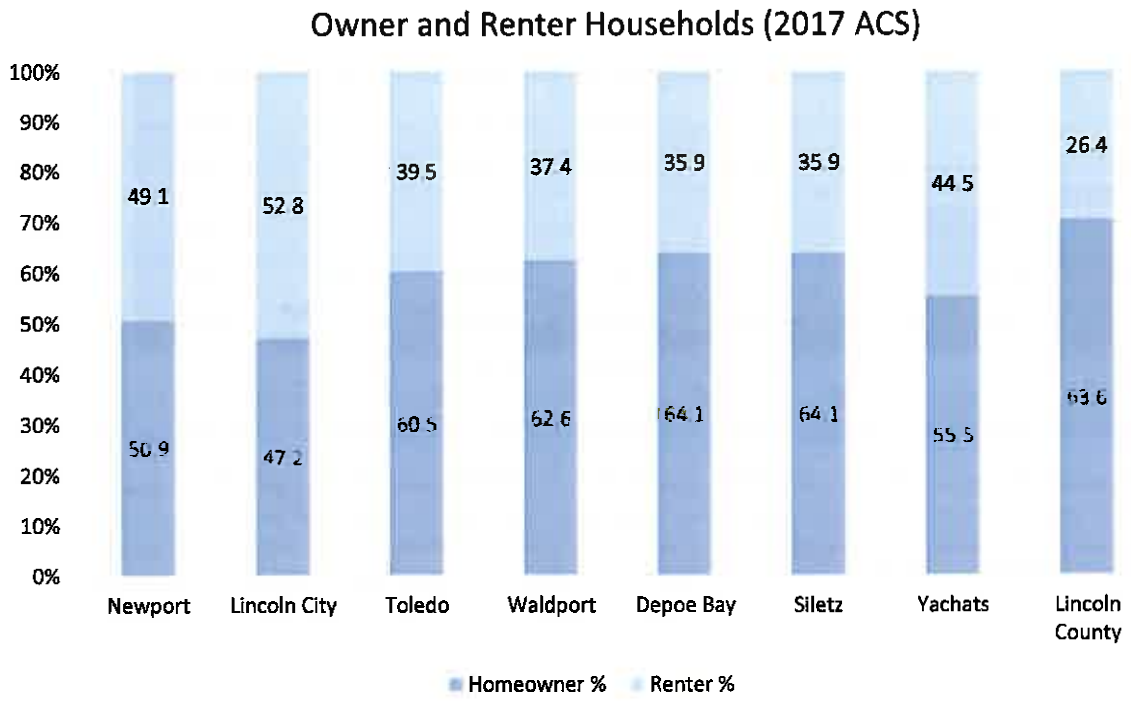


Figure 5. Owner and Renter Households (2017 ACS)



Income and Demographics

Lincoln County and its cities all have a median household income[1] below the statewide median ($60,212) and the national median ($60,336) (*Figure 6)*. Depoe Bay and Toledo have the highest median household incomes (both close to $50,000), while Lincoln City and Siletz have the lowest (both below $40,000). Most other cities and the County have comparable median household incomes (slightly over $40,000).

The household characteristics of Lincoln County and its cities are varied. Most cities and the County as a whole have a share of households with members 60 and older in excess of 50%, except for Toledo (44%) (*Figure 7*). There is greater variation in the proportion of households with children, with nearly one-third of Siletz households having children, while in Depoe Bay and Yachats only 11% of households do.

[1] Household income includes the income of the householder and all other people 15 years and older in the household, whether or not they are related to the householder. Median household income is defined as the point that divides the income distribution into two halves – one half with an income above the median and one half with an income below the median. The median is based on all households – including those with no income.

Figure 6. *Median Household Income and Median Individual Income*

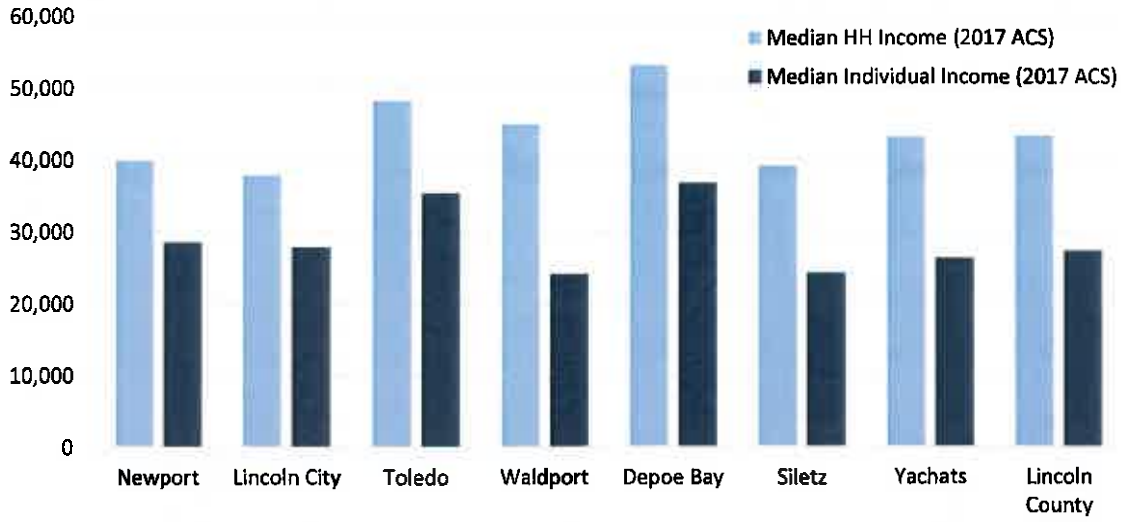
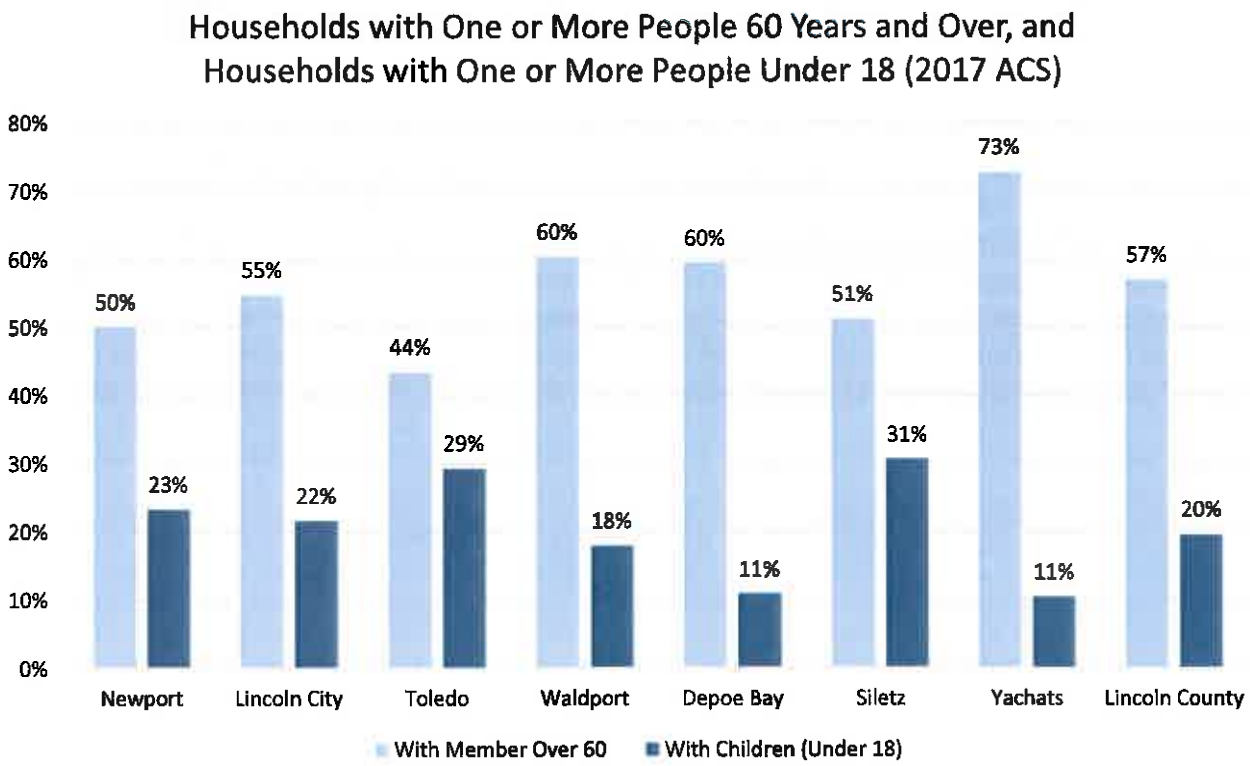


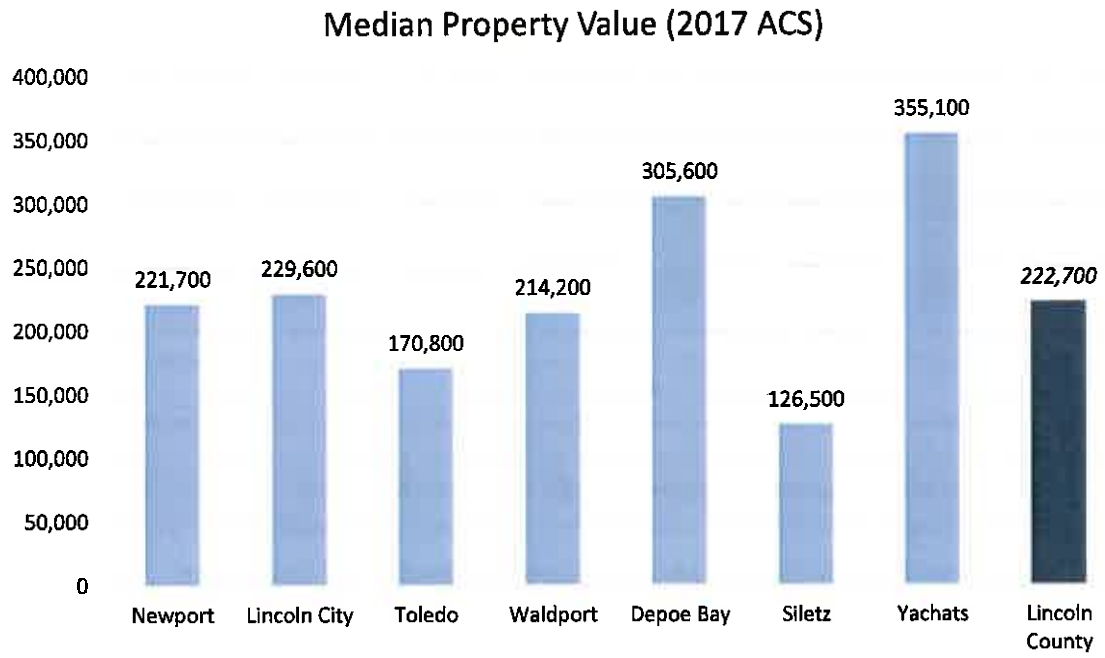
Figure 7. *Households with Children or Members Over 60 Years Old (2017 ACS)*



Housing Values and Affordability

The median property values of each city vary widely. Most are around $200k, while Siletz is far below that at about $125K, and Yachats and Depoe Bay are over 300K (*Figure 8*). This likely reflects the amenity value of the properties near the coast (for the higher value areas), but also the less expensive rural areas (Siletz).

Figure 8. *Median Property Value for Lincoln County and its Cities (2017 ACS)*



Figures 9, 10, and *11* each illustrate the shortage of available housing among the County's cities. Nearly all the city rents are 30% or higher than renter household income, with Yachats being the highest at 50% (*Figure 9*). *Figure 10* supports this trend in total dollar amounts (monthly rent vs. monthly income). Similarly, *Figure 11* displays the high degree of rent burdened (rent >30% AMI) and severely rent burdened (rent > 50% AMI) households throughout the county, with severely rent burdened composing roughly 20% of each county's rental share and rent burdened over one-third for each city. Median monthly homeowner housing costs (mortgage and utilities) range between just over $1,100 per month in Siletz to almost $1,700 in Depoe Bay (*Figure 12*).

Figure 9. ***Median Gross Rent as a Percentage of Median Renter Income (2017 ACS)***

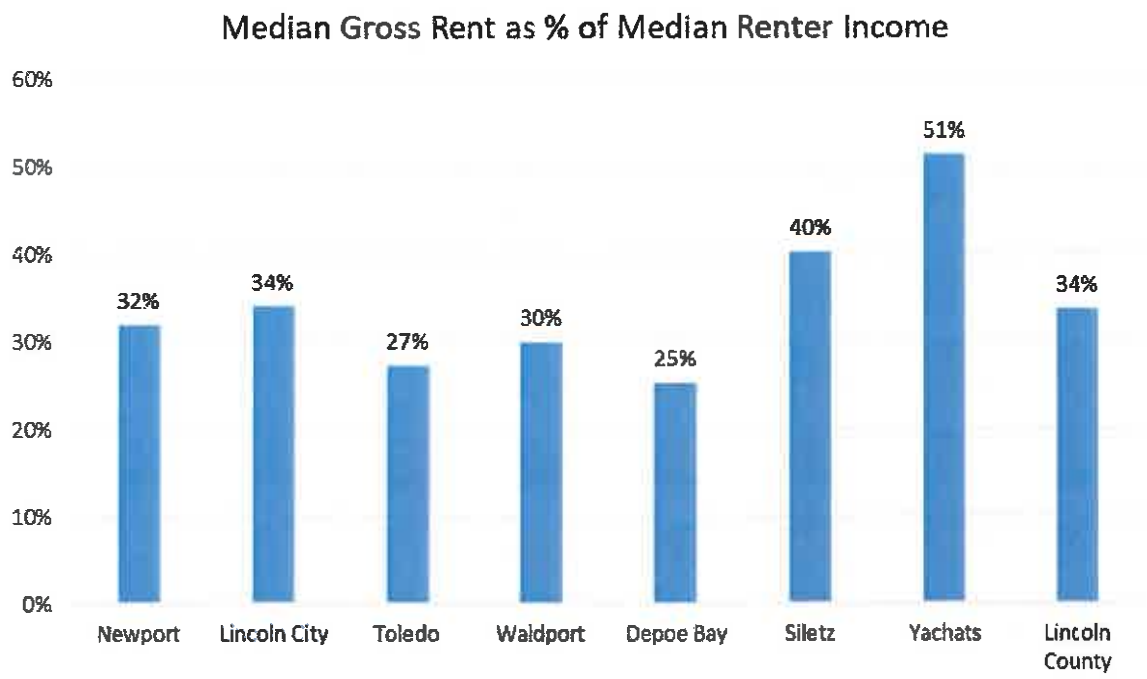


Figure 10. ***Total Dollar Amount of Median Renter Income vs. Median Rent (2017 ACS)***

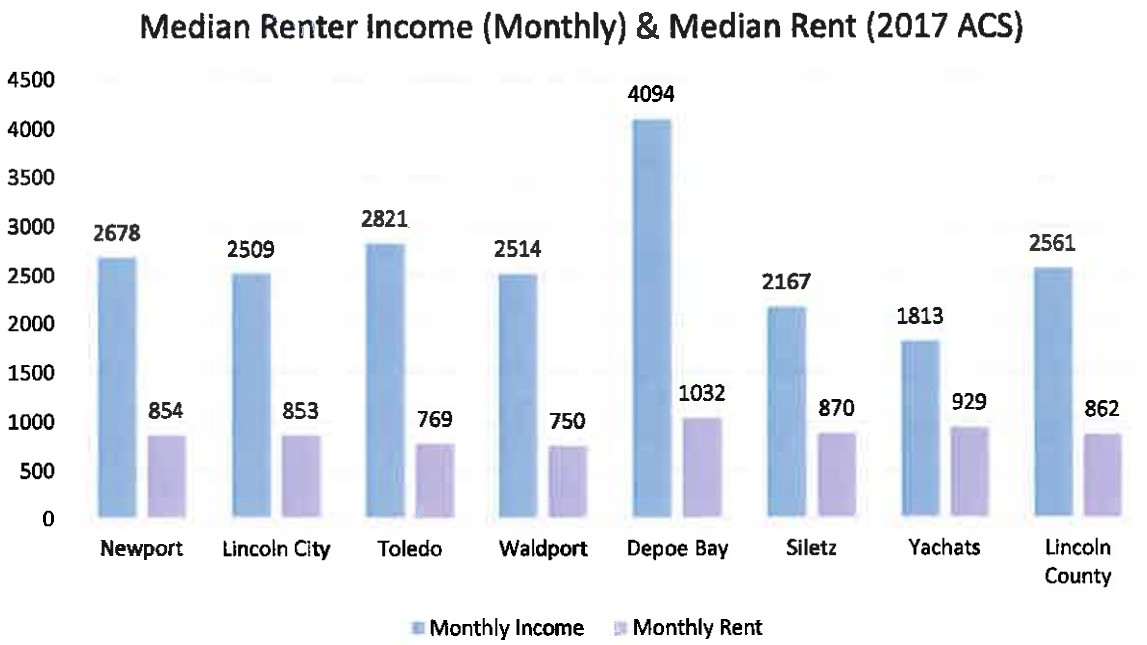


Figure 11. ***Rent Burdened (2017 ACS) and Severely Rent Burdened (2018 DLCD) Households***

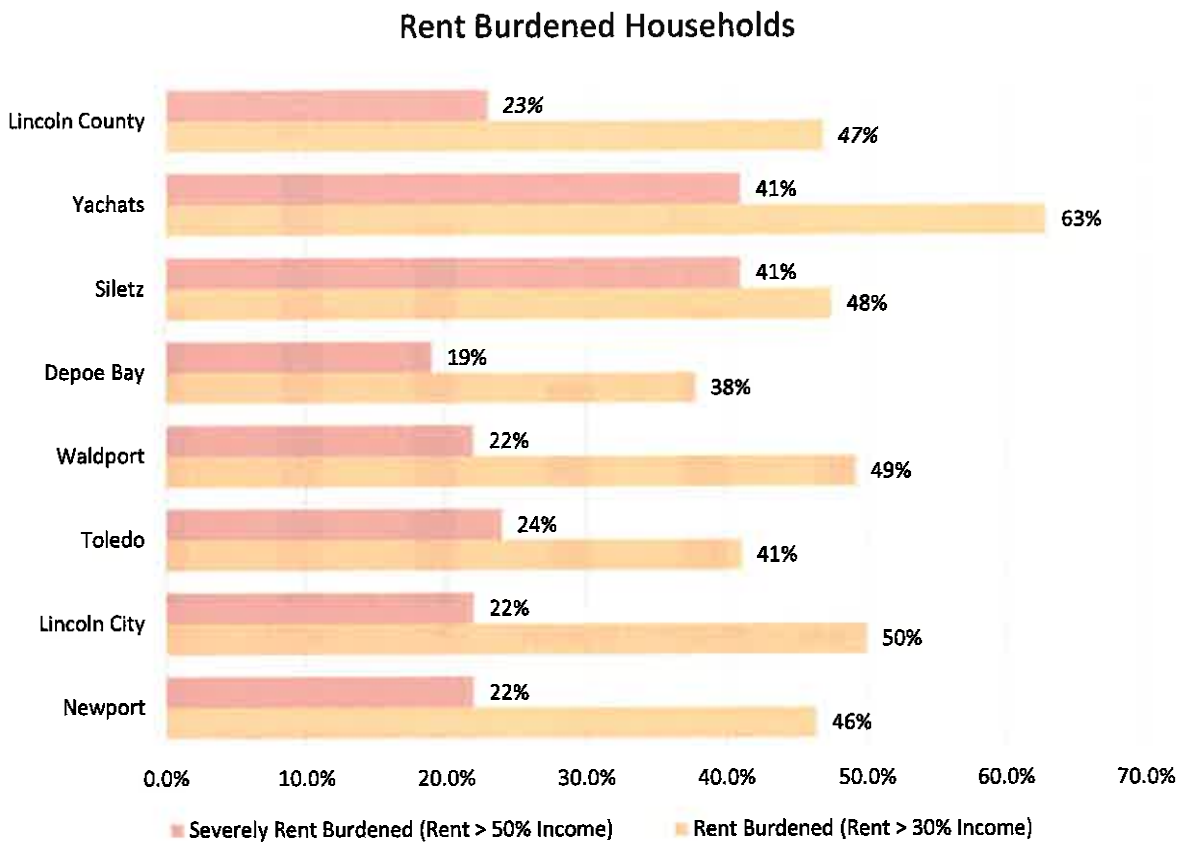
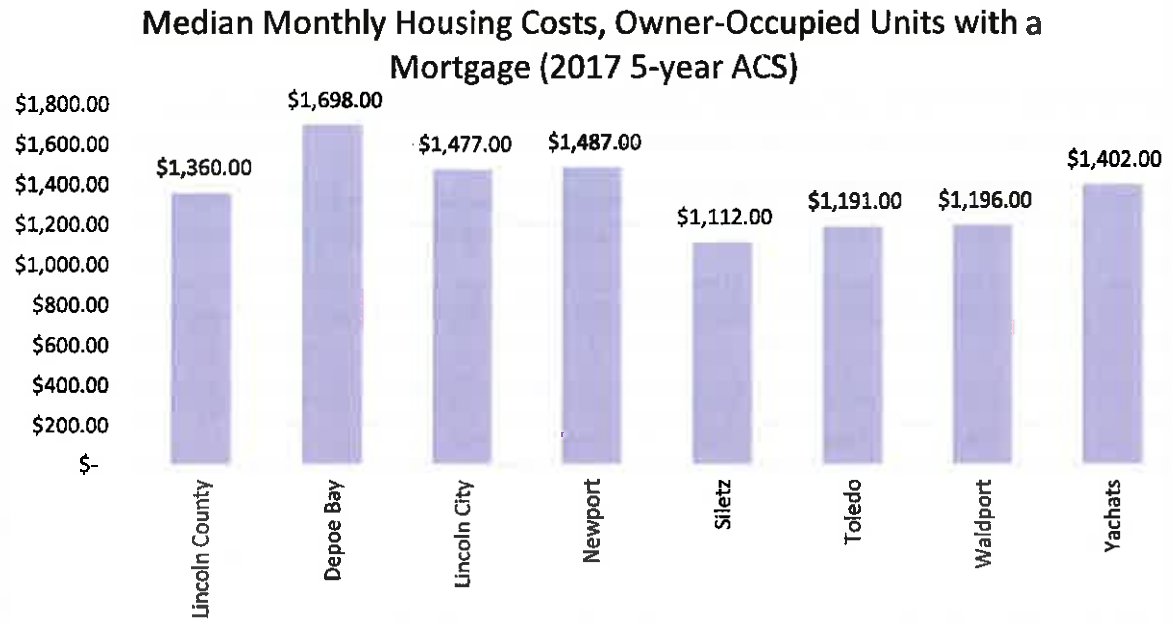


Figure 12. Median Monthly Housing Costs (2017 ACS)



SUMMARY OF KEY HOUSING ISSUES

Over 20 stakeholders provided input regarding housing issues in Lincoln County. The following key themes emerged. Additional detail about these stakeholder interviews is provided in the Stakeholder Interviews Summary.

- **Overall housing need.** We have heard repeatedly that there is a need across all types and prices of housing in Lincoln County. Many interviewees noted that the market tends to take care of housing at the upper end, while workforce housing at or below $250k for a home is sorely needed. Low achievable rents mean that multifamily housing is particularly unlikely to be built without subsidy, and there has been very little apartment construction in Lincoln County in recent decades.
- **Land Supply.** Supply of land in the right locations and zoned for the right housing types and densities is an issue in a number of coastal communities. There generally is an adequate supply of land overall but not necessarily on sites that will support certain types of development cost-effectively. Land supply is naturally constrained by the beach and ocean to the west and the hills to the east in a number of communities.
- **Sources of high costs and challenges to financial viability of coastal development.** Most of the developers and builders interviewed noted the following issues, which are described in more detail on pages 5-7 of this report:
    - Labor costs are high for coastal construction due to low local availability and resulting commuting time for workers from the Willamette Valley.
    - Needed weatherization for the coastal area adds to project costs.
    - Transporting materials from the Willamette Valley or elsewhere adds to project costs.

- Maintenance of structures on the coast is higher due to weather.
- A significant amount of developable land in Lincoln County is either difficult/costly to serve with infrastructure, has steep slopes, or has wetland issues.
- Profit margins for work on the coast generally needs to be higher than similar work in the Willamette valley; in a competitive development cycle, a developer is likely to choose a different project in a location more convenient to them.
- The smaller typical scale of projects on the coast is less attractive to Willamette Valley developers than projects in the Portland Metro area or other larger urban areas in the valley.
- The cost of land, construction and debt does not always sync up well with the achievable rents available for coastal housing. In other words, it is harder for projects on the coast to "pencil out."
- Because of these reasons, developers will not be aggressive about outpacing demand on the coast – they will always be trailing the pent-up demand.

- **Fees.** Many local developers noted that Systems Development Charges (SDCs) and other fees contributed to housing costs for their projects. In some cases, these fees were seen as disincentivizing attached housing types. However, others stated that fees were reasonable and similar to those of jurisdictions elsewhere.
- **Development Process.** Some local developers said that the time required to undergo development review added project costs. However, other developers interviewed said that the review process in Lincoln County is similar to other places, and in some ways has been easier and faster than jurisdictions elsewhere.
- **Vacation Rentals.** We have heard varying perspectives on whether Vacation Rentals are contributing to the lack of inventory, how much, and what possible remedies may be. This is clearly an issue on lots of peoples' minds. Several interviewees noted that most vacation rentals are high-end homes that do not directly compete with affordable housing, and the tourism revenue generated is important for the community. A estimate of the number of vacation rentals currently operating in Lincoln County is provided in Table 1 below. In addition to short-term vacation rentals, other vacation homes make up a relatively significant share of the overall housing stock in some communities as is reflected in vacancy rates as high as 41% in Lincoln City, 47% in Depoe Bay, as low as 2% in Siletz and approximately 21% and 27% in Newport and Toledo, respectively.

Table 1. Estimate of Vacation Rentals Operating in Lincoln County

Zip	Area	Active Rentals	Whole Home		Rooms	Rentals Listed On: AirBnb	Rentals Listed On: Home Away	Within City (estimated)	Remainder of Zipcode
97367	Lincoln City	955	925	97%	30	24%	26%	593*	362
97341	Depot Bay	247	244	99%	3	26%	27%	154	93
97369	Otter Rock	31	31	100%	0	23%	19%		31
97365	Newport	304	270	89%	34	36%	23%	224*	80
97366	Holiday Beach	48	42	88%	6	30%	35%		48
97376	Seal Rock	45	43	96%	2	31%	22%		45
97394	Waldport	265	252	95%	13	27%	29%	55	210
97498	Yachats	260	242	93%	18	34%	30%	134	126
97380	Siletz	none found							
97391	Toledo	none found							
TOTAL:		2,155	2,049	95%	106	28%	27%	1160	995

Source: AirDNA; Lincoln City; Newport

* Total VRD's in Lincoln City and Newport reported by the cities, others estimated from AirDNA

STRATEGIES AND RECOMMENDATIONS

In assessing housing conditions and issues, and identifying potential strategies to address them, the consultant team considered the following objectives:

- Ensure that current policies and development code requirements are generally consistent with applicable state and local legal requirements.
- Recommend a set of steps to re-establish the County's housing rehabilitation loan program in a way that is sustainable in the long term.
- Highlight successful strategies currently being undertaken by cities in Lincoln County and the County, and recommend those that may be transferrable to other jurisdictions.
- Identify additional potential strategies that can be undertaken to address housing needs, including the needs of people with low and moderate incomes.
- Identify opportunities for collaboration among the County and cities.

Consistent with these objectives, the remainder of this report summarizes the following types of strategies to address identified housing issues and needs:

- Amendments to local Comprehensive Plan policies and development codes to ensure consistency with legal requirements and further overarching state and local housing goals.
- Potential steps to re-establish and further implement the home rehabilitation loan/grant program.
- Additional strategies that can be implemented individually by one or more cities in the County or the County itself to address housing needs, including:
    - Construction Excise Tax
    - Transient Lodging Tax Reallocation
    - System Development Charge (SDC) Deferrals or Methodology Updates
    - Tax Abatement or Exemption Programs
- Opportunities for regional collaboration among the County and/or multiple cities, including:
    - Regional Buildable Land Inventory
    - Staff Allocation to Regional Housing Programs
- Additional Information provided on a variety of topics:
    - Tiny Homes, Recreational Vehicles, and Similar Housing Types
    - Accessory Dwelling Units
    - Urban Growth Management Agreements

Comprehensive Plan Policy Updates

The Housing Element of local Comprehensive Plans establish the policies that guide residential development in each community. These policies are important because they institute aspirational goals and principles for meeting the housing needs of the community. The policies are also important because they establish formal criteria and guidelines for land use decisions that pertain to housing. In general, the following types of policies are recommended in order to help meet the current and future housing needs of community members:

- **Supports Statewide Planning Goal 10.** Comprehensive Plans typically do and should include a general policy that mirrors Statewide Planning Goal 10 (Housing). "
    - *Example: "The City shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density." ."*
- **Emphasizes affordable housing needs.** Given that meeting the needs of low and moderate income households often requires public intervention or subsidy, it is important to include policies emphasizing the needs of these households.
    - *Example: "The City shall support the development of affordable housing to address housing needs that are not met by the market."*

- **Supports partnerships.** Most Comprehensive Plan housing elements include policies aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.
    - *Example: "The City shall partner with the Housing Authority of Lincoln County and other agencies, nonprofits, and other groups to help meet the housing needs of low and moderate income households."*

Cottage Cluster Development in Newport

- **Encourages a variety of housing types.** In addition to a broad goal or policy about meeting a full range of housing needs, Plans often include policies noting the need for a variety of housing types, including single family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units. *Examples:*
    - *"The City shall encourage development of higher density and multifamily housing within areas designated for this use and limit low-density housing in these locations.*
    - *The City shall provide opportunities for the development of a variety of housing choices that meet the needs and preferences of current and future households."*
- **Affirms Fair Housing goals.** Local governments are required to ensure that their housing policies and standards do not discriminate against or have adverse effects on the ability of "protected classes" to obtain housing, consistent with the federal Fair Housing Act.
    - *Example: "The City shall employ strategies that support the Fair Housing Act and affirmatively further fair housing."*
- **Supports mixed use development.** Some Plans explicitly support the development of mixed use projects, which typically include upper story housing located above retail or commercial uses.
    - *Example: The City shall allow for a mix of residential uses with other compatible uses in appropriate locations."*

- **Supports accessory dwelling units.** Comprehensive Plans may include policies specifically referencing support for this form of housing. Recent Oregon legislation requires all cities below a certain size to allow for this form of housing outright in all zones where single-family detached housing is allowed.
    - *Example: "The City shall allow and support the development of Accessory Dwelling Units in all residential zones as required by State law."*
- **Addresses land supply goals.** Many Comprehensive Plans include policies which reference the need to ensure that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction's inventory of such lands. *Examples:*
    - *"The City shall encourage efficient use of residential land within the Urban Growth Boundary"*
    - *"The City shall provide a sufficient amount of residential land to accommodate residential growth."*
    - *"The City shall ensure that the City has an adequate housing supply with enough land to support the community's growth."*
- **Supports maintenance and rehabilitation of existing housing.** Many comprehensive plans emphasize maintenance of existing housing stock as a method to prevent unsafe conditions and keep affordable housing available within the community.
    - *Example: "The City shall encourage maintenance and rehabilitation of the existing housing stock."*
- **Supports development of manufactured homes.** Oregon law requires that all zones that allow for "stick built" single family detached homes also allow for manufactured homes on individual lots. Each jurisdiction must also allow for manufactured home parks in at least one residential zone.
    - *Example: "The City shall support the maintenance and development of manufactured homes as an affordable housing choice in appropriate locations.*
- **Regulates short term rentals.** Many communities, particularly those with high levels of tourism, regulate short-term rental housing to reduce its impact on the supply and affordability of long-term rental housing.
    - *Example: "The City shall control the number and location of vacation rentals to preserve adequate housing for residents and protect the quality of life in the City's residential neighborhoods.."*

The following table includes a summary of potential policy gaps among Lincoln County jurisdictions which may be addressed through future Comprehensive Plan policy updates.

Table 2. Comprehensive Plan Policy Assessment

Policy Objective	*Assessment – Additional or Amended Policy Language Needed (x)*							
	Depoe Bay	Lincoln City	Newport	Siletz	Toledo	Waldport	Yachats	Lincoln County
1. *Support Statewide Planning Goal 10*								x
2. *Emphasize affordable housing needs*					x	x		
3. *Support partnerships*	x				x	x	x	x
4. *Encourage a variety of housing types*	x			x		x	x	
5. *Affirms Fair Housing goals*	x	x	x	x	x	x	x	x
6. *Support mixed-use development*	x		x	x	x	x	x	x
7. *Support accessory dwelling units*	x			x		x	x	x
8. *Address land supply goals*	x				x	x	x	x
9. *Support development of manufactured homes*		x		x		x	x	x
10. *Regulate short term rentals*	x		x	x	x	x	x	x

Potential Development Code Amendments

The following table summarizes preliminary potential amendments to each city's development code provisions. The goal of the amendments would be to increase opportunities and reduce barriers to developing a wider range of housing choices throughout the city. In addition to the general provisions described in the table, the following Lincoln County jurisdictions should consider whether maximum lot sizes/minimum densities are appropriate to ensure that land zoned for medium- to high-density uses are developed as such.

Table 3. Potential Development Code Amendments

Code Provision	Depoe Bay	Lincoln City	Newport	Siletz	Toledo	Waldport	Yachats
Housing Types Allowed	Consider allowing triplexes in R-2 courtyard apts. in R-3	No changes recommended	Consider allowing triplexes in R-2, courtyard apts. in R-3	No changes recommended	Consider allowing duplexes in R-S	Consider allowing duplexes in R-1, triplexes in R-2	Consider allowing duplexes in R-1, triplexes in R-2
Densities/ Minimum Lot Sizes	Reduce lot sizes for duplexes in all zones	Consider reducing lot size for duplexes in all zones, except R-7.5	No changes recommended	Consider reducing lot size for all housing types in G-R	Reduce lot sizes for duplexes if allowed in R-S Consider reducing min lot size for non- single-family dwelling uses in R-G	No changes recommended	Consider reducing min lot size and size for additional units for multifamily in R-3 and R-4
Accessory Dwelling Unit (ADU) Requirements	Allow in all zones where single family dwellings allowed and adopt specific standards	Consider allowing 1 external, 1 internal	Consider eliminating primary resident occupancy requirement, increasing max floor area, and allowing 1 external, 1 internal	Consider eliminating primary resident occupancy requirement and increasing allowed size	Consider eliminating primary resident occupancy requirement and increasing allowed size	Allow in all zones where single family dwellings allowed and adopt specific standards	Allow in all zones where single family dwellings allowed and adopt specific standards
Cottage Cluster Housing	Adopt standards and allow in R-2, R-3, R-4	No changes recommended	Adopt standards and allow in R-2, R-3, R-4	Adopt standards and allow in G-R, maybe R-S	Adopt standards and allow in G-R, maybe R-S	Adopt standards and allow in R-2, R-3, R-4	Adopt standards and allow in R-2, R-3, R-4
Off-street Parking Requirements	Consider reducing requirements for all non- single family dwelling housing types	Consider reducing requirements for multifamily	No changes recommended	Consider reducing requirements for all non- single-family dwelling housing types	No changes recommended	No changes recommended	No changes recommended

Code Provision	Depoe Bay	Lincoln City	Newport	Siletz	Toledo	Waldport	Yachats
Building Heights	No changes recommended	No changes recommended	Consider height bonus of 10% for projects meeting a minimum density in R-4 zones	Consider increasing to 35'	No changes recommended	No changes recommended	Consider increasing to 35'

Home Rehabilitation Loan/Grant Program

Description of Strategy

The purpose of this program is to provide funds for the repair of owner-occupied housing for those with low to moderate incomes. These funds generally are provided as zero-interest deferred-payment loans, which are tied to the home itself and repaid upon sale of the home. Alternatively, these funds can be simply granted to recipients.

The source of funding is from the Department of Housing and Urban Development (HUD)'s Community Development Block Grant (CDBG) program, which is administered by Business Oregon and provided to applying jurisdictions. About 28% of the program goes into housing repair funds, totaling roughly $3 million per year available for jurisdictions statewide outside of the Portland Metro region. The loans themselves are administered by partner organizations such as Community Services Consortium or Willamette Neighborhood Housing Services.

Assessment of Cost and Benefit

- ***Administrative Investment:*** *Moderate. Partnership with the sub-grantee (e.g. organizations similar to Community Services Consortium or Willamette Neighborhood Housing Services) can mitigate administrative costs but there are some responsibilities of the jurisdiction applying for funds.*
- ***Feasibility:*** *High. Restarting this program is a priority for Lincoln County and steps are currently underway.*
- ***Impact:*** *Moderate-high. This strategy can be an important piece of maintaining currently existing affordable housing, which might otherwise fall into disrepair.*

Current Use in Lincoln County

The rehabilitation loan program has been essentially on hold and inactive for several years. The organization administering the program (Community Services Consortium) found that it could not cost-effectively administer the program due to the administrative complexity involved, limited ability to use program funds to pay for administration activities, and sufficient economies of scale to concurrently manage multiple or larger related programs. As of this writing, the CSC was in the process of completing and preparing to distribute a request for proposals (RFP) to other non-profit organizations to take over administration of the program. As noted below, the CSC and new partner organization would partner with Lincoln County and interested cities to determine how best to re-establish the program.

Recommendations and Implementation Steps

The following approach for restarting the housing loan rehabilitation program in Lincoln County is recommended.

- *CSC will distribute a Request for Proposal (RFP) to find new non-profit administrator for the current portfolio of loans. The CSC staff and board will review and evaluate resulting proposals and select a new contractor. Lincoln County and its cities will be consulted during this process to ensure that the new program manager can address the needs and priorities of Lincoln County jurisdictions.*
- *After a new administrator is chosen, Lincoln County and its cities will work with the new organization do the following:*
    - ***Establish how existing funds will be used*** *to benefit County and city residents, based in part on any agreements associated with the current program. Discussions with city and county staff undertaken as part of the current housing study have indicated that program funds will be used to provide loans*

to anyone in Lincoln County based on whether or not the property owner and home qualify, rather than establishing a geographic formula for distribution of loans. However, it will be important to affirm or refine this approach, as needed.

- ***Determine which cities in the County will participate** in a new program moving forward. Historically, some but not all of the cities in Lincoln County have participated in the program. To date, most of the cities in the County have expressed an interest in participating but final agreement on participation will be needed. The initial assumption of this project's advisory committees is that loans will be provided to residents living in any part of the County, regardless of whether their jurisdiction is participating in applying for grant funds.*
- ***Determine how "de-federalized" money from repaid loans will be used**. The County and its partners could identify specific purposes or a process for the advisory board to make that determination, as needed when those funds become available. Some of the existing money in the program has previously been earmarked for use by specific jurisdictions although most of the funds have not been programmed for a specific use.*

Table 4. Pros (+) and cons (-) of utilizing "de-federalized" funds

Keeping "de-federalized" funds in the revolving home rehabilitation loan pool	Utilizing "de-federalized" funds for other types of programs
+ Eventually grows the size of the pool of home rehabilitation loans	+ Provides an opportunity to use these funds for properties/people who would not qualify for the home rehabilitation loan program, such as mobile homes, renters, those who do not meet the eligibility requirements, etc.
- Limits funding options for other purposes	+ Provides ability to leverage other sources of money for other affordable housing projects or initiatives - These monies are a fairly unpredictable source of funding. They depend on the sale of the home or other triggering event; as a result, available funds will be limited during most years.
+ Likely a more straightforward process	- Likely a less straightforward process

- ***Identify a process and provisions for new intergovernmental agreements** between the new organization, the County, and each city with regards to respective responsibilities of each party*
- ***Formalize/adopt the agreements.** This is not expected to require formal adoption by local city councils although it will be important to review draft agreements with some combination of city managers, counsels, and/or governing bodies to ensure they are comfortable with the agreements.*

- *Each city will re-appoint members to the local jurisdiction board that will advise the partner organization*
- *Establish a process, applications templates, and other materials as needed to apply for future funds.*

Construction Excise Tax

Description of Strategy:

A construction excise tax (CET) is a tax on construction projects that can be used to fund affordable housing programs and related strategies. According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. Cities and counties may levy a CET on residential construction for up to 1% of the permit value; or on commercial and industrial construction, with no cap on the rate of the CET.

The allowed uses for CET funding are defined by the state statutes. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:

- 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.)
- 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.
- 15% flows to Oregon Housing and Community Services (OHCS) for homeowner programs.

If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted.

The construction excise tax for affordable housing was enabled by Senate Bill 1533, which the Oregon Legislature passed in 2016. The limitations and requirements (discussed above) are outlined in ORS 320.170-195.

To date, seven jurisdictions (Portland, Corvallis, Tillamook County, Cannon Beach, Hood River County, Hood River City, and Newport) in Oregon have passed local CETs under the new state statutes, and many others are considering adopting the tool. The City of Bend employs a program that was grandfathered in prior to the new statutes, and therefore follows different rules.

Assessment of Cost and Benefit

- ***Administrative Investment:*** *Moderate-high to establish a CET; low to administer.*
- ***Feasibility:*** *High. The City of Newport has already created its own CET, providing a local model for how to design and implement the program in other jurisdictions.*
- ***Impact:*** *High. Directing funds to affordable housing priorities can have a significant impact – many other recommended strategies require funding and this is one avenue to achieve that. Imposing the CET on commercial and industrial development would be a way for employers to participate in addressing housing affordability issues.*

Current Use in Lincoln County

The City of Newport is the only jurisdiction to have adopted a CET to date (in 2017). It levies a 1% CET on residential, commercial, and industrial development. Consistent with state requirements, 50% of the net revenue will be used for development incentives for affordable housing, 35% will be used for other affordable housing programs, and 15% will be distributed to OHCS. No more than 4% of the gross revenue will be reserved for program administration. Beyond identifying these broad allocations, the City is still in the process of determining specific uses of its CET funds. One likely use will be to cover the cost of reductions in SDC fees, reducing upfront costs for new affordable housing projects. Newport's revenues have been below projections but the largest recent development projects there have been exempt from the CET.

Recommendations and Implementation Steps

Establishing a construction excise tax would necessitate that Lincoln County or one or more cities (except Newport) pass a new ordinance to adopt the CET. Jurisdictions wishing to implement a CET program should work closely with the development and housing community in developing the fee structure. Implementing programs would need to be developed, and possibly coordinated with housing partners. Actions needed to successfully adopt a CET include:

- Estimate the potential revenues likely to be generated from a CET and determine whether these benefits appear to be worth the administrative resources and political capital likely needed for adoption. Projected revenues will be a function of the projected annual value of new development, the amount of the tax, and whether it is applied only to residential construction or also to commercial and industrial development.
- Explore program scenarios. To better understand and select among the options available through the statutes, any City considering adoption of a CET should evaluate a number of scenarios that are tailored to the local development market and the specific program design, expanding on the preliminary analysis summarized above. For each scenario, the City should consider legal implications to ensure statutory compliance and engage developers in conversations about the implications of a CET on the feasibility of their development. CET programs in Oregon do not have a long track record and their perceived successes and failures may be strongly tied to other housing market issues.
- Discuss CET with stakeholders. The City should consider holding focus groups or forming an advisory committee to address concerns and discuss potential uses for CET funds. Stakeholder groups could include developers (both for-profit and nonprofit), Homebuilders Association, property owners, property managers, and real estate brokers. Receiving early buy-in from these groups should help facilitate a smooth adoption process for the CET.
- Develop budget projections. Because CET is dependent on new construction, revenue will vary with market cycles. The City should consider reasonable assumptions for budgeting purposes.
- Consider bundling CET with developer incentives. This is a strategy that worked well for the City of Newport, which bundled their CET with a package of SDC reductions and property tax exemptions. This helped assuage their City Council's concerns that a CET might present a development barrier.
- Develop program structure. Some aspects of the CET will need to be determined prior to adoption, including:
    - Whether to apply a CET to commercial/industrial development and what percentage tax to levy.
    - What development is exempt from the CET.
- Develop priorities for funding allocation. Beyond the elements of program structure listed in the previous bullet, the City can decide how fully-developed the CET's other parameters and spending targets should be before it is adopted. See the "Funding Uses" section above for a list of potential funding targets. Some level of flexibility may be beneficial to the CET being passed by City Council, so that the program is not fully baked in when it is adopted. Cities should consider framing the use of funds in a general sense – many variables will influence what the best use of funds are likely to be.

Transient Lodging Tax (TLT) Reallocation

Description of Strategy

As of this writing, Senate Bill 595 of the 2019 Oregon Legislative Session would allow up to 30 percent of revenue generated from local transient lodging taxes (TLT) to be spent on affordable workforce housing for those with incomes at or below 125 percent of AMI. Even if SB595 does not become law in this session, similar legislation may be enacted at some point in the future, requiring communities in Lincoln County to determine the best way to use TLT funds.

The transient lodging tax is a tax imposed on hotels and motels, spaces for recreational vehicles and tents, and other dwelling units that are occupied overnight or on a temporary basis. It is primarily used to promote tourism and may also be used to fund local services. Currently, at least 70 percent of the net revenue from new or increased transient lodging taxes must be used to support tourism and up to 30 percent may be used for local services. Senate Bill 595 shifts the percentage of net revenue from the transient lodging tax that must be used for tourism from at least 70 to at least 40 percent, to allow up to 30 percent to be used for affordable workforce housing.

Jurisdictions would need to set the new rates and decide how any new funds would be spent, based on the specifics in the final legislation.

Specifics of implementation would depend on the details of the final TLT legislation. The decision to raise the TLT in a community and how to spend additional revenue will likely need to be part of a community conversation and hearings process. Some jurisdictions in the County likely would be interested in considering using some of these revenues for affordable housing and this is probably most applicable in Lincoln City, Newport and possibly for the County. However, this is probably less applicable or likely in Depoe Bay, Waldport and Toledo.

Assessment of Cost and Benefit

- ***Administrative Investment:*** *Moderate*
- ***Feasibility:*** *Moderate. An increase to the TLT will likely face pushback from those in the lodging industry and may not be politically feasible in some jurisdictions in Lincoln County, depending on community priorities and objectives.*
- ***Impact:*** *Moderate-High.*

Current Use in Lincoln County

Lincoln County has a transient lodging tax of 10%, the City of Newport has a TLT of 9.5%, and the city of Yachats has a TLT of 9%. Any increases to these rates under the current law would be required to be spent primarily (70%) on tourism-related services. Under the proposed change, that amount could be reduced and a portion of the revenue allocated to affordable housing programs. The County or cities could choose to keep their rates the same but reallocate a portion of existing revenues or could choose to increase the rate to somewhere below the legal maximum rate and allocate some combination of new and/or existing revenues to housing programs. Programs could focus on affordable workforce housing, potentially helping those who work to make the region a tourist destination, creating a strong policy connection between the source and use of that portion of the revenues.

Recommendations and Implementation Steps

- Discuss the strategy generally with local elected officials to guage relative interest in evaluating or considering it in more detail.

- If there is community interest in pursuing the strategy, identify one or more scenarios for how it could be implemented, including:
    - Possible change in allocations among tourism promotion, parks and recreation, and affordable housing programs.
    - Potential for increasing the TLT rate.
    - Potential revenues available for housing programs based on the allocation and rate scenarios.
    - Potential uses for TLT revenues, particularly those associated with workforce housing.
- Present results of the evaluation to local elected officials for further consideration.
- Pending results of the discussion above, determine whether to move forward with a reallocation.
- If a decision is made to move forward, adopt necessary ordinances and establish or identify housing programs for use of the funds.

SDC Methodology Updates and/or Deferrals

Description of Strategy

System Development Charge (SDC) exemption is a tool used to reduce, waive, defer, finance, or subsidize SDCs for affordable housing developments, with the goal of reducing the cost of development. One relatively popular program in Oregon is SDC reductions, waivers, or deferrals for accessory dwelling units (ADUs). Many SDC methodologies are intended to be commensurable with the cost or impact to the system. Some missing middle housing types do not fit within the levels within SDC methodologies because the impact of these types of housing on the need for water, sewer or transportation facilities is not equivalent to that of other housing units, given the reduced average size and occupancy of smaller units. Therefore, any reduction that can be justified based on reduced demand or impact (e.g. smaller units, multifamily vs. single family, housing types that tend to generate less traffic, etc.) is justifiable for reducing or potentially waiving SDCs for these housing types. This type of reduction is generally identified in the SDC methodology and rate setting.

By statute, credits from qualified public improvements must be used within 10-years. It can be difficult for developers to meet this deadline in small communities, since projects tend to be smaller in scale. Allowing a developer to transfer credits can off-set this risk, to a point, making it more likely they will build or cost-share in the construction of qualified public improvements. Assessment of Cost and Benefit

- ***Administrative Investment:*** *Low-Moderate. Exempting certain types of housing from SDCs (e.g., qualifying housing projects or accessory dwelling units) is relatively straightforward and can be done through adoption of an implementing ordinance. Updating SDC methodologies to reduce SDCs for smaller housing units typically will require hiring a specialist to assist with the methodology update and requires somewhat extensive analysis and staff time. Tracking SDC deferrals can be difficult over the time*

periods involved – these agreements should be generally be limited to larger projects developed by established organizations with the capacity to track consistency with these requirements.

- ***Feasibility:*** *Moderate. Foregone tax revenue will affect local jurisdictions. Strong policy support is needed to make changes to revenues.*
- ***Impact:*** *Moderate. Reductions in SDCs can have a moderate impact on the up-front costs of development and can help certain projects, particularly those for lower income households be financially feasible.*

Current Use in Lincoln County

Lincoln City has adopted a program allowing them to defer of SDC payments for up to 10 years (or renewed for even longer) for non-profit land owners. The City does not charge SDCs for ADUs. The City of Newport charges SDCs based on the size of housing units for selected types of housing, including ADUs, effectively reducing the SDC for ADUs in comparison to other housing types. These programs are described in more detail within the Background Report and Gap analysis.

Newport allows developers with credits from qualified public improvements to transfer them to other properties in the City if the receiving party is constructing a housing project. The credit cannot exceed 50% of the total assessment. This credit transfer option was added to Newport's SDC code in 2018 and has been used once, for the Surfview Village project.

Recommendations

SDCs assessments must be based upon a rational methodology. Any waiver would have to be justified in the methodology and would potentially be subject to legal challenge. Recent state legislation enabling inclusionary zoning (Senate Bill 1533) identifies SDC and permit fee reductions or waivers as incentives that may be offered to development impacted by an inclusionary zoning requirement. While SB 1533 does not include further discussion on SDC or permit fee waivers or reductions for affordable housing generally, it has been interpreted by some as authorizing SDC reductions or exemptions for affordable multifamily development. As described below, several cities in Oregon choose to exempt certain classes of development (including regulated affordable housing) from SDC requirements.

SDCs provide needed funding for infrastructure to support new housing development. Lack of adequate infrastructure to support housing projects has been identified by stakeholders as a significant barrier to new construction, so any proposed SDC reductions or waivers should be carefully evaluated to ensure that they will not unduly impact this important source of funding. Additionally, there may be legal limitations on the ability to waive or reduce SDCs and there are specific requirements for how to implement an SDC fee reduction. SDC methodology statues are complicated and must be carefully considered with the creation of such program.

A jurisdiction's SDC fees are only a portion of the total SDC fees development pays. Therefore, there is a limit to how much of an exemption, waiver or reduction can be allowed by the jurisdiction, unless they partner with other organizations.

Jurisdictions can consider applying SDC waivers, exemptions, or reductions to ADUs and other forms of missing middle housing, in order to increase their supply of lower-cost housing. There is typically a limit to reductions, exemptions, or waivers of SDC fees because there are several sources of SDC fees, often including city, county, and special districts. Jurisdictions only have control of a portion of the SDCs, which can limit the efficacy of the incentive. Jurisdictions could also consider partnering with other organizations that charge SDCs, which could make the incentives more effective. However, negotiating an agreement with these partner organizations may

prove challenging. SDC reduction and deferral are broadly used in Oregon and may be more politically acceptable than SDC waivers since the revenue is deferred, not forgone.

As an alternative to a "waiver," jurisdictions may "buy down" SDCs. The City of Gresham did this in their downtown urban renewal district and used urban renewal funds for that purpose. The framework for the Affordable Housing CET envisions a portion of those funds being used to buy down development fees, such as SDCs.

There are many statutory requirements of SDCs; it is important that any provision of SDC reductions or waivers follow statutory requirements for the process of changing SDC methodology and for the provisions of the reductions or waivers.

Implementation Steps

- Discuss the strategy generally with local elected officials to guage relative interest in evaluating or considering it in more detail.
- If considering exemptions for specific categories of housing:
    - Identify the types of housing which are most important to encourage and can most benefit from SDC reductions.
    - Identify the potential lost revenue from SDC and ensure that the City can ultimate afford to forego this revenue by making it up from other sources or reducing infrastructure costs.
    - Coordinate with other service providers who charge SDCs and encourage them to provide similar exemptions for the same forms of housing.
    - Prepare, review and adopt an ordinance authorizing SDC exemptions.
- If considering an update of the city's SDC methodology:
    - At the next opportunity to update the methodology, identify a tiered or graduated SDC approach as an important objective of the update process.
    - Identify this approach in soliciting assistance from consulting firms; ensure that any firm selected has experience in this type of udpate
    - Determing the most effective way to address this strategy in the updated methodology (e.g., size of water meter, square footage of residential use, etc.).
    - Update and adopt the amended methodology, preferably for all SDCs charged by the city.

Tax Abatements or Exemptions

Description of Strategy

Tax abatements (exemptions or reductions) alleviate property taxes on certain types of development, often for a set period of time. Abatements can be a very strong tool to incentivize affordable housing and make proposed projects more viable, depending on how the exemptions are structured. A large new apartment complex might have a taxable assessed value (TAV) of many millions of dollars and a significant property tax burden. The annual benefit to the property owner from a city tax exemption can amount to tens of thousands of dollars, making this a strong financial incentive.

The state currently authorizes tax abatements for various types of housing and affordable housing through several programs outlined in the Oregon Revised Statutes (ORS). These include: Nonprofit Low-Income Housing (ORS 307.540 to 307.548), Low-Income Rental Housing (ORS 307.515 – 307.523), Vertical Housing (ORS 307.841 to 307.867), Transit-Oriented Multi-Unit Development (ORS 307.600 – 307.637), Homebuyer Opportunity Limited Tax Exemption (ORS 307.651 to 307.687), and Residential Rehabilitation Tax Freeze (ORS 308.450 to 308.481).

These exemptions/abatements must be approved by the taxing jurisdiction(s) that make up 51 percent of the total combined rate of exaction on the property receiving the exemption.

Assessment of Cost and Benefit

- ***Administrative Investment:*** *Moderate. New programs require jurisdictions to develop program policies, and to promote and administer the program, and may be an administrative burden for smaller jurisdictions.*
- ***Feasibility:*** *Moderate. Foregone tax revenue will affect local jurisdictions. Strong policy support is needed to make changes to revenues.*
- ***Impact:*** *Moderate-High. Tax abatements have been a key part of many successful affordable housing projects throughout Oregon.*

Current Use in Lincoln County

Lincoln County and the City of Newport have adopted Property Tax Exemptions and Abatements for Affordable and Low-Income Housing for the Newport Urban Growth Boundary (including the City proper) as described below. In addition, Lincoln County and the City of Newport have adopted the provisions of ORS 307.540 through 307.548 Nonprofit Low-Income Housing, and the County, with other taxing entities has provided property tax exemptions in the past for several projects in Lincoln County, including:

- *The Ridge Apartments, an 80-unit apartment complex in Lincoln City*
- *Sa Da Munn, 50 units in Waldport*
- *Our Coastal Village, 21 townhomes in Yachats*
- *Fisterra Gardens Apartments, 25 units in Yachats*
- *Mariner Heights Apartments in Newport, 16 units*
- *Salmon Run apartments, 40 units in Newport*
- *Vandehaven-by-the-Bay Apartments, 18 units in Waldport*
- *Agate Heights Apartments, 44 units in Newport*
- *Surfview Village Apartments, 110 units in Newport*

Fisterra Gardens Apartments in Yachats

Recommendations and Implementation Steps

Tax abatement programs do not require new direct investments, as they rely on foregone tax revenue from the general fund, but the implementing jurisdiction could use other funding sources, such as a CET, to replace the lost revenue. The foregone revenue is the inverse of the benefit to the developer. Because of the trade-off in revenue, the City should carefully consider which tax abatement programs to use, and what the desired outcomes are. In general, market-rate developers will use the program that maximizes benefits while requiring the fewest changes to their development plans. For instance, the Multi-Unit Housing exemption can encourage housing closer to market-rate levels (up to 120% of AMI) but this might discourage use of other Low-Income Housing programs unless the benefits are calibrated.

There is a cost to the implementing jurisdiction and other taxing jurisdictions to reduce property tax income. The implementing jurisdiction and partner jurisdictions must be willing to forego those revenues. Jurisdictions should consider the extent to which a new program, or enhancement of an existing program, can be supported based on funding needs. The administrative burden of these programs can be a constraint, particularly for smaller jurisdictions.

It is important to make developers aware of this option in any jurisdiction where it is available – developers may not know to inquire about this program unless prompted.

Regional Buildable Lands Inventory (BLI)

Description of Strategy

Project participants have noted that developers and builders in Lincoln County have a difficult time identifying the location of developable properties in the County and recommend creating a regional inventory that could serve as a clearinghouse for information about the location of properties that present opportunities for future housing development.

Lincoln County already maintains a certain amount of information related to buildable lands through its tax assessor data and through the County's Geographic Information System (GIS) data. Creating a BLI would involve compiling and analyzing this and other information to assess and summarize development capacity, zoning, and physical/environmental constraints on a County-wide basis in partnership with cities in the County.

Assessment of Cost and Benefit

- ***Administrative Investment:*** *Low-Moderate. The County and partner jurisdictions could pursue grant funding for this work, easing the administrative burden. This project also could be assigned to staff allocated to regional housing issues (see separate strategy).*
- ***Feasibility:*** *High. Aside from the costs of undergoing the study, there are few barriers to this strategy.*
- ***Impact:*** *Moderate. A detailed understanding of the amount, locations, and types of buildable lands within Lincoln County may provide guidance to developers, inform policy decisions, and assist the public in understanding regional housing issues.*

Current Use in Lincoln County

The cities of Newport and Lincoln City have relatively recently updated their individual BLIs and could contribute this information to a regional BLI for Lincoln County. Other jurisdictions would need to work with the County to undertake similar actions. Conducting this work in a coordinated manner, with a consistent methodology for all of the remaining jurisdictions would be important to ensure consistency and confidence in the resulting inventory.

Recommendations and Implementation Steps

There are a variety of ways in which a regional BLI could be created, updated and maintained. Potential options include:

- These efforts could be undertaken by County staff, with support and input from the cities.
- Alternatively, a large city in Lincoln County could take the lead with support from the other jurisdictions.
- A third option would be for the County and cities to hire a private contractor or consultant to prepare and periodically update the BLI through some type of shared funding arrangement.
- The Oregon Cascades West Council of Governments (OCWCOG) may be a good partner with access to GIS data and personnel to support a regional BLI effort.

Implementation steps would include:

- Determine which jurisdiction would lead development of the BLI and/or update it on a regular basis.
- Obtain relevant data from all local jurisdictions, as well as other data sources (e.g., state and federal agencies).
- Agree on consistent definitions of buildable and constrained land, including how to define vacant and partially vacant land.

- Compile, analyze, summarize and map BLI data.
- Utilize the results of the BLI to inform updated Housing Needs Analyses for member jurisdictions.
- Establish a system for providing the data to interested parties. Ideally, this would be done via an interactive online mapping application, supplemented by the ability to view or download more detailed information for specific sites.
- Establish and implement a system and timeline for regularly updating the information in the inventory.

Staff Allocation to Regional housing

Description of Strategy

One potential use of funding would be for administration of a more formal central agency or Regional Housing Coordinator position for Lincoln County, to serve as a central point-of-contact for community partners and the public. As the County and its member cities consider a more holistic regional approach to housing challenges, this organizational structure would allow for more strategic planning of where and how to use resources, and direct potential development partners. As a long-term strategy to increase the partner cities' administrative capacity for addressing affordable housing issues and providing more effective and efficient use of resources, the County could consider dedicating one or more full or part-time staff members to these efforts.

The dedicated staff member could oversee affordable housing programs, develop housing policy, and serve as a liaison to the County's member jurisdictions, housing partners including non-profits, other local, regional, and state partners. Having a dedicated staff person to oversee housing programs would provide more resources, a higher degree of continuity, and potentially more technical expertise towards the task of implementing the strategies identified in this report.

Developing and implementing some of the strategies and programs described in this document will take a significant amount of staff time. Ultimately, the County and partner cities will need to decide if the expense of dedicating additional staff resources to these activities is financially feasible and justified based on an assessment of the enhanced ability of a number of these strategies to leverage financial or partnering resources towards achieving affordable housing goals.

Assessment of Cost and Benefit

- ***Administrative Investment:*** *Moderate. A dedicated staff person would likely be too great an administrative investment for many of Lincoln County's smaller jurisdictions, however pooling resources between jurisdictions would greatly ease that burden.*
- ***Feasibility:*** *High. This strategy would be relatively straightforward to implement once a staff person were in place. It is important to clearly establish the staff person's role and responsibilities, with regular reporting to funding partners in order to ensure transparency and accountability.*
- ***Impact:*** *Moderate-High. A centralized Regional Housing Coordinator position could support a variety of projects and increase the visibility of housing issues and programs within Lincoln County.*

Recommendations and Implementation Steps

Jurisdictions would need to determine and account for staffing needs associated with implementing housing strategies in annual budgeting and work planning activities. This would entail regularly estimating the amount of time needed to implement these strategies, prioritizing this work in relation to other duties (if the coordinator

also has other staffing duties), and ensuring that adequate time and resources are available to meet these goals within their overall resource limits.

Programs such as RARE and AmeriCorps may be good avenues to find staffing for a housing coordinator. Grant funding might be available to further support the position.

A resolution of support and an intergovernmental agreement addressing the pooling of resources for this position are recommended initial steps and may aid in obtaining grant funding.

Other Partnering Opportunities

In addition to the CDBG Housing Rehabilitation program, there are a variety of other partnering opportunities for Lincoln County and its member jurisdictions to address housing issues. Partnering opportunities that emerged from a meeting of the Lincoln County Affordable Housing Partners are introduced briefly below

- *Continue to seek opportunities for Public Private Partnerships (PPP) to create new affordable housing.*
- *Provide support for Community Land Trusts (such as Proud Ground) as a program lead or funding partner.*
- *Partner in acquisition and preservation of existing affordable and workforce housing.*
- *Provide technical assistance to non-profit developers*
- *Work to develop a program for Systems Development Charge (SDC) waivers, modified infrastructure requirements, and other incentives for affordable housing development.*
- *Help with messaging and advertising of housing opportunities and other programs from affordable housing partners.*

An inventory of housing related services and providers can be found in the *Task 4 Report* prepared for this project.

Tiny Homes, Recreational Vehicles (RVs), and Similar Types of Housing

Housing such as "Tiny Homes" and RVs may be appropriate for some individuals who do not require much indoor living space and/or seasonal workers or who cannot afford other housing options. An increasing number of tiny home communities are being developed in the US, which often bear resemblance to a cottage cluster development or a high-quality RV park. Tiny homes can also fit into the fabric of an existing neighborhood, similar to an ADU and subject to the same regulations.

Typically the difference between a tiny home and an RV relates to mobility – RVs are designed to be lightweight and very portable, while tiny homes are often constructed from standard durable homebuilding materials. There may also be differences in style and durability, though both tiny homes and RVs come in a wide range of styles and level of quality.

Allowing these types of uses in residential neighborhoods and in new developments will help broaden the range of available housing in Lincoln County. At the same time, such provisions must be balanced with code enforcement to ensure that use of RVs in residential neighborhoods or elsewhere in the County do not adversely impact health and sanitation conditions.

"Tiny Tranquility" Tiny Home and RV Village in Lincoln County

Accessory Dwelling Units

Recommended code updates are described briefly in the Development Code Update section of this report. In general, these recommendations are consistent with guidance on this topic provided by the State of Oregon for implementing the Accessory Dwelling Unit (ADU) requirements under Oregon Senate Bill 1051. More detailed information about that guidance is available online at https://www.oregon.gov/lcd/Publications/ADU_Guidance_SB1051_2018.pdf). Key points of this document are summarized below:

- These provisions apply to cities with cities with a population greater than 2,500 or a county with a population greater than 15,000
- At least one accessory dwelling unit is allowed for each single-family dwelling, and DLCD encourages allowing two units.
- DLCD recommends applying the same or less restrictive development standards to ADUs as those for other accessory buildings.
- Design standards for ADUs must be clear and objective (i.e. standards that do not contain words like "compatible" or "character")
- Owner-occupancy requirements are difficult to enforce and generally not recommended.
- Local governments should consider revising their SDCs to match the true impact of ADUs – ADUs generally house fewer people than an average single-family home.

Urban Growth Management Agreements (UGMAs)

Cities and counties in Oregon are required to enter into urban growth management agreements (UGMAs), also sometimes called join management agreements, to spell out how they will coordinate with each other on matters that affect both jurisdictions. Topics typically addressed in UGMAs include:

- **Application of planning and zoning standards and procedures within the unincorporated areas of a city's urban growth boundary.** These areas are typically under county jurisdiction but ultimately are expected to be annexed into a city. Because they will eventually become urban areas, it is important to apply urban-level planning and public facility requirements in these areas to ensure a smooth transition to provision of city services and facilities after annexation. In some cases, the City also will assume responsibility for land use planning review within these areas.
- **Public facility planning and provision.** UGMAs typically describe how the city and county will coordinate construction and provision of water, sewer and transportation facilities and services as these areas develop and at the time they are annexed into a city. The UGMA is required to reference adopted Public Facilities Plans to support these efforts. The UGMA also may specify the standards required for transportation facility improvements within these areas and the criteria for transfer of jurisdiction of roads or other facilities from a county to a city. For example, some UGMAs indicate that a city will only accept jurisdiction of a county road if the road has been improved to city standards.
- **Urban growth boundary (UGB) amendments.** The process for initiating, reviewing and approving amendments to a UGB also typically is documented in a UGMA. Generally, amendments must be approved by both jurisdictions through separate or joint hearings and decision processes spelled out in the UGMA.
- **Housing development.** Typically, UGMAs have a relatively peripheral relationship to development of housing. However, they typically address which jurisdiction's development standards apply within the urban growth area and in that sense are important for setting the stage for the character of housing likely to be developed in those areas.
- **Other planning issues of mutual interest.** A UGMA also may identify and address coordinated approaches to other issues that are of mutual interest to the city and county, such as neighborhood planning efforts, improvements to specific transportation facilities, or other situations or conditions within the urban growth area.

Creating and periodically reviewing and updating UGMAs between a county and all of the cities is important for coordinating these efforts as planning and development occurs in urban growth areas. This provides benefits and potential cost savings in the long run to all parties involved, as well as more certainty and clarity for property owners, developers and residents of these areas.

Appendix A

BACKGROUND REPORT AND GAP ANALYSIS

Lincoln County
OREGON

LINCOLN COUNTY
HOUSING STRATEGY PLAN

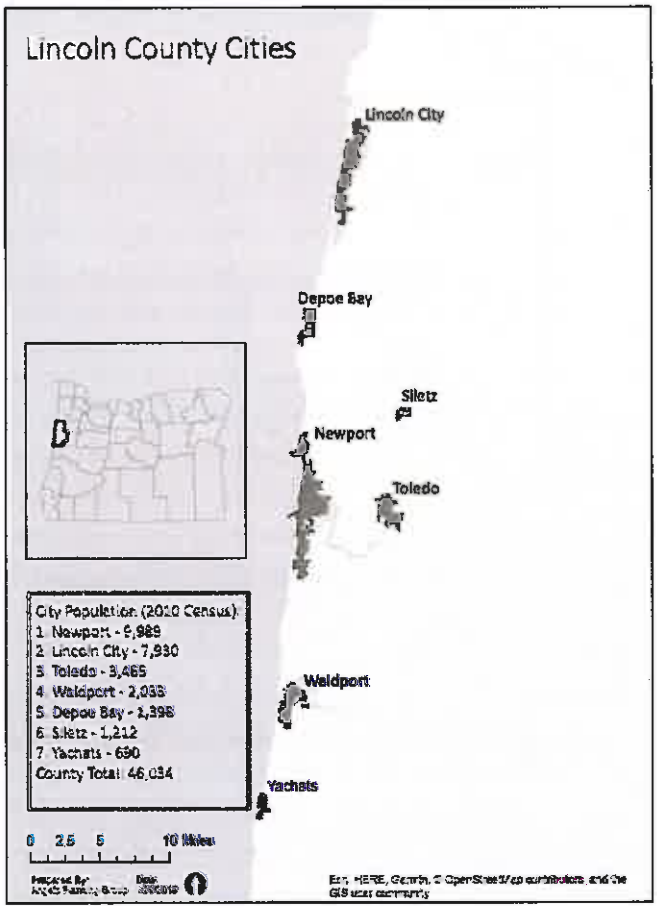
To:	Wayne Belmont, Lincoln County
From:	Matt Hastie, Kyra Haggart, Andrew Parish, and Brandon Crawford, Angelo Planning Group (APG)
Date:	April 12, 2019
Re:	Lincoln County Housing Strategy Plan (HSP) – Background Report & Gap Analysis

INTRODUCTION

Project Overview

Angelo Planning Group (APG) and Johnson Economics have been contracted to create a Housing Strategy Plan (HSP) for Lincoln County. The primary objective of this project is to prepare a regional housing implementation strategy with a package of recommended policy amendments that can be adopted individually or collectively by Lincoln County and its partners. Lincoln County's partners in this effort include:

- Lincoln City
- Depoe Bay
- Yachats
- Toledo
- Newport
- Waldport
- Siletz
- The Confederated Tribes of Siletz Indians



This project is funded by a grant from the Department of Land Conservation and Development

This project is funded by a grant from the Department of Land Conservation and Development (DLCD). In 2018 the Oregon Legislature passed House Bill (HB) 4006 which allocated $1.73 million to DLCD for planning technical assistance to jurisdictions working to make an impact on housing affordability in their communities.

Purpose of This Report

The purpose of this report is to summarize the following:

- Housing policies, implementation strategies, agreements, and related initiatives currently being implemented by the County and its partners, including an assessment of how well those programs are currently working;
- The legal framework for housing policies within the state; and
- Best practices recommended by state and national planning organizations, DLCD, and others that have proven to be successful in promoting needed housing. The focus will be on those programs that could be effective if adopted locally or county-wide, and that can reduce barriers to promoting needed housing.

SUCCESSFUL OR PROMISING STRATEGIES EMPLOYED BY PARTNERS

This section of the report describes housing policies or strategies that are currently employed by Lincoln County and its partners and assesses which policies have been successful at promoting needed housing. A number of these policies or programs may be appropriate for implementation by other communities in Lincoln County in the future. Recommendations towards that end will be included in a subsequent project report.

Lincoln County

Recent Ordinances

Lincoln County recently adopted provisions into the County Code allowing for accessory dwelling units (ADUs) in residential zones within urban growth boundaries, following the same requirements for ADUs in Lincoln City and Newport, and using model code provisions for other urban growth boundary areas.

Tax Abatement Programs

Lincoln County has adopted Property Tax Exemptions and Abatements for Affordable and Low-Income Housing for the Newport Urban Growth Boundary (including the City proper) as described below. In addition, Lincoln County has adopted the provisions of ORS 307.540 through 307.548 Nonprofit Low-Income Housing, and with other taxing entities has provided property tax exemptions in the past for several projects in Lincoln County, including:

- The Ridge Apartments, an 80-unit apartment complex in Lincoln City
- Sa Da Munn, 50 units in Waldport
- Our Coastal Village, 21 townhomes in Yachats
- Fisterra Gardens Apartments, 25 units in Yachats
- Mariner Heights Apartments in Newport, 16 units
- Salmon Run apartments, 40 units in Newport
- Vandehaven-by-the-Bay Apartments, 18 units in Waldport
- Agate Heights Apartments, 44 units in Newport

Regional Loan Program

Lincoln County received Community Development Block Grant funds in 2004 and 2006 (and earlier) to fund housing rehabilitation loans for qualifying low-and moderate-income owner-occupied homeowners to help them remain in place in their homes. The loans are repaid upon sale of the home. The repayments were placed in a regional revolving loan fund, currently managed by the Community Services Consortium, awaiting placement back into the community. The Lincoln County Housing Strategy Plan will provide options in how to manage those funds in the future and how to potentially re-establish an ongoing program for consistent future implementation.

Public Private Partnerships

The Our Coastal Village (Fisterra Gardens) project mentioned earlier also included direct funding from Lincoln County to match other state, federal, and private funding sources bringing this project to fruition. Lincoln County also loaned funds to the nonprofit Northwest Coastal Housing (formerly Community Development Corporation of Lincoln County) to fund development of Yaquina Breeze Apartments, housing for severely mentally ill persons.

Community Land Trusts

Proud Ground operates in Lincoln County and has undertaken activities in Newport, Lincoln City and unincorporated Lincoln County. Between 2015 and 2018, Lincoln County and the cities of Newport and Lincoln City have supported Proud Ground's efforts through funding contributions, coordination and other efforts.

City of Newport

SDC Methodology

The City of Newport collects System Development Charges (SDCs) with new development to help pay for capital improvement to its water, wastewater, transportation, parks and stormwater facilities needed to support growth. In 2017 the City adopted a new methodology to account for current growth forecasts, long-range capital improvements, and calculation procedures, and to scale SDCs to different types and sizes of housing. The new methodology was adopted as part of a larger package of four policies and strategies intended to respond to the increased need for workforce and affordable housing in the community. This City's updated methodology scales the SDC rates based on the size of the unit, as shown in Figure 1. The methodology sets a higher price per square foot for smaller homes; however, when that is calculated against the more modest size of those homes, the result is a lower fee for smaller homes, rather than the one size fits all approach previously used.

FIGURE 1. CITY OF NEWPORT SDC COMPARISON

Current vs. New SDC Comparisons per Single Family Home (with floor area sq.ft. rates)			New SDCs After Discounts*		
Facility Type	Current SDC (after discounts)	Current SDC with NO Discounts	SDC: Small Home (less than 1,700 SF)	SDC: Standard Home (1,701 to 2,900 SF)	SDC: Large Home (over 2,900 SF)
Water	$2,413	$2,413	$0.60	$0.48	$0.39
Sewer	$3,969	$3,969	$1.06	$0.85	$0.69
Transportation	$1,112	$11,120	$1.20	$1.14	$1.05
Stormwater*	$857	$857	$0.79	$0.47	$0.39
Parks	$2,643	$5,286	$0.50	$0.50	$0.50
Total Per SFD		**$23,645**	**$4.15**	**$3.43**	**$3.02**
Total Per SFD	**$10,994**		**$5,189**	$9,800	**$15,100**
Home Size in Example (SF)			**1,250**	**2,500**	**4,200**

Source: Compiled by FCS GROUP based on prior tables. * see discount table assumptions.
Abbreviations: SF = usable floor area (excludes unfinished attics, garages and carports).

Under the City's SDC program, Accessory Dwelling Units (ADUs) and single family attached structures such as duplexes and row-houses are assessed based on the "small home" SDC rate of $4.15 per square foot after discounts. Residential additions are charged at the rate that corresponds to the proposed increase in usable floor area. SDCs for new multifamily development such as apartments are assessed based on water meter sizes. Although the current SDC methodology is still relatively new, Newport has already seen success in increasing the number of ADUs in the city, and expects to see more ADU development in the future.

Construction Excise Tax

Following the State of Oregon's passage of SB 1533 in 2016 authorizing cities and counties to implement Construction Excise Taxes, (CETs) to help pay for affordable housing programs, the City of Newport implemented a CET to provide a dedicated source of revenue to support affordable housing programs. This program was adopted in 2017 as part of the package of four policies and strategies to address affordable housing.

The tax is for 1% of estimated construction value (permit value) for new construction and remodeling that results in additional square footage for residential, commercial, and industrial development. Types of construction that are exempted from the CET per state law include developments with guaranteed affordable housing units; private school improvements; public improvements including public schools, government buildings, and facilities; public and private hospital construction; religious facilities; agriculture buildings; nonprofit facilities such as long-term care facilities and retirement communities; and mass shelters for the homeless. The new revenue must be used for affordable housing as defined by Oregon law, and will be distributed as follows:

- 50% to development incentives for affordable housing that includes (a) whole or partial fee waivers or reductions, (b) whole or partial waivers of system development charges or impact fees; (c) finance-based incentives, or (d) full or partial exemptions from property taxes.
- 35% for other affordable housing programs that may include (a) affordable housing rehabilitation grants, (b) home buyer down payment assistance and buyer education programs, (c) acquisition of land for affordable housing development; or (d) grants to developers for affordable housing

- 15 percent to Oregon Housing and Community Services to fund the department's down payment assistance program.

The City's CET collections have been somewhat modest—lower than the predicted $100,000 per year. The two largest recent developments in the City—the Samaritan Pacific Communities hospital expansion and Oregon State University's Marine Studies Initiative research/classroom facility—were both exempt from the CET. The City Council plans to form a work group to determine how the money designated for development incentives and affordable housing programs is spent and review the CET program within 10 years. Options for CET fund distribution include making CET funds available to offset development fees for affordable housing projects such as SDCs or building permit fees, and support grants for nonprofit organizations involved in the provision of affordable housing.

The City's CET program was paired with the reduced SDCs for smaller and mid-sized residential development in order to be sensitive to the upfront costs of development for affordable housing. When taken together, developers, on balance, end up paying less under the new package of policies and strategies than under previous regulations.

Tax Abatements and Exemptions

The City of Newport implemented the following tax exemption programs in 2017 as part of a larger package of policies and strategies addressing the need for more workforce and affordable housing, including a new SDC methodology and CET program.

Property Tax Exemptions for Affordable Housing

Under this program, developers of multi-unit housing in a designated area are granted a tax exemption on structural improvements to a property for up to ten years following construction. This is a state-enabled program enacted by individual jurisdictions where each is able to set eligibility criteria and approve projects through a competitive process.

Newport Municipal Code Chapter 3.25 details the city's Multiple Unit Housing Property Tax Exemption (MUPTE). The City's intention for the program is to encourage private development of multi-unit housing in transit-oriented areas. The MUPTE program provides a ten-year property tax exemption on the residential portion of structural improvements and can be extended for projects subject to a low-income housing assistance contract. Although the program is still relatively new, the City recently received an application for a 110-unit affordable multifamily development; eligible residents of the new development must have income levels that are at or below 60% of median family income.

Non-Profit Corporation Low-Income Housing Tax Exemption

In addition to property tax exemptions for affordable housing, the City of Newport adopted a program exempting the taxation of property owned by low-income persons or held for the purposes of developing low-income housing as part of the 2017 package. The City has not received any applicants for this tax exemption to-date.

Extended Stay Hotel and Motel Uses

In 2018, the City of Newport amended its development code to include language allowing hotel/motel stays of thirty or more days in certain zoning districts. The amendment was made at the request of Pacific Seafood Group, a large local employer, who wanted to be able to accommodate the housing needs of their seasonal workers. The City's adjusted definitions allow for extended stay with the requirement that there be cooking

facilities either in each unit or shared between units. The extended stay regulations only apply to specific areas of the city and exclude the higher tourist traffic areas. This change also presents an opportunity to provide transitional housing for those who have graduated or timed out of shelter and recovery programs, and are in the process for searching for housing on the open market.

Pacific Seafood Group has purchased a property in Newport and is currently in the design phase to adapt a previous commercial and office building into a workforce housing complex. This code amendment, which was simply a modification of existing language in the City's code, is an example of how jurisdictions can work creatively with development codes to accommodate major employers looking to invest in providing housing for their workforce.

Public Private Partnerships

The City of Newport regularly partners with private developers or business owners in order to provide cost-sharing for infrastructure improvements. This strategy is particularly effective in urban renewal districts where funding is available for infrastructure work. Examples of cost-sharing partnerships can include securing easement rights and taking over the maintenance of stormwater facilities or extending streets or water and sewer lines. The City successfully applied this approach in an arrangement with the Oregon Museum of Science and Industry where the museum provided a monetary cost towards the necessary street improvements, but the City carried out the improvements. Another successful example is the partnership between the City and Wilder, a in the second phase of development of a 750-acre community that will create housing and jobs for Newport residents and support the Oregon Coast Community College (OCCC) and Hatfield Marine Science Center.

Urban Renewal

The Newport URA is using urban renewal funds to redevelop the County Commons, formerly known as the Lincoln County Fairgrounds. To date, the City has not used urban renewal to directly fund development of housing or infrastructure improvements aimed at reducing housing development costs.

City of Lincoln City

Recent Ordinances

The City adopted several ordinances in January 2019 to address the need for more workforce and affordable housing. The ordinances have not taken effect yet, but are briefly summarized below.

- *Four-Flat Development*
  Four-flat development is defined by the Lincoln County Municipal Code (LCMC) as "a two-story structure, designed to resemble a single-family dwelling, containing four individual dwelling units and appearing to have a single exterior entrance opening onto a common hallway providing access to the four individual units within the structure." Because four-flat developments are designed to look like one large home, they often fit nicely within existing single-family neighborhoods.

- *Tiny Homes*
  The City adopted provisions for tiny homes, which are defined by the LCMC as "a stand-alone dwelling with a floor area of 400 square feet or less, excluding lofts." Tiny homes are permitted in the multi-family residential zone, general commercial zone, and recreational commercial zone.

Cottage Clusters

The LCMC includes provisions allowing cottage cluster housing developments. Section 17.80.120 of the LCMC describes cottage cluster homes as "a small cluster of dwelling units appropriately sized for smaller households and available as an alternative to the development of typical detached single-family homes. Cottage cluster housing is intended to address the changing composition of households, and the need for smaller, more diverse, and often, more affordable housing choices. Providing for a variety of housing types also encourages innovation and diversity in housing design and site development, while ensuring compatibility with surrounding single-family residential development." Per the City's regulations, cottage clusters are permitted in the R-1, R-R, and R-M zoning districts. Permitting cottage cluster development can be an effective tool for cities to promote varied housing types, and can also be used to protect natural resources or to better utilize areas with steep topographies. The City has not seen any cottage cluster developments since the provisions were adopted in 2014; however, there has been some interest from the developer community.

SDC Deferrals

Section 13.08.095 of the LCMC grants authority to the City Council to approve deferrals of SDC payments for up to 10 years (or renewed for even longer), subject to the following criteria:

- The use proposed by the applicant fits within a type of use identified by the city council by resolution as lacking in the city and urgently needed, such as child care;
- The use serves a widespread community need, as identified by the applicant;
- The deferral applicant is a nonprofit corporation, or any agency or subdivision of the federal, state or local government, or a private entity that has committed to the proposed use in a binding executed agreement with the city (e.g., a 30-year affordability covenant for workforce housing);
- The applicant demonstrates the need for financial support to develop the use;
- The applicant demonstrates local support for the use, such as through fundraising for the use;
- The development will occur on property located within the city limits;
- The applicant agrees to enter into an agreement to pay systems development charges if the city approves the application.

The SDC deferral program is only applicable to non-profit or public landowners; if a property with deferred SDCs were to shift hands to a for-profit owner, then the SDCs would be due. This type of waiver program can be suitable for small communities that are unlikely to see high volumes of development applications. However, the need to have City Council approve each deferral could overwhelm jurisdictions with higher rates of development. The City is currently considering reforming their SDC program to allow SDCs for residential development to be based on dwelling size, similar to the approach recently implemented in Newport. The City currently does not charge any SDCs for ADUs.

Short-Term Rental Cap

In 2017 the City placed a cap on the proportion of vacation rentals permitted in the R-1-5 and R-1-RE (Roads End Neighborhood) zones. The cap restricts the number of vacation rentals in these zones to 10% of the total number of lots within the zone. Once the cap has been met, properties that wish to become vacation rentals are placed on a waiting list and are licensed when a previously-permitted vacation rental expires and fails to renew their license. In the R-1-5 zone the vacation rental cap was reached shortly after adoption of the program. Since that time, a number of properties have been moved through the waiting list as other previously-licensed properties let their licenses expire. The R-1-RE zone had approximately 20% of its properties serving as vacation rentals at the time that the regulations were adopted, and the waiting list continues to grow. There are several

other residential zones in which properties can get land use approval and a license for a short-term rental that is limited to being used as a rental for a maximum of 30 nights per year. The overall community response to the program has been positive, particularly for community members living in the R-1-5 and R-1-RE zones. The short-term rental cap also may make the citywide market more affordable as it has had an unintended stabilizing effect on the City's real estate values.

Public Private Partnerships

The City is currently undergoing negotiations with private developers for three new workforce and affordable housing developments on City-owned properties. The City has policy language to support partnerships with developers and major employers in the area and has adopted a number of incentives to encourage private developers to develop housing types such as cottage clusters, ADUs, and tiny homes.

Urban Renewal

Lincoln City has a URA (established in 1988) to manage its urban renewal district which encompasses a significant portion of the city along Highway 101. The City has not used urban renewal funds to directly support housing development. However, the City is considering re-establishing one or more new districts and could consider establishing a housing set-aside in a new district.

City of WaldportMixed Use Development

The City has established a Downtown District Zone. The zone is intended to promote mixed use development (upper story residential over ground floor retail or commercial uses). However, the zone currently prohibits residential-only uses and has had limited success in encouraging mixed use development.

Urban Renewal

The City of Waldport's URA was established in 1981 and its first Urban renewal Plan was concluded in 2011. A second Urban Renewal Plan was established in 2005. To date, the City has not used urban renewal funds to directly support housing development or infrastructure improvements aimed at reducing housing development costs.

City of Yachats

Tax Abatement

The Fisterra Gardens affordable housing project in Yachats received tax abatement which resulted in a significant subsidy and helped make the project financially feasible.

SDC Deferrals

The City deferred payment of approximately 50% of SDCs for the Fisterra Gardens affordable housing development. The deferred SDCs will be repaid over a period of 30 years. This reduced the upfront cost of the development and helped make it financially feasible.

CONSISTENCY WITH STATE AND FEDERAL LEGAL REQUIREMENTS AND GOALS

Local Comprehensive Plans and development codes play an important role in helping encourage and reduce barriers to development of a range of housing types that are affordable to people and households at various

income levels. We have reviewed of each jurisdiction's existing comprehensive plan and development code to assess the following:

- Is it consistent with state and federal legal requirements?
- Does it support development of a full range of housing types?
- Does it specifically allow for or encourage housing types that are typically more affordable to people with low or moderate incomes?

The assessment focused on the housing element or chapter of local comprehensive plans and on development code regulations pertaining to the residential zoning districts in each jurisdiction's development code. The strategies identified are conceptual ideas for potential changes that are broadly applicable; however, they should be tailored to address specific needs and concerns within each community.

Comprehensive Plan Policies

The housing element of local comprehensive plans establishes the policies that guide residential development in each community. These policies are important because they institute aspirational goals and principles for meeting the housing needs of the community. The policies are also important because they establish formal criteria and guidelines for land use decisions that pertain to housing. Per state land use law, zoning amendments must all demonstrate consistency with the housing policies of the comprehensive plan.

The policy review evaluated the degree to which each comprehensive plan addressed 11 key policy issues. These policy issues are wide-ranging and inclusive: they may establish support for broad principles, such as Fair Housing or flexible zoning, or identify the need to provide for specific housing types, such as accessory dwelling units or manufactured homes.

Based on this review, Lincoln County jurisdictions generally address the following housing policy issues sufficiently in the comprehensive plan:

1. Supports Statewide Planning Goal 10
2. Emphasizes affordable housing needs
3. Supports partnerships
4. Encourage a variety of housing types

The degree to which each comprehensive plan addressed the remaining seven policy issues varies, indicating an opportunity to amend the policies to better address important housing needs and goals that have been identified through this study.

These policy issues are summarized in Table 1, and an example policy statement is provided to demonstrate one way to articulate the policy idea. Jurisdictions are encouraged to modify and tailor policy language, with input from community members and decision-makers, to best reflect local needs and conditions. Perhaps most importantly, updating the comprehensive plan to address these housing goals presents an opportunity for the community to consider and find how these issues fit within the broader comprehensive plan policy goals, such as transportation, livability, and economic vitality.

TABLE 1. HOUSING POLICIES AND THEIR IMPLEMENTATION IN LINCOLN COUNTY [1]

Policy Issue	Discussion and Example Language
1. **Support Statewide Planning Goal 10**	The crux of Goal 10 is planning for adequate housing supply to meet the needs of the community. Lincoln County jurisdictions generally address this in comprehensive plan language, but not in a consistent way.
2. **Emphasize affordable housing needs**	Newport, Yachats, Depoe Bay, Siletz, and Lincoln City address housing affordability specifically. Lincoln City appears to have the most robust language.
3. **Support partnerships**	Lincoln City calls specifically for partnerships with major employers, public entities, nonprofit organizations, and others. Newport and Siletz also have policies to support partnerships.
4. **Encourage a variety of housing types**	Lincoln City, Newport, Toledo
5. **Affirms Fair Housing goals**	*Foster inclusive communities, overcome disparities in access to community assets, and enhance housing choice for people in protected classes throughout the city by coordinating plans and investments to affirmatively further fair housing (City of Portland).* *Continue to work with the Washington County HOME Consortium to identify impediments to fair housing and develop strategies to address them (City of Beaverton).* Lincoln City has policy language related to fair housing goals, but all jurisdictions could use more robust policy language.
6. **Support mixed-use development**	*Increase opportunities for higher density mixed use development in the Downtown Urban Renewal District, Washington Square Regional Center, Tigard Triangle, and designated Corridors to enable residential uses to be located in close proximity to retail, employment, and public facilities, such as transit and parks (City of Tigard)* *Lincoln City has policy language supporting certain mixed-use developments; other jurisdictions do not.*
7. **Support accessory dwelling units**	*The City shall allow accessory dwelling units in appropriate residential districts, but shall require that they are compatible and blend into the overall residential environment. (City of Tigard)* Lincoln City, Toledo, and Newport have policy language that encourages accessory dwelling units.

[1] The Siletz Comprehensive Plan has not been addressed in this summary. It will be included in a subsequent draft of this memo.

Policy Issue	Discussion and Example Language
8. Support for flexible zoning	*Provide flexible development standards for projects that exceed the minimum requirements for natural resource protection, open space and public gathering places, and energy efficiency (City of Beaverton).* None of the jurisdictions in Lincoln County appear to include policy language that directly addresses this topic.
9. Address land supply goals	*Goal 1. Housing Supply and Variety.* *Provide a sufficient quantity and variety of housing to meet community needs.* *Policy 1. Annex where feasible and zone an adequate supply of residential land outside the tsunami inundation zone to accommodate the city's housing needs.* *Policy 2. Promote a variety of residential densities and housing types in all price ranges to meet a range of housing needs.* *Policy 3. Revise plan designations, zoning districts and regulations as needed to implement the mix of housing indicated in the adopted Housing Needs Analysis. (City of Lincoln City)* Newport has similar language within their housing policies. Siletz also has policy language regarding monitoring and maintaining an adequate supply of land zoned for residential use. Other jurisdictions in the County do not directly address this issue in their policies.
10. Support development of manufactured homes	*Encourage preservation of mobile home parks as a low/moderate income housing option. Evaluate plans and investments for potential redevelopment pressures on existing mobile home parks and impacts on park residents and protect this low/moderate income housing option. Facilitate replacement and alteration of manufactured homes within an existing mobile home park. (City of Portland)* Already addressed by Newport, Depoe Bay, Toledo Could improve by adding language encouraging protection/rehabilitation of existing manufactured homes. Could be more consistent in terminology – "Manufactured Homes" vs "Mobile Homes."
11. Regulate short term rentals	*Lincoln City has a policy to "control the number and location of vacation rentals" to preserve adequate housing. Depoe Bay suggests "phasing out of the existing short-term rental use of dwelling units".* Other jurisdictions in the County do not appear to have policy language addressing this topic.

Development Code Review

We reviewed each city's development code to assess the following:

- Range of established residential zones
- Types of housing allowed in each zone

- Density and minimum lot size requirements
- Manufactured home parks (must be allowed in at least one residential zone)
- Accessory dwelling unit requirements
- Cottage cluster housing requirements
- Residential design standards
- Off-street parking requirements
- Maximum building heights

The range of housing types allowed and addressed by Lincoln County cities varies widely. Unsurprisingly, the larger towns (Newport, Lincoln City) generally address and allow for a broader mix of housing types in their development code. They all have comparable residential development standards (i.e. minimum lot sizes, design standards, max. height) across conventional residential zoning types.

Most of the cities allow Accessory Dwelling Units across all zones, generally with the same standards. Manufactured homes on individual lots are generally permitted for all zones for all cities as required by state law. However, manufactured home parks are almost exclusively allowed only as a conditional use in higher density zones. Non-single-family detached housing types, such as two-family dwellings (duplexes), condominiums, and multi-family dwellings (generally referring to any type exceeding two dwellings) are generally permitted outright or conditionally in their general residential to high density residential zones. Lincoln City is the only town to address/allow cottage cluster housing, although other cities offer flexibility in certain overlay zones or districts, potentially permitting more innovative/creative housing types that are not necessarily explicitly defined in the development code. *Table 2* below provides a detailed summary of housing types allowed throughout Lincoln County's cities.

TABLE 2. DEVELOPMENT CODE REVIEW SUMMARY, CITIES

Code Provision	*Newport*	*Depoe Bay*	*Lincoln City*	*Yachats*	*Toledo*	*Waldport*	*Siletz*
Zones	R-1 (Low Density) R-2 (Medium Density Single-Family) R-3 (Medium Density Multi-Family) R-4 (High Density Multi-Family)	R-1, R-2, R-3, R-4, R-5	R-1 (Single-Family), R-1-RE (Residential, Roads End) R-R (Recreation Residential, aka VR), R-M (Multi-Family)	R-1 (Low Density Single-Family) R-2 (Medium Density Single-Family) R-3 (High Density) R-4 (Multi-Family)	R-S (Single-Family) R-G (General)	R-1, R-2, R-3, R-4	S-R (Single-family) G-R (General)
Housing Types Allowed [1]	R-1: SFD, ADU R-2: SFD, SFA, TFD (Duplex), MH Parks, ADU, Condominium R-3: SFD, SFA, TFD (Duplex), MH Parks, ADU, MF, Condominium R-4: SFD, SFA, TFD (Duplex), MH Parks, ADU,	R-1: SFD, MH, modular R-2: SFD, MH, modular, TFD (duplex) R-3: SFD, MH, modular, TFD (duplex), MF, condominium MH park R-4: SFD, MH, modular, TFD (duplex), MF,	R-1: SFD, MH, TFD (Duplex), Cottage Cluster, ADU R-1-RE: SFD, MH, TFD (Duplex), ADU R-R: Same as R-1-RE R-M: SFD, TFD (Duplex), MH, MF, cottage cluster, SF	R-1: SFD, FBD, MH R-2: SFD, FDB, TFD (Duplex), MH R-3: SFD, FBD, TFD (Duplex), MH, MH Park, MF R-4: SFD, FBD, TFD (Duplex), MH, MH Park, MF (includes	R-S: SFD, MH, ADU, MF (Conditional) R-G: SFD, MH, MF, ADU	R-1: SFD, FBD, MH R-2: SFD, FBD, TFD (Duplex), MH, Townhouse R-3: SFD, FBD, TFD (Duplex) MH, MF, Townhouse, MH Park R-4: Same as R-3	S-R: SFD, MH, TFD (Duplex), MH Park, ADU G-R: SFD, MH, TFD (Duplex), MF, MH Park, ADU

Code Provision	*Newport*	*Depoe Bay*	*Lincoln City*	*Yachats*	*Toledo*	*Waldport*	*Siletz*
	MF, Condominium	condominium, MH park R-5: SFD, MH, modular, TFD (duplex), MF, condominium, MH park	attached, ADU, MH Park	condominium, townhouse, and apartment complex)		Single-Wide Mobile Homes in S-W Overlay zone	
Densities/ Minimum lot sizes allowed [3]	R-1 (all types): 7,500 sf R-2: 7,500 sf (TFD interior lot), 5,000 sf (SFD & TFD corner lot) R-3 (all types): 1250 sf R-4 (all types): 1250 sf	R-1: 5,000 sf (one-family dwelling) R-2: One-family dwelling same as R-1, 10,000 sf (TFD) R-3: One-family dwelling same as R-1, TFD same as R-2, 3,750 sf/DU for MF R-4: One-family dwelling same as R1, TFD same as R-2, 2,500 sf/DU for MF R:5: One-family dwelling same as R-1, TFD same as R-2,	R-1 (5): 5,000 sf (SFD), 8,000 sf (TFD) (7.5): 7,500 sf (SFD), 8,000 sf (TFD) (10): 10,000 sf R-1-RE: 5,000 sf (SFD), 8,000 sf (TFD) R-R: Same as R-1-RE R-M: 5,000 sf (SFD), 8,000 sf (TFD), 8,000 sf for first two units of MF plus 2,250 sf/unit low-density & 1,200 sf/unit high-density	R-1 (all types): 7,500 sf R-2: 6,000 sf (one-family dwelling), 7,500 sf (TFD) R-3: 6,000 sf (one-family dwelling), 7,500 sf (TFD), 6000 sf for first unit of MF plus 2,500 sf for each additional unit R-4: 6,000 sf (one-family dwelling), 7,500 sf (TFD), 5,000 sf for first unit of MF plus 2,500 sf for each additional	R-S: 7,000 sf (interior lot) and 7,500 sf (corner lot) R-G: 6,000 sf plus 1,800 sf per additional unit. Shall not exceed 21 units/acre	R-1 (all types): 6,000 sf R-2 (all types): 5,000 sf R-3: 5,000 sf, additional 1,250 sf per unit for MF R-4: Same as R-3	S-R (all types): 7,500 sf G-R: 7,500 sf (SFD, TFD, MH), 10,000 sf or 2,500 sf/unit (MF)

Code Provision	*Newport*	*Depoe Bay*	*Lincoln City*	*Yachats*	*Toledo*	*Waldport*	*Siletz*
		1,250 sf/DU for MF		unit (max. density shall not exceed 12 units per acre)			
Manufactured home parks	M-H Mobile Home Overlay: See underlying zone for MH on individual lots, ORS 446.100 & 814-28-060 for MH Parks Permitted in R-2, R-3, and R-4	Conditional for R-3, R-4, R-5	Conditional for R-1, R-R, R-M Must comply with state statutes	Conditional for R-3 & R-4	"Any place where four or more manufactured dwellings are located within 500 feet of one another on a lot, tract, or parcel of land under the same ownership..."[4]	Conditional for R-3 and R-4	Conditional for S-R and G-R
ADU requirements	Exempt from housing density standards of respective zone. Primary residence or ADU must be owner occupied. *Number*: 1/lot *Max. floor area*: 600 sf or 50% of primary dwelling *Max height*: no higher than primary dwelling	N/A	Exempt from housing density standards of respective zone. *Number:* 1/lot *Max floor area:* 750 sf or 50% of primary dwelling *Min. lot size:* 3,000 sf – attached, 5,000 sf detached	N/A	Primary Residence must be owner occupied. *Max floor area:* 650 ft or 35% of primary dwelling	N/A	Exempt from housing density standards of respective zone. Primary residence must be owner occupied. *Number:* 1/lot *Max floor area:* 650 sf or 40% of primary dwelling. *Max height:* 30 ft

Code Provision	*Newport*	*Depoe Bay*	*Lincoln City*	*Yachats*	*Toledo*	*Waldport*	*Siletz*
	Setback: shall not exceed front yard setback of adjacent lot *Utilities*: must share with primary dwelling						
Cottage cluster housing [2]	N/A	N/A	4-12 SFD (detached) facing common open space, max. 1,250 sf, max height 25 ft, open porch	N/A	N/A	N/A	N/A
Residential design standards	Only within (6) urban design districts and for Manufactured Homes on lots outside of MH parks.	SFD only	All housing types	MH only	SFD (R-S), MH, ADU	Garages and carports must use like materials as primary dwelling for all zones	TFD, MH, MF
Off-street parking requirements	SFD: 2/unit TFD (duplex): 1/unit Condominium and Townhomes: 1.5/unit MF: 1/unit for first four + 1.5 for each additional unit	All types: 2/unit	SFD, TFD, MH/MH Park & MF: 2/unit Cottage Cluster: 1/unit< 700 sf, 1.5/unit 700 sf – 1000 sf, 2/unit 1000+ ADU: 1/unit in addition to primary dwelling	SFD & TFD:2/unit 4 spaces for MF w/ 3 units 5 spaces for MF w/ 4 units 6 spaces for MF w/ 5+ units plus 1.5 spaces for each additional unit	SFD, MH, and MH Park: 2/ unit 1.5/unit two- and three-family housing 1-2/unit MF & single family-attached ADU: 1/unit	SFD, MH, FBD, TFD: 1/unit MH Park: 2/unit MF: 1.5/unit	All types: 2/unit

Code Provision	*Newport*	*Depoe Bay*	*Lincoln City*	*Yachats*	*Toledo*	*Waldport*	*Siletz*
	ADU: 1/unit			MH: 1/unit			
Building Heights	R-1 & R-2: 30' R-3 & R-4: 35'	R-1 – R-3: 30' R-4: 35', R-5: 40'	R-1: 35' R-1-RE: 30' R-R: 35' R-M: 35'	30' all zones	35' all zones, two stories or 22' for ADUs	R-1: 30' R-2 – R-4: 35'	30' all zones

SFD = Single family detached home; SFA = Single Family Attached home; TFD = Two Family Dwelling; MH = manufactured home on individual lot; MH Park = manufactured home park; MF = multi-family housing; FBD = Factory Built Dwelling; ADU = Accessory Dwelling Unit

Notes:

1. In addition to the uses listed here, most residential zones allow residential homes and/or residential group uses; some also allow assisted living facilities and/or congregate care facilities, among several other permitted and conditional uses associated residential uses (e.g. child/day care, parks, schools, etc.).
2. Most jurisdictions allow clustering of housing, including in planned unit development or master planned areas; however, most do not allow for "cottage cluster" developments, with smaller dwelling and higher densities than base standards.
3. Lot sizes in Ione must be larger in the absence of a sewer system or water facilities and in the urban growth area or un-platted areas.
4. Manufactured home park definition, pg. 6 of Toledo Development Code

Table 3. Development Code Review Summary, Lincoln County

Policy Issue	*Residential R-1*	*Residential R-1-A*	*Residential R-2*	*Residential R-3*	*Residential R-4*	*Residential Rural RR-2*	*Residential Rural RR-5*	*Residential Rural RR-10*
Housing Types Allowed	SFD, TFD (Duplex) on corner lot, MH (single-wide), MH Park	SFD, MH, MH Park	SFD, TFD (Duplex), MH (single-wide), MH Park	SFD, TFD (Duplex), MH (single-wide), MH Park, MF	Same as R-3	SFD, MH (single-wide)	Same as RR-2	Same as RR-2
Densities/ Minimum lot sizes allowed	SFD: 6,000 sf TFD: 10,000 sf	Same as R-1	Same as R-1	SFD, MH: 6,000 sf TFD, MF: 5,000 sf	SFD, MH: 6,000 TFD, MF: 2,500	2 acres	5 acres	10 acres
Manufactured home parks	Conditional Use	Conditional Use	Conditional Use	Conditional Use	Conditional Use	N/A	N/A	N/A
ADU requirements	N/A							
Cottage cluster housing	N/A							
Residential design standards	N/A							
Off-street parking	All Zones – SFD & MH: 1/DU; TFD & MF: 1.5/DU; MH Park: 3/2 DU;							
Building Heights	30'	30'	30'	30'	35'	30'	30'	30'

Table 2 & 3: SFD = Single family detached home; TFD = Two Family Dwelling; MH = manufactured home on individual lot; MH Park = manufactured home park; MF = multi-family housing; FBD = Factory Built Dwelling; ADU = Accessory Dwelling Unit

Notes:

1. In addition to the uses listed here, most residential zones allow residential homes and/or residential group uses; some also allow assisted living facilities and/or congregate care facilities, among several other permitted and conditional uses associated residential uses (e.g. child/day care, parks, schools, etc.).
2. Most jurisdictions allow clustering of housing, including in planned unit development or master planned areas; however, most do not allow for "cottage cluster" developments, with smaller dwelling and higher densities than base standards.
3. Lot sizes in Ione must be larger in the absence of a sewer system or water facilities and in the urban growth area or un-platted areas.
4. Manufactured home park definition, pg. 6 of Toledo Development Code

ANALYSIS OF ADDITIONAL STRATEGIES AND BEST PRACTICES

This report summarizes a set of strategies or tools that could help Lincoln County and its partners build and preserve affordable housing. In describing these affordable housing strategies, the consultant team relied on its own research conducted for other jurisdictions in Oregon, on other affordable housing or anti-displacement strategy reports prepared for other communities, and on best practice and case study research for housing policies and programs in Oregon and beyond. The focus of this research—strategies for building and preserving affordable housing—are just some of a range of solutions that can help Lincoln County residents access housing that is affordable. Strategies and best practices were assessed in terms of the following:

- Areas where best practices are and are not currently being employed;
- The extent to which housing availability and affordability could be enhanced through full implementation of successful strategies, best practices, and removal of barriers to needed housing (i.e. collectively the housing implementation strategy);
- Constraints or negatives associated with adoption of the housing implementation strategy;
- Alternatives analysis for components of the housing implementation strategy where there are options related to cost charges, regulatory standards, or other variables;
- Actions partners must take to carry out the housing implementation strategy.

The strategies discussed in this report are organized under the following three categories: (1) Funding Sources, (2) Programs to Develop or Preserve Affordable Housing, and (3) Tools that Remove Development Barriers. The strategies are listed in Table 2, and summarized in more detail in the following sections. Strategies already being implemented in one or more Lincoln County jurisdictions are highlighted with **bold text**. The summary of each housing strategy includes the following:

- Description – What is the strategy? How does it increase availability and affordability of housing?
- Legal Basis – Are there any legal issues/requirements that drive the strategy?
- Usage in Lincoln County or Other Jurisdictions – Existing programs or activities in Lincoln County and examples from other jurisdictions.
- Opportunities and Constraints – Advantages and/or challenges or costs related to the strategy.
- Options and Alternatives – Alternatives analysis where a strategy has multiple potential options for implementation related to cost, regulatory standards, or other variables.
- Implementation Needs – Preliminary list of actions necessary for the local government and other stakeholders to take in order to implement the strategy.

More information about these strategies will be included in a subsequent draft and final *Regional Housing Implementation Strategy Report*. That report will assess the relative feasibility and expected effectiveness and impact of each strategy and include more specific recommendations for how strategies can be implemented by the County and/or partner jurisdictions.

TABLE 3. SUMMARY OF HOUSING STRATEGIES AND BEST PRACTICES

TOOL	PRIMARY GOAL	POTENTIAL CITY/COUNTY ROLE(S)
Funding Sources		
1. Construction Excise Tax (CET)	**Establish permanent affordable housing funding source**	**Individual city-led or county-wide approach**
2. General Obligation Bond	Flexible Affordable Housing (AH) Subsidy	Individual city-led or county-wide approach
3. Local Option Levy	Flexible AH Subsidy	Individual city-led or county-wide approach
4. Urban Renewal Financing	**Flexible AH Subsidy**	**Individual city-led**
5. Transient Lodging Tax Revenue	Flexible AH Subsidy if current state legislation approved	Individual city-led
Programs to Develop or Preserve Affordable Housing		
6. Inclusionary Zoning (IZ)	Promote construction of new affordable housing units	Individual city-led
7. Incentive Zoning	Increase development flexibility / reduce housing costs	Develop and implement standards
8. Public-Private Partnerships (PPPs)	Promote construction of new affordable housing	Funding partner
9. Community Land Trusts (CLTs)	Reduce land costs / develop long-term affordable housing	Partner with an existing non-profit, recruit new non-profits, and/or provide funding
10. Land Banking & Acquisition	Reduce land costs	Program lead or funding partner
11. Tenant Protections and Rent Stabilization	Protect affordable housing units and reduce displacement	Program lead
12. Staff Allocation to Housing Program	Increase administrative capacity to implement housing strategiesstrategies	Individual city-led or county-wide approach
13. Preservation of Low-Cost Market Rate (LCMR) Housing	**Preserve existing affordable housing**	**Regional approach**
Tools that Remove Development Barriers		
14. Minimum Density Requirements	**Help preserve land supply for higher density housing**	**Program lead**
15. Affordable Housing Provision by Places of Worship	Support partnerships with non-profit housing providers	Regulatory support
16. Development Fee Reductions	Reduce development costs	Program lead
17. Tax Abatements	**Reduce operating costs**	**Program lead**
18. Reduced or Exempted System Development Charges (SDCs)	**Reduce development costs**	**Develop and implement policy**
19. Regional Inventory of Buildable Land	Provide information to builders and developers	Coordinated county-wide database
20. Pre-Approved Development Plans	Provide information; reduce development costs	Program lead

Funding Sources

1. Construction Excise Tax

Description	A construction excise tax (CET) is a tax on construction projects that can be used to fund affordable housing. According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. Cities and counties may levy a CET on residential construction for up to 1% of the permit value; or on commercial and industrial construction, with no cap on the rate of the CET. The allowed uses for CET funding are defined by the state statutes. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET: • 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.) • 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction. • 15% flows to Oregon Housing and Community Services (OHCS) for homeowner programs. If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted.
Legal Basis	The construction excise tax for affordable housing was enabled by Senate Bill 1533, which the Oregon Legislature passed in 2016. The limitations and requirements (discussed above) are outlined in ORS 320.170-195.
Usage in Lincoln County or Other Jurisdictions	To date, eight jurisdictions (Portland, Corvallis, Cannon Beach, Hood River County, Hood River City, and Newport) in Oregon have passed local CETs under the new state statutes, and many others are considering adopting the tool.[i] The City of Bend employs a program that was grandfathered in prior to the new statutes, and therefore follows different rules. The City of Newport's CET was adopted in 2017. It levies a 1% CET on residential, commercial, and industrial development. 50% of the net revenue is distributed to development incentives for affordable housing, 35% are for other affordable housing programs, and 15% is distributed to OHCS. No more than 4% of the gross revenue is reserved for program administration. The **City of Portland**'s CET went into effect in 2016. It levies a 1% CET on residential, commercial, and industrial development valued at $100,000 or more. The revenues pay for production of housing at or below 60% MFI, developer incentives for inclusionary zoning, along with state homeownership programs. Portland chose to dedicate 100% of commercial and industrial revenues, including the 50% that is unrestricted, to supporting the production and preservation of affordable housing.[ii] Overseen by the Portland Housing Bureau, the CET program is expected to generate $8.1 million in revenue.[iii] The **City of Milwaukie** adopted a CET on commercial, residential, and industrial development in 2017. The City exempted deed-restricted affordable housing, ADUs, and improvements less than $100,000 from paying the CET. The adopting ordinance allocates funds as required by state statutes, specifying that flexible funds from the commercial improvements will be used 50% toward housing available to those making up to 120% of MFI, and 50% for economic development programs in areas with sub-area plans (such as Downtown and Riverfront, and the City's urban renewal areas).[iv]

Opportunities and Constraints

- An advantage of a CET is that, once established, it would be straightforward to administer through the development permitting process.
- CET increases development costs in an environment where many developers are already seeking relief from systems development charges (SDCs), so it could impact development feasibility and increase the costs of housing more generally. However, by structuring the policy with offsetting incentives or tools to reduce development barriers, the County could potentially limit the impact on feasibility for certain projects.
- The additional costs to developers are passed on to tenants in new buildings, thereby increasing housing costs when demand for housing is high.
- Because CET revenue is development-derived, it will fluctuate with market cycles.

Options and Alternatives

Alternatives and questions to consider if Lincoln County or its partners were to adopt a CET:

- Should the CET be applied to both residential and commercial/industrial property types?
- What tax percentage should be levied on residential construction (up to 1%) and on commercial and industrial construction (unlimited). Most jurisdictions that have implemented CETs in Oregon levy taxes at a rate of 1% for both development types.
- How should the 50% flexible commercial/industrial CET funds be dedicated (e.g., for economic development, affordable housing fund, or developer incentives)?
- What income levels should benefit from production of affordable units (e.g., households earning <60% MFI, <120% MFI, etc.)?
- Are there any conditions under which a developer would be exempted from paying the CET?

Implementation Needs

Establishing a construction excise tax would necessitate that Lincoln County or its partners (except Newport) pass a new ordinance. Jurisdictions wishing to implement a CET program should work closely with the development and housing community in developing the fee structure. Implementing programs would need to be developed, and possibly coordinated with housing partners.

2. General Obligation Bond

Description

In Oregon, General Obligation (GO) bonds are secured by a taxing jurisdiction's ability to levy an increased property tax sufficient to pay the bond. The additional property tax is dedicated solely to paying the bonds and cannot be used for other purposes. The amount and rate of the tax are "unlimited" so a jurisdiction may levy whatever amount is necessary to collect enough taxes to pay the bonds. Because the property tax system is reliable, GO bonds provide a stable, dedicated revenue source. They are usually issued as long-term, fixed-rate bonds, but they can be issued as short-term bonds, or variable rate bonds as well.

Legal Basis

The Oregon Constitution authorizes 18 separate general obligation (GO) bond programs. Each program was created through a constitutional amendment passed by the state's voters. General obligation bonds are secured by the full faith and credit of the State of Oregon, which obligates unrestricted revenues of the state to repay the bonds. Additionally, the state may levy a statewide property tax, if necessary and allowed by law, to meet required debt service payments. Provisions of the constitution that authorize the bonds generally limit the amount of

debt issued to a percentage of the statewide value of taxable property.

The Oregon Constitution requires that GO bonds be approved by a majority of voters and may only be issued to finance capital costs associated with the acquisiton, construction, improvement, remodeling, furnishing, equipping, maintenance, or repairing of real or personal property. It also mandates that the weighted average maturity of general obligation bonds does not exceed the weighted average life of the capital costs that are financed with those bonds.

ORS 287A.050 limits the total amount of general obligation bonds that a jurisdiction has outstanding to three percent of the jurisdiction's real market value, with the exception of bonds that finance local improvement district improvements, water supply, treatment or distribution; sanitary or storm sewage collection or treatment; hospitals or infirmaries; gas, power or lighting; or off-street motor vehicle parking facilities.

Usage in Lincoln County or Other Jurisdictions

Relatively few cities in Oregon have passed such bonds and no communities in Lincoln County have done so.

On November 6, 2018, the **Metro Regional Government** approved a $652.8 million regional general obligation bond, with the goal of creating affordable housing for approximately 12,000 people in the greater Portland region. In 2016, the **City of Portland** also passed its own $258 million GO bond for affordable housing.

Opportunities and Constraints

- Because the property tax system is reliable, it would provide a stable, dedicated revenue source.
- GO bonds must receive voter approval and may not garner sufficient voter support.
- The taxing jurisdiction would have to commit resources to developing a robust voter education campaign, which may not be desirable given the potential that a ballot measure may not pass.

Options and Alternatives

Questions to consider if Lincoln County or its partners were to consider implementing a GO bond:

- What is the most effective strategy – a County-wide bond or individual local bond measures?
- Are voters likely to support a bond?
- Does the County and/or its partners have the administrative capacity to administer the funds generated by a bond?
- Are there other partnering agencies that could assist in administering a program?
- What types of activities or strategies should be funded by the bond revenues?

Implementation Needs

- Determine the likelihood of voter support for a County-wide bond or one or more local bond measures.
- Identify how the bond revenues would be spent and administered.
- Establish a set of intergovernmental agreements related to bond revenue administration if needed.
- Craft ballot language, determine timing, and initiate and propose the bond measures as part of the election process.

3. Local Option Levy

Description

A local option levy is a commonly-used public funding mechanism, though it is less frequently used for affordable housing. It is a time-limited property tax (five years for operations and 10 years for capital projects), subject to voter approval, that is levied in addition to a taxing jurisdiction's permanent rate to pay for specified programs or investments. Local option levies are issued as a rate, rather than an amount, meaning that actual revenues may fluctuate from year to year with new development and with market cycles as assessed values change. Levies may be used for programs or operations, in addition to capital projects.

Legal Basis

Levies are subject to the limitations imposed by Measures 5 and 50, meaning new or increased levies can increase the risk of 'compression' for other overlapping taxing districts and for the levy itself. Compression is the reduction of tax revenues to taxing districts to accommodate the limitations imposed through state law. Compression occurs when tax revenues exceed limits set in Oregon's constitution. In most cases, taxes are imposed by applying the tax rate to the assessed value for each individual property in the City. However, constitutional changes in the 1990s imposed a second test: if the revenues imposed through applying the tax rate to the assessed value exceed $15 per $1000 of real market value (rather than assessed value), then the tax rates are 'compressed', or reduced proportionately, until the revenues are within the constitutional limits.

This calculation is completed annually for every property to determine taxes imposed. In general, compression risk is low when market values, which fluctuate with market cycles, are high relative to assessed values. In the Great Recession, when market values fell, many communities across Oregon began to experience revenue losses as a result of compression. If compression occurs, revenues are reduced categorically, starting with levies. A new levy therefore increases the risk of compression for itself and for all other levies by raising the total tax rate closer to a rate that would impose the constitutional limit.

Usage in Lincoln County or Other Jurisdictions

Vancouver, WA: The City of Vancouver passed a housing levy in 2016, which is expected to generate about $42 million over seven years. The Affordable Housing Fund's program objectives include creation and preservation of homes affordable for residents at 50% or below of area median income. The City distributes funds through an application process in which public, nonprofit, or private entities apply to the City to receive Affordable Housing funding for their projects. In 2017, the City awarded $5.61 million for construction, acquisition and rehabilitation of multifamily housing, rental assistance, and services to prevent homelessness. Construction projects supported with 2017 funds will result in an estimated 237 new rental units, and rehabilitation funds will preserve an additional 20 units or homes.[v]

Other Washington examples include the **City of Bellingham**, which in 2018 voted to renew a levy that was originally approved in 2012 for an additional 10 years; and **Jefferson County**, which passed a 7-year levy to create an affordable housing fund.

Opportunities and Constraints

- A local option levy must receive voter approval and may not garner sufficient voter support.
- The taxing jurisdiction would have to commit resources to developing a robust voter education campaign, which may not be desirable given the potential that a ballot measure may not pass.

Options and Alternatives

Alternatives and questions to consider if Lincoln County or its partners were to implement a local option levy are similar to those for a bond measure and include the following:

- What is the most effective strategy – a County-wide bond or individual local levy?
- Are voters likely to support a levy?
- What should be the term and tax rate associated with the levy?
- Does the County and/or its partners have the administrative capacity to administer the funds generated by a levy?
- Are there other partnering agencies that could assist in administering a program?
- What types of activities or strategies should be funded by the levy revenues?

Implementation Needs

Implementation steps are similar to those for a bond measure and include the following:

- Determine the likelihood of voter support for a County-wide levy or local levies.
- Identify how the levy revenues would be spent and administered.
- Establish a set of intergovernmental agreements related to levy revenue administration if needed.
- Craft ballot language, determine timing, and initiate and propose the levy(s) as part of the election process.

4. Urban Renewal Financing

Description

Urban renewal is a locally controlled program, authorized under state law, to improve specific areas of a city or county that are not achieving local land use and development objectives. These areas can have old deteriorated buildings, streets and utilities or they can lack buildings, streets, utilities altogether. Public facilities in these areas (e.g. parks, parking facilities) may be inadequate. The statutes refer to these areas as "blighted areas." Investments in these areas are often achieved through "Tax Increment Financing" (TIF), through which revenue from an increase in assessed value of property in the area due to public investment can be used to make investments or bonded against.

Urban Renewal funding can be used for affordable housing in particular – the City of Portland's Housing Bureau administers a 30% "set-aside" to ensure that a portion of the TIF supports preservation or creation of affordable homes within the urban renewal area.[vi]

Legal Basis

The Oregon Constitution allows the Legislature to set up a system to finance urban renewal. Oregon Revised Statute Chapter 457 describes how the system works. This law gives each city and county the ability to activate an urban renewal agency with power to propose and act on plans and projects to remove "blight." Examples of blight include buildings that are unsafe or unfit for occupancy or the existence of inadequate streets.[vii]

Usage in Lincoln County or Other Jurisdictions

Urban renewal is common in Oregon, and several jurisdictions in Lincoln County use this tool. Examples include:

- Lincoln City has a URA (established in 1988) to manage its urban renewal district which encompasses a significant portion of the city along Highway 101.
- The Newport URA is using urban renewal funds to redevelop the County Commons, formerly known as the Lincoln County Fairgrounds.
- The City of Waldport's URA was established in 1981 and its first Urban renewal Plan was concluded in 2011. A second Urban Renewal Plan was established in 2005.

Opportunities and Constraints	Use of urban renewal is a proven method to create public investment in areas that might not otherwise receive it. It can include high levels of local stakeholder engagement to meet multiple community visions for an area. However, it does compete with other taxing jurisdictions such as school districts and fire districts who would otherwise be recipients of increased property tax revenue. There are also regulations regarding the types of investments that can be made with urban renewal funds.
Options and Alternatives	There are many options for an urban renewal district boundary, the projects that will create investment in that area, and how these projects are phased and financed.
Implementation Needs	Urban renewal requires a "blighted" area, an urban renewal plan, and an urban renewal agency to administer the plan. A new urban renewal area typically begins with an Urban Renewal Feasibility Study in order to determine the value that could be created from such a program.

5. Transient Lodging Tax

Description	As of this writing, Senate Bill 595 of the 2019 Oregon Legislative Session would allow up to 30 percent of revenue generated from local transient lodging taxes (TLT) to be spent on affordable workforce housing for those with incomes at or below 125 percent of AMI. [viii]
Legal Basis	The transient lodging tax is a tax imposed on hotels and motels, spaces for recreational vehicles and tents, and other dwelling units that are occupied overnight or on a temporary basis. It is primarily used to promote tourism and may also be used to fund local services. Currently, at least 70 percent of the net revenue from new or increased transient lodging taxes must be used to support tourism and up to 30 percent may be used for local services. Senate Bill 595 shifts the percentage of net revenue from the transient lodging tax that must be used for tourism from at least 70 to at least 40 percent, to allow up to 30 percent to be used for affordable workforce housing.
Usage in Lincoln County or Other Jurisdictions	Lincoln County has a transient lodging tax of 10%, the City of Newport has a TLT of 9.5%, and the city of Yachats has a TLT of 9%. Any increases to these rates under the current law would be required to be spent primarily (70%) on tourism-related services. Under the proposed change, that amount would be reduced and a portion of the revenue could be spent on affordable workforce housing.
Opportunities and Constraints	• Additional revenue could be spent to subsidize workforce housing, potentially helping those who work to make the region a tourist destination. • Raising TLT may impact the profitability of lodging businesses.
Options and Alternatives	• Jurisdictions would need to set the new rates and decide how any new funds would be spent, based on the specifics in the final legislation.
Implementation Needs	Specifics of implementation will depend on the details of the final legislation. The decision to raise the TLS in a community and how to spend additional revenue will likely need to be part of a community conversation and hearings process.

Programs to Develop or Preserve Affordable Housing

6. Inclusionary Zoning (IZ)

Description

Inclusionary zoning (IZ) (sometimes known as inclusionary housing) is a tool used to produce affordable housing for low- to moderate- income households within new market-rate residential developments. Typically, IZ is implemented through an ordinance with mandatory requirements that a minimum percentage of a new development's total units be designated as affordable, and that these units remain affordable for a set period of time, usually between 10 and 20 years. Often, this ordinance applies only to developments with a minimum number of units. Another option is to establish a voluntary inclusionary zoning program with density and/or height bonuses, or reduced parking requirements, as an incentive to reduce the land costs associated with providing affordable units. This strategy is often referred to as "incentive zoning."

Legal Basis

Inclusionary zoning was prohibited in Oregon between 1999 and 2016, until legislation was passed in 2016 by Senate Bill 1533, which allowed jurisdictions to adopt inclusionary zoning. However, this legislation came with a number of limitations that are being regarded by affordable housing providers and advocates as making the strategy challenging to implement in most small- and medium-sized jurisdictions in the state. Per state statute, the requirements may only be applied to multifamily housing developments of 20 units or more.[ix] In addition, jurisdictions must provide "finance-based incentives" (e.g., property tax exemptions, fee waivers, development bonuses) to offset the cost of providing affordable units, but in an undetermined amount. Jurisdictions must also provide developers with the option to pay a "fee in lieu" instead of providing affordable units. Further, jurisdictions may also establish a local excise tax to help fund the inclusionary zoning program but are not required to do so.

These provisions required by the legislature are expected to limit the applicability and extent of the application of inclusionary zoning programs and result in administrative and financial hurdles to implementation, particularly for smaller communities. Relatively few communities are expected to have the financial and administrative resources to establish inclusionary zoning programs.

Usage in Lincoln County or Other Jurisdictions

Neither Lincoln County nor any of its partners have an IZ program. Since Senate Bill 1533 was passed in 2016, Portland is the only city in Oregon to pass inclusionary zoning regulations. Examples can be found in neighboring states: several major cities in California (Los Angeles and San Jose) and Seattle recently passed IZ regulations in 2017.

Portland Inclusionary Housing Program. The City of Portland requires new multi-dwelling development with more than 20 dwelling units to be affordable at 80% median family income (MFI), or pay a fee in lieu. Density bonuses (FAR/height bonuses) and alternative fee-in-lieu are the bonus provisions provided to offset the cost of required affordable housing units.[x] The policy is expected to produce an average of 382 new affordable units per year over 20 years, assuming the city lives up to the housing forecast outlined in its comprehensive plan. IZ policies took effect in parts of the city in 2017, and the final code amendments were implemented in 2018.[xi] An early analysis of the program by the Portland Housing Bureau found that as of September 2018, the program has resulted in 291 rent-restricted units (not yet constructed) in 33 private, for-profit developments.[xii]

Opportunities and Constraints

- Mandatory inclusionary zoning can affect development feasibility and land values. Incentives and requirements must be carefully balanced so as not to inhibit housing production.
- Inclusionary zoning requires close administrative oversight to ensure the mandatory units are properly built and maintained. Further, administration of fee-in-lieu funds to

additional affordable housing units is required.

- Inclusionary zoning programs typically create a fraction of the needed affordable housing units and their efficacy at producing affordable housing units fluctuates over extended periods of time.

Options and Alternatives

Inclusionary programs can be mandatory or voluntary. Mandatory IZ is expected to produce more units, while the voluntary approach (sometimes known as "incentive zoning," which is discussed below) may avoid some of the pitfalls of a mandated approach. The requirements of IZ should be balanced with flexibility and responsiveness to local market dynamics.

Implementation Needs

Implementation of IZ requires time to develop the program and policies. Additionally, it is suggested that IZ be implemented (if recommended) through a phased approach to reduce associated impacts on property values.

The following actions are recommended to assess the feasibility of an inclusionary zoning program:

- Identify the approximate benefits of establishing a set of IZ provisions based on the expected number of developments that would be subject to the standards and the approximate number of resulting new units.
- Estimate the cost of establishing and administering the non-code based elements of an IZ program, including a fee-in-lieu program and other finance-based incentives.
- Determine if the expected benefits outweigh the costs of establishing IZ program.
- If the costs outweigh the benefits and the jurisdiction decides to move forward with the program, establish needed code requirements and other administrative and financial procedures and protocols needed for implementation.

7. Incentive Zoning

Description

Incentive zoning is a tool that creates incentives to developers to provide a community benefit (such as affordable housing), in exchange for ability to build a project that would not otherwise be allowed by the development code. The purpose of incentive zoning is to encourage development of affordable housing and to increase its financial feasibility. A few of the most common types of incentive zoning are detailed below.

Density and/or Height Bonuses

Density and height bonuses are the most common types of incentive zoning, and allow increased density or height for affordable housing, or for housing types that tend to be lower cost (e.g. cottage homes, duplexes/triplexes, etc.). This is done by increasing the allowable height or floor area of a project above what is otherwise permitted in the zoning district, or by increasing the allowable number of dwelling units in a residential development. Additionally, setback and bulk standards may be allowed to vary to a accommodate the added density or to reduce development costs. Encouraging the development of affordable housing by offering density and/or height bonuses can work in areas where demand is constrained by zoning requirements. It can also potentially act as an incentive to build specific types of housing that are needed or desired in specific areas. To ensure rental units remain affordable, private deed restrictions could be used to preserve affordable status of rental units for a set period of time (e.g. 30 years or longer) and require renters to meet income-qualifications.

Reduction of Parking Requirements

Parking is often a limiting factor in multifamily development, because it can add to construction costs and limit the amount of housing units that can be constructed on a site. Parking reduction

incentives can be applied separately or in conjunction with density or height bonuses. Parking reductions targeted at affordable housing projects are typically applied within a certain distance of transit services, so that alternate transportation options are accessible for tenants that do not own vehicles.

Though density and height bonuses and reduced parking requirements are the most common, other regulatory incentives for affordable housing are possible, such as relief from design or development standards or relief from mixed-use requirements. An example of the former is provided below.

Other incentive zoning strategies include expedited permit approval and fee reductions, the latter of which is discussed elsewhere in this report.

Legal Basis

Incentive zoning ordinances for affordable housing have existed in the United States since the 1960s. In Oregon, density bonuses are listed in the Oregon Revised Statutes as one of the actions and measures that could be adopted by local jurisdictions to increase the likelihood of higher density residential development and to provide needed housing, as required by state law. Adoption of an average residential density standard is also included among the suggested actions or measures.[xiii]

Usage in Lincoln County or Other Jurisdictions

City of Ashland Affordable Housing Density Bonus. Affordable housing projects meeting eligibility requirements (including rental housing affordable to households at or below 60% of AMI or ownership housing affordable to households at or below 80% of AMI for a minimum of 30 years) receive a density bonus of two units for each affordable housing unit provided, up to a maximum of a 35% increase in density.[xiv]

Kirkland, WA Duplex, Triplex, and Cottage Home Density Bonuses. Cottage homes (limited to 1,500 square feet of floor area) and two- and three-unit homes (up to 1,000 square feet of floor area average per unit) are allowed at double the density of detached dwelling units in the underlying zone.[xv]

City of Bend Parking Reductions for Affordable Housing and Transit Proximity. Required parking for affordable housing units is 1 space per unit regardless of size. This is compared to 1 space per studio or 1-bedroom unit, 1.5 spaces per 2-bedroom unit, and 2 spaces per 3- or more bedroom unit for market-rate multifamily development; or 2 spaces per market rate detached dwelling unit. Affordable housing units must meet the same eligibility criteria as for other City of Bend affordable housing incentives (rental units affordable to households at or below 60% of AMI, ownership units affordable to households at or below 80% of AMI, etc.). Bend also offers a 10% reduction in required parking for developments (except single family homes) within 660 feet of a transit route, which can be applied in addition to the affordable housing reduction.[xvi]

Pierce County, WA Alternative Development Standards. Pierce County offers a range of regulatory incentives for affordable housing developments. In addition to increased density and reduced parking, the County also offers relief from several development standards, including reduced active recreation requirements, reduced minimum lot area and width, reduced design requirements for infill construction, and relief from building orientation standards. Most of these alternate development standards require that at least 20% of the units provided are affordable at 80% of AMI.[xvii]

Opportunities and Constraints

- Incentive zoning ordinances must have strong enough incentives to promote the building of affordable units. To avoid unintended consequences and to ensure utilization, incentive zoning tools should be supported by an analysis of market sensitivity and updated regularly to reflect changing market dynamics; rolling applications can make the program more attractive to private developers.

	• Allowing a density bonus is likely to be valuable to developers who are seeking to build affordable or mixed-income housing in zones where development at a higher density is feasible given other regulations and cost factors. However, if the density bonus does not allow for development of more market-rate units than would otherwise be possible on the site, it would not provide a true incentive to market-rate housing developers. • To offset the loss of parking through the parking reduction incentives, the incentives are often only offered within an accessible distance from transit services, therefore limiting the applicability of the incentive program. Additionally, some cities allow parking reductions for various types of development in transit accessible areas, not just for affordable housing, which can decrease the effectiveness of incentivizing affordable housing.
Options and Alternatives	There are many variations of the provisions and eligibility requirements of parking reductions and density and/or height bonuses in various cities. Options include the amount of additional height, FAR, or residential density available; the amount of parking reduction offered; and the targeted income levels for affordable units.
Implementation Needs	Incentive zoning would require amendments to the jurisdiction's development code. The jurisdiction would have to draft provisions, eligibility requirements, etc.

8. Public-Private Partnerships (PPPs)

Description	Public-private partnerships (PPPs) are arrangements between public and private entities to create more and/or affordable housing. Public-private partnerships can promote a variety of affordable housing programs or projects and include partnerships from multiple entities (public, private, and non-profit).
Legal Basis	Senate Bill 1582, passed in 2016, created the Local Innovation and Fast Track (LIFT) Housing Program (ORS 458.485), which is discussed below. The bill set the parameters for the LIFT program and provides funds to administer it that will allow the program to begin creating more affordable housing as quickly as possible.
Usage in Lincoln County or Other Jurisdictions	**Lincoln County.** As noted previously in this report, the cities of Newport and Lincoln City have implemented public private partnerships with non-profit and market rate developers to build housing affordable to low- and moderate-income residents. Those efforts are described in more detail on pages 5-6 of this report and under other strategies in this report (e.g., Community Land Trusts) and include partnerships with Habitat for Humanity and Proud Ground, among others. **The Fields Apartments, City of Tigard.** A recent example of an innovative PPP in Tigard, Oregon is The Fields mixed-use development, which is planned to include 260 housing units affordable to residents earning 60% AMI or below, including 26 units serving extremely low-income families at or below 30% AMI. The site will also include office development. To help facilitate the project, the City of Tigard worked with the property owner to pursue a grant from the Economic Development Administration that paid for infrastructure improvements to unlock the economic development potential of the site. The City also worked with the property owner to rezone the site, which allowed the apartments to be developed. As mentioned below, the Fields project received a LIFT award to assist with project financing, and the Washington County Housing Authority also contributed financing.[xvii]

	Local Innovation and Fast Track Housing Program (LIFT). LIFT is a state-administered program that was approved through legislation in 2016 and provides funding for new affordable housing across the state, including for projects by private developers. The program was developed with the goal of quickly providing affordable housing units to low-income families and has funded numerous projects since its inception, including Surfview Village (110 units, provided $10.95 million in 2018) currently under development in Newport, the Fields Apartments in Tigard (provided $9.8 million) and Cornerstone Apartments in Salem (provided $4.9 million).
Opportunities and Constraints	Public-private partnerships are often not associated with structured programs; rather, they are often individual projects, which has both advantages and disadvantages. Projects are often opportunity-driven and may be spearheaded by the County or by private developers or partner agencies. With this structure, there is less administrative burden to the County, but it is also difficult to prepare for the capacity, typically financial, to participate in a partnership.
Options and Alternatives	Typically, public-private partnerships are implemented on a case-by-case basis and therefore vary significantly in their structure, costs, and resulting number of units. This makes it difficult to evaluate or compare alternative approaches to implementing them. A benefit to this structure is the flexibility to include a variety of partnerships/funding sources.
Implementation Needs	The City or County implementing the program should have the financial and administrative capacity to partner with a private entity on a partnership.

9. Community Land Trusts (CLTs)

Description	Community Land Trusts (CLT) is a model wherein a community organization owns land and provides long-term ground leases to low-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms. This model allows low-income households to become homeowners and capture some equity as the home appreciates but ensures that the home remains affordable for future homebuyers. CLTs may also lease land to affordable housing developers for the development of rental housing or may develop and manage rental housing themselves. Land trusts are typically run as non-profits, with support from the public sector and philanthropy, and could be linked to a land bank. Land trusts can be focused on homeownership or rental units.
Legal Basis	A CLT lease creates a distinctive legal framework within which ownership of the land is separated from ownership of the improvements on land. The structure involves a "fee interest" in the leased land held by the CLT, and a "leasehold interest" held by the homeowner. In most cases the homeowner's leasehold interest is accompanied by or includes deeded ownership of the house and other improvements on the leased land. As a general rule, there is no legal prohibition against the creation of separate ownership interests in a building and the underlying land.[xix]
Usage in Lincoln County or Other Jurisdictions	**Proud Ground (Portland Metro Area and Lincoln County).** Proud Ground was founded in 1999 and has grown into one of the largest community land trusts in the country. The organization focuses on affordable homeownership and controls ground leases associated with 270 homes in Multnomah, Washington, Clackamas, and Clark County. Proud Ground operates in Lincoln County and has undertaken activities in Newport, Lincoln City and unincorporated Lincoln County. Between 2015 and 2018, Lincoln County and the cities of Newport and Lincoln City have supported Proud Ground's efforts through funding contributions, coordination and other efforts. Proud

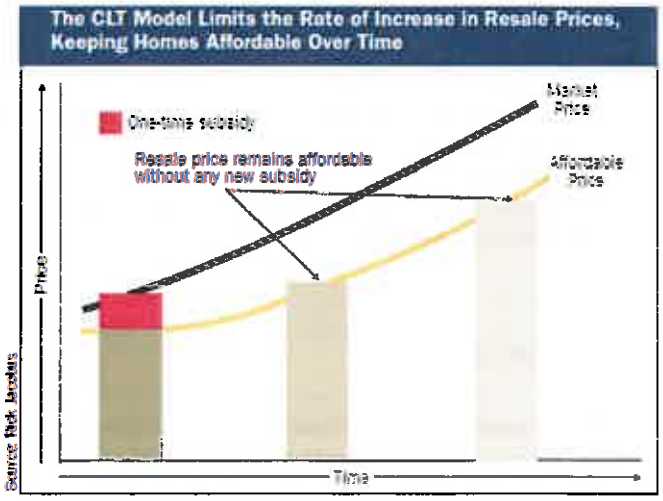
Ground is providing home buyer education and down-payment assistance grants, 8 total, to persons employed in Lincoln County. The grants are funded with a $515,000 state grant, with additional financial contributions from the partners (Lincoln City, Newport, and Lincoln County).

Proud Ground also offers homebuyer education and consulting services. Approximately 81 percent of the organization's funding is derived from public subsidy, mostly from the jurisdictions where Proud Ground operates. The remaining funding is generated through private donors.

Sawmill Community Land Trust (Albuquerque). Founded in 1996, the Sawmill Community Land Trust evolved from an existing Community Development Corporation (CDC) to serve the Sawmill neighborhood on the edge of Historic Old Town, Albuquerque. The organization was founded to address concerns about pollution from adjacent industrial areas and anticipated gentrification of the neighborhood. The City of Albuquerque was a critical partner in the growth of the CLT. The City purchased and donated to the CLT a 27-acre parcel using CDBG funding, which the CLT developed into 93 affordable units, a mix of single-family homes, apartments, and townhomes available for purchase (with a CLT ground lease) or rent. Sawmill developed several additional multifamily properties in the surrounding area, including a 46-unit senior housing property and a 60-unit live/work building. The City of Albuquerque continues to provide operational funding to Sawmill.

Opportunities and Constraints

- Financing the initial acquisition of land and securing enough equity to scale the strategy are key challenges for the CLTCLT model. Across the country, land trusts use a variety of land acquisition mechanisms, from private financing and municipal subsidies to relationships with land bank entities.
- In real estate markets where housing prices rise faster than household incomes, CLTs reduce the cost of subsidizing affordable homeownership units over time. As housing prices rise, and incomes do not keep up, the amount of subsidy needed to purchase the same home increases with each new buyer. If the CLT owns the land, however, they can control the rate of price increase, reducing or eliminating the need for a subsidy for subsequent buyers (see figure below).



Source: Beaverton Residential Anti-Displacement Strategy Tools Assessment Summary

Options and Alternatives

CLTs can take a variety of forms and cities can support the work of CLTs in a variety of ways. The examples below illustrate several potential CLT models to consider.

- **Conventional CLT (Proud Ground).** The most common form of CLTs are focused exclusively on providing affordable homeownership of single-family housing. These CLTs may operate at neighborhood, city, or regional scale. The properties owned are typically "scattered site", though may be concentrated in particular neighborhoods.
- Development-oriented CLT (Sawmill Community Land Trust). Some CLTs operate scattered site homeownership programs while also acting as a non-profit affordable housing developer. These CLTs are essentially a hybrid of a CLT and a Community Development Corporation (CDC). This model provides the opportunity to respond to varying housing needs and development opportunities.
- **CLT network organization (Atlanta Land Trust Collaborative).** Some CLTs also function as network organization (or "central servers") for multiple CLTs in a city or region. This model reduces administrative costs for members of the CLT network and may enhance fundraising opportunities.
- **Land bank steward (Denver Urban Land Conservancy).** At least one CLT studied functions as both a development-oriented CLT and an administrator of a land banking fund. The Denver Urban Land Conservancy is the steward of a land trust fund that targets properties near existing and future transit lines. The properties are preserved for development of affordable rental units. The ULC is well-positioned to act as a steward of the land bank because it has the organizational capacity to administer it and the ability to obtain funding from multiple public and private sources.

Implementation Needs

The County or its cities could provide support to CLTs in a variety of ways:

- Provide administrative or financial support for start-up and capacity-building for new CLTs
- Donate City-owned land to be managed by CLTs
- Provide grants or low-interest loans for specific development or rehabilitation projects
- Provide incentives to private developers (density bonuses, parking reduction, etc.) in exchange for the developer dedicating funds, land, or housing units to a CLT
- Partner with Lincoln County to ensure that tax assessment methods are fair and supportive of CLTs

The type of support the County or cities would provide depends on the CLT model they would like to employ and the specific needs of the organizational partners. The County and selected cities are already partnering with Proud Ground and understand the steps needed to implement this form of CLT locally. 15% of the funds collected from the affordable housing Construction Excise Tax is dedicated to down-payment assistance programs.

10. Land Banking & Acquisition

Description

Land acquisition is a tool to secure sites for affordable housing. Public agencies can identify locations where prices are going up and acquire land before the market becomes too competitive, with the intention to use the land for affordable housing. The ability to identify promising sites within these locations and act quickly and efficiently in acquiring them can tip the scales to make an affordable housing development financially feasible.

Land banking is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be developed for affordable housing. Land banks are often are quasi-governmental entities created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property.

Public agencies or larger nonprofits may be better equipped than small community development corporations to do both land acquisition and banking.

Legal Basis

House Bill 2734, passed in June 2015, made it possible for local governments to create land banks. The legislation was developed by a coalition led by Metro and including local governments, chambers of commerce and environmental and housing advocacy groups. The Oregon land bank legislation is unique among state land bank laws in that it was crafted with the primary goal of supporting brownfield redevelopment. Protected from environmental liability, land banks would have the legal authority to acquire contaminated properties, clean them up and sell them for redevelopment, thereby accomplishing the goal of getting brownfield properties back in active use. However, land banks are a flexible tool that could be used to meet multiple public policy objectives and could be adapted to support affordable housing goals.

Usage in Lincoln County or Other Jurisdictions

Eugene Land Acquisition for Affordable Housing Program.

Initiated through a city council resolution in 1968 and reinforced through policy and funding decisions in subsequent decades, the Eugene's Land Acquisition for Affordable Housing Program is one of the most longstanding land banking for affordable housing programs in the country. Due to its ability to respond to changing market conditions, the program has benefitted from the ability to acquire land during economic downturns that can be held for development when the market picks back up. Since the purchase of the first site in 1979, nearly 90 acres have been acquired for affordable housing using a combination of federal and local funds. Thus far, 881 units of affordable housing units have been developed on program parcels, and 48 units are currently under construction.

The Network of Oregon Affordable Housing (NOAH) Land Acquisition Loans. NOAH's Land Acquisition Loans are for highly accessible land that is transit oriented and located in close proximity to social and/or commercial services. Loans are available to for- and non-profit entities. Loans awarded range from $25,000 to $1,000,000.[xx] The Portland Housing Bureau partnered with NOAH in 2016 to invest $1 million into the Oregon Housing Acquisition Fund, administered by NOAH[xxi].

Affordable Housing Land Acquisition Revolving Loan Program (LAP). The new program, which was initiated in November 2018 by Oregon Housing and Community Services to assist eligible organizations in Oregon with purchasing land suited for affordable housing development. Eligible organizations include: local governments, local housing authorities, nonprofit community or neighborhood based organizations, federally recognized Indian tribes in Oregon, and regional or statewide nonprofit housing assistance agencies. Funding targets for the program are 40% funds for homeownership for low income households and 60% for organization operation rental housing for low income residents.

Opportunities and Constraints

The challenge of high land cost in high-opportunity areas has spurred local interest in coordinated land acquisition/land banking models. Key challenges for land acquisition include reliably identifying future areas of gentrification before prices go up, developing the resources necessary to purchase the land, creating mechanisms for easy land transfer and removing the liability associated with holding land. Land banking requires significant up-front investment to acquire land, which typically requires grants, and funding partnerships—with non-profits, public entities, and private financing—to reach necessary funding levels. In addition, while this technique can help address the long-term need for affordable housing, it will not address the current need in the short-term.

Options and

In addition to land acquisition and banking, another option for providing public land for affordable

Alternatives	housing is to evaluate surplus land and assess its potential for future affordable housing. Funding for land banks range from private financing and municipal subsidies to relationships with land bank entities.
Implementation Needs	Jurisdictions would need to use existing Buildable Land Inventories (BLI) or develop new inventories for cities or areas of the County which currently lack a BLI to determine how much vacant land is available within the jurisdictions' Urban Growth Boundaries (UGB), some of which may be appropriate for land banking for future affordable housing development. The jurisdictions must then evaluate if the land acquisition and/or banking model is feasible, given the availability, location and characteristics of vacant or underdeveloped land. Further, the jurisdictions must secure funding and/or work with partners to find adequate funding for land banking/or acquisition, then create a plan and partnerships for construction on the site(s).

11. Tenant Protections and Rent Stabilization

Description	Tenant protections include local regulations and enforcement programs that provide protections for tenants of existing affordable housing and low-cost market rate housing against evictions, excessive rent increases, discrimination, and health and safety violations. Tenant protections can also provide various types of assistance to renters. The purpose of these protections is help tenants of affordable units to access and retain their housing, particularly for very low-income and other vulnerable community members. Rent control or stabilization has been prohibited by Oregon state law since the passage of House Bill 2505 in 1985. ORS 91.225 prohibits cities and counties from enacting "any ordinance or resolution which controls the rent that may be charged for the rental of any dwelling unit." Currently, only four states (California, New York, New Jersey, and Maryland) and the District of Columbia practice rent control. Thirty-seven states either prohibit or preempt rent control, while nine states allow their cities to enact rent control, but have no cities that have implemented it.[xxii] However, as described below, the Oregon Legislature is currently considering legislation that could allow or require cities to implement rent stabilization regulations.
Legal Basis	There are extensive statewide landlord-tenant laws on the books in Oregon. These include the Oregon State Residential Landlord and Tenant Act (ORS § 90.100-90.875) and Fair Housing Laws including, but not limited to, the Fair Housing Act (42 U.S.C. 3601) and Oregon's Unlawful Discrimination in Real Property. Rent control is prohibited by Oregon State Law, but cities are permitted to provide provisions that go beyond current state law for policies such as landlord registration, rental inspections, and notice period for no-cause evictions. In addition, cities can also limit the circumstances under which owners are allowed to convert rental units to condominiums, either by requiring that tenants be offered the first right of refusal to purchase their units, by charging the owner a fee for converting the building, or by requiring or incentivizing owners to set aside a certain percentage of units in converted buildings as affordable units. Tenant protection laws are not enforced, with the exception of civil rights violations, unless cities choose to enforce, which requires local regulations to enforce[xxiii].
Usage in Lincoln County or Other Jurisdictions	**Gresham Rental Housing Inspections**. The City of Gresham conducts random, mandatory inspections of residential rental properties throughout the year to ensure properties meet minimum fire, health, and life safety standards. The program also includes inspections based on complaints and provides protection for those reporting violations. In 2010 the program completed

at least 1,800 inspections which resulted in one or more violation.[xxiv]

Portland Residential No-Cause Eviction Notices. The City of Portland requires 90-day notice of no-cause eviction, which is higher than the typical 30- or 60-day notice.

Portland Mandatory Renter Relocation Assistance. A City of Portland Ordinance passed in 2017 requires landlords to pay relocation assistance when their tenants: are served a no-cause eviction or a rent increase of 10 percent or higher over a 12-month period; receive a substantial change in their lease terms; or do not receive the option to renew their lease. The mandate applies to rental units in the City that are managed by a landlord or property management company, and some exception criteria apply. The relocation assistance amount ranges from $2,900 for a studio to $4,500 for 3+ bedrooms.

Salem Multifamily Housing License. All multifamily dwelling units with one or more beds or rooms for rent are required to sign up for an annual license. All licensed multifamily units are required to be inspected at least once every five years to ensure compliance with the Salem Housing Code.

Current State Legislation. In February 2019, the Oregon State Senate began hearing arguments over Senate Bill (SB) 608, which would establish statewide rent stabilization measures. SB 608 would cap rent increases at seven points above the annual increase in the consumer price index, or about 10 percent a year. The bill also includes a range of other tenant protections, including prohibiting no-cause evictions for tenants who have lived in their building for at least a year.[xxv] SB 608 would not necessarily reverse the current prohibition on local jurisdictions enacting their own rent regulation measures, but there may be future legislation that does this

Opportunities and Constraints

Landlords are typically not in favor of tenant protection policies, and there may be pushback from the property management and development community. Protection programs are likely to be associated with increased administrative needs and costs for program enforcement.

Options and Alternatives

There are various types of tenant protection regulations and programs that cities can regulate. Examples include the following:

- **Reform notice period for no-cause evictions** – Increase no-cause eviction notices to require 90-day notice.
- **Landlord/Rental registration program** – Require landlord registration to help track and coordinate anti-displacement services.
- **Mandatory residential rentals inspection program** – Require residential rental unit inspections to ensure they meet fire, health, and safety standards. Can require more frequent inspections for multifamily or affordable housing units.
- **Application fee protections** - Enforce the requirement that landlords return application fees when applications are not processed.
- **Screening criteria reform** – Eliminate the practice of landlords requiring 3 to 1 income to rent ratios.
- **Security deposit reform** – Cap security deposits and protect them from being taken unfairly.
- **Rent stabilization** – Implement state requirements, pending adoption of current state legislation, as appropriate.

Implementation Needs

Tenant protection policies could necessitate adoption of a new County or City ordinance. The County or one or more cities would lead these programs, which require the resources to create the policies, administer programs, and enforce the policies. Some policies could be implemented as partnerships with housing organizations or regional jurisdictions. Alternatively, the County and

	cities could take the lead from the state, assuming pending state legislation is adopted, and apply or administer state required tenant protection programs or activities, as needed.

12. Staff Allocation to Housing Program

Description	This strategy increases a jurisdiction's administrative capacity to address affordable housing issues and provide more effective and efficient use of resources. The jurisdiction could consider dedicating one or more full or part-time staff members to these efforts. The dedicated staff member could oversee affordable housing programs, develop housing policy, and serve as a liaison to housing partners such as non-profits or other local, regional, or state partners.
Legal Basis	N/A
Usage in Lincoln County or Other Jurisdictions	**City of Beaverton.** The City has several staff working on housing-related issues, including a full-time Affordable Housing Manager, who was recently hired in fall 2018 and who is drafting a work plan that will address a range of issues associated with affordable housing, including homelessness, tenant advocacy, etc. The City also has two staff dedicated to managing Beaverton's CDBG program. Many other staff in the City's Development, Economic Development, and Planning departments also work on housing policy development and related efforts.[xxvi] **City of Bend.** The City of Bend has two staff specifically dedicated to managing its Affordable Housing programs.[xxvii]
Opportunities and Constraints	Having a dedicated staff person to oversee housing programs would provide more resources, a higher degree of continuity, and potentially more technical expertise towards the task of implementing the strategies identified through the HSIP process. Developing and implementing some of the strategies and programs described in this document will take a significant amount of staff time. Ultimately, jurisdictions will need to decide if the expense of dedicating additional staff resources to these activities is financially feasible and justified through the ability of a number of these strategies to leverage financial or partnering resources towards achieving affordable housing goals.
Options and Alternatives	One or more jurisdictions in Lincoln County could hire a full-time staff person or dedicate an existing staff member as the point person for addressing housing issues and programs. Another alternative could be to partner or contract with another organization (non-profit or public entity) to share staffing resources and expertise. Either strategy could be done through a shared funding arrangement and could be an efficient way to meet the capacity needed for housing coordination with a staff member in a partnering organization.
Implementation Needs	Jurisdictions would need to account for staffing needs associated with implementing housing strategies in annual budgeting and work planning activities. This would entail regularly estimating the amount of time needed to implement these strategies, prioritizing this work in relation to other duties, and ensuring that adequate time and resources are available to meet these goals within their overall resource limits.

13. Preservation of Low-Cost Market Rate (LUCRE) Housing

Description	Low cost market rate (LCMR) housing refers to housing with rents that fall below the average rents for an area, but which are not income-restricted or regulated by or through an agreement with a government agency. It can also be referred to as "naturally occurring affordable housing" or "filtered housing." There are a number of reasons LCMR housing is affordable: properties may be poorly maintained; located in areas with poor economic growth, aging infrastructure, or a lack of investment; or simply located in less affluent neighborhoods. Many LCMR housing units are at risk of losing their affordability as property values increase. There are several tools that are aimed at preserving LCMR housing. These include providing funds or incentives to LCMR owners to make renovations and maintain the units at an affordable price point; providing property tax exemptions in exchange for converting LCMR housing to regulated affordable housing; and acquiring LCMR buildings and converting them to regulated housing. Funding sources for such programs can include subsidy programs, creating community investment corporations (CIC), housing preservation funds, grant programs, or providing tax incentives for preservation. Incentive-based programs can include grants or loans for capital repairs or for recapitalization to avoid LCMR property owners from selling or losing their LCMR status. For unregulated LCMR units, the grants or loans would be made in exchange for agreements to rent below market rate for a specific period of time. Specific mechanisms include low-interest loans, deferred payment or interest only loans, or grants to help bridge funds for rehab projects.
Legal Basis	N/A
Usage in Lincoln County or Other Jurisdictions	**Network for Oregon Affordable Housing (NOAH)** operates the Oregon Housing Preservation Project (OHPP), which includes the Oregon Housing Acquisition Fund (OHAF) and preservation loans for affordable housing. The OHAF provides short term financing for entities looking to preserve affordable housing by offering acquisition loans with favorable terms to help borrowers acquire unregulated market rate properties and transition them to regulated affordable housing. OHPP's preservation loans help qualified borrowers purchase and rehabilitate housing, renew subsidy contracts, obtain bridge financing, or otherwise preserve multifamily affordable housing properties. Whether borrowers are for-profit or non-profit, buying unregulated or regulated properties, this funding provides time and resources to align public subsidies and obtain long-term or construction financing, to then operate properties with long term rent restrictions. The OHPP prioritizes preserving properties that are at risk of losing federal subsidies. NOAH's loan programs are supported by public partners, such as the City of Portland, Oregon Housing and Community Services, Fannie Mae, and CDFI funds, private foundations, and private banks. Its preservation pool totals $35 million and has been used to support more than 725 units at 22 properties. There are other examples of programs and policies to preserve LCMR housing around the country. One example program being implemented in Minnesota is described below. **Greater Minnesota Housing Fund** - NOAH Impact Fund is a social impact fund in the Minneapolis-St. Paul region that connects developers and owner-operators with social impact investors to preserve low cost market rate housing. The fund offers a double-bottom line impact to investors in the form of social impact and return on equity, with the goal of investor repayment in ten years. Since the fund's inception in 2015, it has leveraged $25 million in capital investments to invest $100 million in property acquisitions to preserve 1,000 at-risk unregulated affordable housing units in the Twin Cities area. The fund acquires and rehabilitates these unregulated affordable housing properties (Class B and C properties, from 40 to 200 units), and partners with local affordable housing organizations to operate them with 15-year affordability restrictions.[xxviii] The

	capital stack includes money from the public sector, institutional funds from banks (with CRA requirements), nonprofit and for-profit investment companies, and mission-based lenders.[xxix]
Opportunities and Constraints	• With established funds such as NOAH's OHAF, owner-operators and developers can use them to move quickly in the market, with lower risks due to the effect of the more patient capital from social impact investors. • LCMR buildings may need to be brought up to health and safety standards required in the building codes. • NOAH relies on support from philanthropic foundations for its capital stack and is therefore vulnerable when the philanthropic support is removed.[xxx]
Options and Alternatives	Potential roles for the Lincoln County and its partners include seeding and supporting a fund with a partner organization, acting as a guarantor on loans to reduce borrowing costs, or actively managing and administering a fund.
Implementation Needs	Programmatic strategies to preserve LCMR housing would require jurisdictions to be program-lead or create partnerships with a local organization. Both require funding, development of policies and program structure, and administration of the programs. Future monitoring of compliance is also a consideration for implementation.

14. Minimum Density Requirements

Description	Establishing zones where higher density housing is allowed does not ensure that units will be built at a higher density. Many communities in Oregon have limited amounts of land where multifamily dwellings can be built, and are seeing this land being developed as single-family subdivisions because they do not have a minimum density requirement, or that requirement differs little from their lower density zones.
Legal Basis	Jurisdictions have the same authority to mandate minimum density within their development code as other attributes of development.
Usage in Lincoln County or Other Jurisdictions	It appears that most jurisdictions in Lincoln County do not have minimum density requirements for their higher density zones. The City of Portland lists minimum density requirements for multi-dwelling zones. For example, the minimum density in the R3 zone is 1 unit per 3,750 sq. ft.. (33.120.205, table 120-3).
Opportunities and Constraints	Requiring developments to be at a high density may stifle development if that figure would require housing forms (i.e. very dense multi-story structures) that are unsupported by the market's achievable rents.
Options and Alternatives	The appropriate minimum density for a given zone will differ based on many attributes. Exemptions to minimum density standards can also be crafted for situations where lots are difficult to develop, too small or difficult to serve with infrastructure to support high-density development, or other situations. The way density is measured can be in terms of units per gross acre, units per net acre, or maximum lot size for single-family developments.

Implementation Needs	A change to the development code can be passed through the jurisdictions' planning commission and/or City Council.

15. Production of Housing on Property Containing a Place of Worship

Description	ORS 215.441 allows for the provision of housing in buildings detached from the place of worship provided: (A) At least 50 percent of the residential units provided under this paragraph are affordable to households with incomes equal to or less than 60 percent of the median family income for the county in which the real property is located; (B) The real property is in an area zoned for residential use that is located within the urban growth boundary; and (C) The housing or space for housing complies with applicable land use regulations and meets the standards and criteria for residential development for the underlying zone.
Legal Basis	ORS 215.441
Usage in Lincoln County or Other Jurisdictions	At the time of this writing, there are no known examples of the use of this tool to develop affordable housing. If this tool is identified as a high priority strategy, additional research of examples in Oregon communities can be conducted.
Opportunities and Constraints	If there are houses of worship willing to partner in this endeavor with properties of sufficient size and serviceability, this could provide a good opportunity to develop housing affordable to very low-income households. However, the regulation is relatively new and untested.

Tools that Remove Development Barriers

16. Development Fee Reductions

Description	Development fee reduction is a tool to reduce, waive, or defer development fees, such as permit fees, in order to promote the development of affordable housing. Permit fees add cost to a development, so reducing these costs also reduces development barriers.
Legal Basis	Local development fees are not regulated by state law, with the exception of SDCs.
Usage in Lincoln County or Other Jurisdictions	**City of Portland:** Portland offers permit fee waivers to non-profits for projects which provide/develop housing for low-income groups (including emergency shelters). The Bureau of Development Services (BDS) waives 100% of bureau permit fees for projects costing up to $500 and 50% of fees for projects costing over $500, subject to application approval. There is a maximum amount of $5,000 waived for each non-profit each fiscal year.[xxxi] **City of Wilsonville:** The City allows waivers of building, planning, and engineering permit fees for affordable housing projects. The granting of the waiver and amount is determined by the City Manager or manager's designee. Some eligibility requirements require the development be a project of a non-profit or government organization, it must serve households at or below 60

	percent AMI and must maintain that status for a minimum of 40 years.[xxxii]
Opportunities and Constraints	Once program guidelines are in place, a development fee reduction program would be relatively easy to administer. At the same time, there is a cost to the jurisdiction to reduce or waive development fees, as these fees are intended to recover costs for staff review. However, permit fees add relatively little to development costs on a per-unit basis; therefore, reducing fees may not provide a sufficient incentive to developers.
Options and Alternatives	Development fee reductions can be implemented with varying standards, and jurisdictions could either waive, reduce, or defer development fees. Fees can be reduced from various departments (e.g., building permits and land use permits). The amount of fee reduction would depend on a careful calculation of impact to developers versus impact to the jurisdiction's revenues. The implementing jurisdiction would need to determine how much revenue from fees it would be willing to forgo.
Implementation Needs	The implementation of a development fee reduction program would require jurisdictions to develop program policies, and to promote and administer the program.

17. Tax Abatements

Description	Tax abatements are reductions in property taxes for affordable housing. Abatements may be provided to non-profit corporations or to private developers in exchange for developing affordable housing. Property tax exemptions/freezes can also be applied to housing in distressed areas, or for rehabilitated housing. Common tax abatement programs include vertical housing programs that provide property tax exemptions for development that reaches a certain height, and multifamily housing tax exemptions.
Legal Basis	The state currently enables tax exemptions through three programs: (1) Vertical Housing (ORS 307.841 to 307.867), (2) Multiple Unit Housing (ORS 307.600 to 307.637), and (3) Nonprofit Low-income Housing (ORS 307.540 to 307.548). In 2017, two bills passed the Oregon legislature that have implications for cities considering new abatements: **HB 2377 Property Tax Exemption for Rehabilitated or Constructed Multi-Unit Rental** – This bill updates the previous property tax exemption law and allows optional property tax abatement programs for up to 10 years that cities can use to incentivize workforce or low-income units (up to 120% AMI) in multifamily developments and rehabilitation projects.[xxxiii] **SB 310 Vertical Housing Development Zones** – With this legislation, the state shifted oversight of the Vertical Housing program from state control to local government. The requirements are now in state statutes and remain a partial property tax exemption for residential floors above the base floor, depending on the number of floors. Through a competitive process, multi-unit projects can receive a property tax exemption for up to ten years on structural improvements to the property in exchange for setting aside a percentage of the units in the project as affordable.
Usage in Lincoln County or Other Jurisdictions	**Lincoln County jurisdictions**. The City of Newport and Lincoln County current provide tax exemptions or abatements, including Multiple Unit Housing Property Tax Exemption and Non-Profit Corporation Low Income Housnig Tax Exemption programs. More information about these programs is found on pages 2-4 of this report. **City of Tigard Nonprofit Corporation Low Income Housing Tax Exemption.** This program is a

partnership with Tigard/Tualatin School District and Tualatin Valley Fire & Rescue to provide tax exemptions for low-income housing owned by non-profit organizations. The Nonprofit Corporation Low Income Housing Tax Exemption program was first adopted in 1996; as of 2017, a total of five projects using the exemption have been completed by Community Partners for Affordable Housing. The 2013 Housing Strategies Report suggested the program could be expanded to offer the program to private sector developers if they meet all the same requirements the non-profits are required to meet.

City of Tigard Vertical Housing Development Zone (VHDZ). The City of Tigard's VHDZ provides partial property tax exemptions of 20 percent per floor in the two eligible areas established by the City that are well positioned for mixed-use multistory development. Since Senate Bill 310 has shifted administration of the program from the state to cities and counties Tigard's Economic Development Director now administers the program.[xxxiv]

City of Beaverton Affordable Housing Tax Exemption Program. The program promotes the construction of affordable rental housing to low-income households to receive an exemption of up to 100 percent of property taxes for an unlimited timeline. The focus of the program is households that earn less than 60 percent of the area median income.[xxxv]

City of Seattle Multifamily Tax Exemption. The program provides a tax exemption on new multifamily buildings that set aside at least 20 percent of the units as income- and rent-restricted (0 – 80% AMI) in targeted areas. Currently, the program maximum is 12 years. In 2017, 31 projects were approved for the exemption.[xxxvi] According to Metro, the program, which is simple, predictable, and streamlined, can serve as a model for other jurisdictions.[xxxvii]

Opportunities and Constraints

There is a cost to the implementing jurisdiction and other taxing jurisdictions to reduce property tax income. The implementing jurisdiction and partner jurisdictions must be willing to forego those revenues. Jurisdictions should consider the extent to which a new program, or enhancement of an existing program, can be supported based on funding needs.

The administrative burden of these programs can be a constraint, particularly for smaller jurisdictions.

Options and Alternatives

There are various types of tax abatement programs/policies for affordable housing as discussed above, each of which can have varying provisions, eligibility requirements, and durations. As discussed above, programs can be offered only to nonprofit organizations or also to private developers.

Implementation Needs

Jurisdictions should assess their current programs to see if they can be more effective and/or expanded. New programs require jurisdictions to develop program policies, and to promote and administer the program.

18. Reduced, Exempted, or Deferred SDCs

Description

System Development Charge (SDC) exemption is a tool used to reduce, waive, defer, finance, or subsidize SDCs for affordable housing developments, with the goal of reducing the cost of development.

One relatively popular program in Oregon is SDC reductions, waivers, or deferrals for ADU). Many SDC methodologies are intended to be commensurable with the cost or impact to the system. Some missing middle housing types, such as ADUs (often associated with affordable units), do not fit within the levels within SDC methodologies because the impact of these types of housing on the

need for water, sewer or transportation facilities is not equivalent to that of other housing units, given the reduced average size and occupancy of smaller units. Therefore, any reduction that can be justified based on reduced demand or impact (e.g. smaller units, multifamily vs. single family, housing types that tend to generate less traffic, etc.) is justifiable for reducing or potentially waiving SDCs for these housing types. This type of reduction is generally identified in the SDC methodology and rate setting.

Legal Basis

SDCs assessments must be based upon a rational methodology. Any waiver would have to be justified in the methodology and would potentially be subject to legal challenge. Recent state legislation enabling inclusionary zoning (Senate Bill 1533) identifies SDC and permit fee reductions or waivers as incentives that may be offered to development impacted by an inclusionary zoning requirement. While SB 1533 does not include further discussion on SDC or permit fee waivers or reductions for affordable housing generally, it has been interpreted by some as authorizing SDC reductions or *exemptions* for affordable multifamily development. As described below, several cities in Oregon choose to exempt certain classes of development (including regulated affordable housing) from SDC requirements.

Usage in Lincoln County or Other Jurisdictions

Lincoln City has adopted a program allowing them to defer of SDC payments for up to 10 years (or renewed for even longer) for non-profit land owners. The City does not charge SDCs for ADUs. The **City of Newport** charges SDCs basedon the size of housing units for selected types of housing, including ADUs, effectively reducing the SDC for ADUs in comparison to other housing types. These programs are described in more detail on pages 4-6 of this report.

The City of Eugene program provides SDC exemptions for affordable housing. Housing for low-income persons in Eugene is exempt from paying SDCs otherwise required by City code. The exemption is used in combination with other resources for larger multifamily rental developments, but can also be used for small rental developments, and low-income single-family homeownership development. The exemption is available to rental housing developments for households with incomes of 60 percent of AMI, and for homeownership developments for households with incomes of 80 percent of AMI. The affordability requirement must be met for a period of five years. The City manager (or designee) can exempt a base amount of the SDC exemption that is adjusted on an annual basis. Any unallocated amount below that limit can be carried forward to the next fiscal year. Fee waivers are covered by $150,000 annual transfer from General Fund. The City also notes that the SDC exemption can also be counted toward the required local match for state and federal funds provided to a development. In 2016, the City of Eugene exempted $1.4 million, which was awarded through an RFP process. The program has primarily been used by large residential developers and Habitat for Humanity. If the property ceases to be used for low-income housing within 5 years of being granted the exemption, the amount of the exemption must be repaid with interest. [xxxviii]

The City of Portland provides SDC exemptions for affordable housing. Portland's SDC Exemption Program exempts developers of qualifying affordable housing projects from paying SDCs levied by the City of Portland for transportation, water, parks and environmental services. Eligible rental projects must serve households earning at or below 60% of the AMI for a 60-year period. Exemptions can be prorated for mixed use or mixed-income developments. Eligible homeownership projects must serve households at or below 100% of the AMI for a family of four and must sell for less than a price cap provided by City Code (2017 price cap is $350,000); sales must be "arm's length" transactions; and units must not be rented. Exemptions are awarded on an application basis; applications are submitted with building permits. The Portland Housing Bureau administers and monitors the program, including compliance with regulatory agreements.[xxxix] The SDC exemptions were first adopted in 1997-1999. Roughly 400-500 units per year were granted Transportation SDC exemptions in the first five years of the program, with an average value of over

	$290,000 per year. Exemptions for water and parks averaged over $210,000 and nearly $280,000, respectively, per fiscal year in the first few years of those programs.[xl] In June 2018, City of Portland also extended its SDC exemption program for ADUs. In exchange, owners must sign a covenant stating that neither the ADU nor the primary house will be rented as accessory short-term rentals for 10 years.
Opportunities and Constraints	There may be legal limitations on the ability to waive or reduce SDCs and there are specific requirements for how to implement an SDC fee reduction. SDC methodology statues are complicated and must be carefully considered with the creation of such program. A jurisdiction's SDC fees are only a portion of the total SDC fees development pays. Therefore, there is a limit to how much of an exemption, waiver or reduction can be allowed by the jurisdiction, unless the partner with other organizations.
Options and Alternatives	Jurisdictions can consider applying SDC waivers, exemptions, or reductions to ADUs and other forms of missing middle housing, in order to increase their supply of lower-cost housing. There is typically a limit to reductions, exemptions, or waivers of SDC fees because there are several sources of SDC fees, including city, county, and special districts. Jurisdictions only have control of a portion of the SDCs, which can limit the efficacy of the incentive. Jurisdictions could also consider partnering with other organizations that charge SDCs, which could make the incentives more effective. However, negotiating an agreement with these partner organizations may prove challenging. SDC reduction and deferral are broadly used in Oregon and may be more politically acceptable than SDC waivers since the revenue is deferred, not forgone. As an alternative to a "waiver," jurisdictions may "buy down" SDCs. The City of Gresham did this in their downtown urban renewal district and used urban renewal funds for that purpose. The framework for the Affordable Housing CET envisions a portion of those funds being used to buy down development fees, such as SDCs.
Implementation Needs	There are many statutory requirements of SDCs; it is important that any provision of SDC reductions or waivers follow statutory requirements for the process of changing SDC methodology and for the provisions of the reductions or waivers.

19. Regional Inventory of Buildable Lands

Description	Project participants note that developers and builders in Lincoln County have a difficult time identifying the location of developable properties in the County and recommend creating a regional inventory that could serve as a clearinghouse for information about the location of properties that present opportunities for future housing development.
Legal Basis	NA
Usage in Lincoln County or Other Jurisdictions	The **Portland Metropolitan region** and the **Salem Keizer region** both evaluate housing and buildable land issues on a regional basis and both have developed regional buildable lands inventories (BLIs). Metro in particular collects, updates and make this type of information readily available through the Regional Land Inventory System (RLIS). Local jurisdictions typically use this information to create and refine local BLIs. Community members can request information from the RLIS system for a fee and Metro staff can provide tailored data sets in response to these requests. **Lincoln County**. The cities of **Newport** and Lincoln City have relatively recently updated their

	individual BLIs and could contribute this information to a regional BLI for Lincoln County. Other jurisdictions would need to work with the County to undertake similar actions.
Opportunities and Constraints	The County already maintains a certain amount of information related to buildable lands through its tax assessor data and through the County's Geographic Information System (GIS) data. Creating a BLI would involve compiling and analyzing this and other information to assess and summarize information about development capacity, zoning and constraints on a County-wide basis in partnership with cities in the County.
Options and Alternatives	There are likely a variety of ways in which a regional BLI could be created, updated and maintained. Potential options include: • These efforts could be undertaken by County staff, with support and input from the cities. • Alternatively, one of the cities could take the lead with support from the other jurisdictions. • A third option would be for the County and cities to hire a private contractor or consultant to prepare and periodically update the BLI through some type of shared funding arrangement.
Implementation Needs	Implementation steps would include: • Determine which jurisdiction would lead development of the BLI and/or update it on a regular basis. • Obtain relevant data from all local jurisdictions, as well as other data sources (e.g., state and federal agencies). • Agree on consistent definitions of buildable and constrained land, including how to define vacant and partially vacant land. • Compile, analyze, summarize and map BLI data. • Establish a system for providing the data to interested parties. Ideally, this would be done via an interactive online mapping application, supplemented by the ability to view or download more detailed information for specific sites.

20. Pre-approved Development Plans

Description	Pre-approved plans offer developers the opportunity to purchase and use development plans that have been reviewed for conformance with zoning codes, building codes, and other relevant regulations in advance.
Legal Basis	NA
Usage in Lincoln County or Other Jurisdictions	The **City of Portland** has developed "Housing Prototypes" that highlight medium-density housing types and configurations suitable for common infill situations, meet City regulations and design objectives and are feasible from a market perspective. Prototypes include cottage clusters, rowhouses, townhouses, and 3-4plexes which are intended to blend into existing single-family neighborhoods. [xli] The **City of Santa Cruz, CA** offers plans for accessory dwelling units in a variety of contexts, and **Sacramento, CA** offers plans for single family infill housing.[xlii]

Under **King County's** Residential Basics Program, applicants can re-use a plan on file when they intend to build additional houses using the same plan.

Opportunities and Constraints

Pre-approved plans can reduce the amount of time needed during the permitting process, which may translate into lowered development costs that gets passed on to the homeowner. Pre-approved plans for multifamily units may encourage more of these "missing middle" housing types.

However, sites may be subject to topographical constraints, overlays, or other issues that make using a standard pre-approved plan infeasible. These plans must also be vetted to ensure they are a good fit for the community aesthetically and financially.

Options and Alternatives

These programs vary significantly in their scope and details. Options include:

- The types of pre-approved housing plans provided (single family, attached or multifamily, ADUs)
- The source of these pre-approved plans – developer driven, contracted by the municipality.
- The level of review and fees charged for using a pre-approved plan.

Implementation Needs

Implementation steps would include:

- Solicitation or development of one or more pre-approved plans.
- Discussion and feedback from the development community on the utility and applicability of these plans
- Determine the appropriate changes to fees, development review timelines, etc. that come with using these plans.
- Promotion of the program through flyers, social media, or other means.

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[x] About the Inclusionary Housing Zoning Code Project. https://www.portlandoregon.gov/bps/article/584329
[xi] https://www.portlandoregon.gov/bps/article/584329
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[xvi] City of Bend Development Code. Chapter 3.3 Vehicle Parking, Loading andAnd Bicycle Parking. 3.3.300 Vehicle Parking Standards for On-Site Requirements. Available at: http://www.codepublishing.com/OR/Bend/html/BendDC03/BendDC0303.html#3.3.300
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Appendix B

ADVISORY COMMITTEE MEETING SUMMARIES

Lincoln County
OREGON

LINCOLN COUNTY
HOUSING STRATEGY PLAN

To:	Wayne Belmont, Lincoln County
From:	Matt Hastie, Angelo Planning Group (APG)
Date:	February 21, 2018
Re:	Lincoln County Housing Strategy Implementation Plan (HSIP) - Summary of TAC Meeting #1

This memorandum provides a summary of the Lincoln County HSIP Technical Advisory Committee (TAC) Meeting #1 held on February 7, 2018.

Attendance:

- Wayne Belmont, Lincoln County
- Stewart Brannen, Siletz Tribe
- Derrick Tokos, City of Newport
- Rachel Cotton, City of Newport
- Matt Hastie, APG
- Onno Husing, Lincoln County
- Larry Lewis, Waldport and Depoe Bay
- Craig Martin, Toledo
- Dave Mason, Waldport
- Spencer Nebel, Newport
- Lisa Phipps, DLCD
- Lindsey Sehmel, Lincoln City

Introductions

Matt Hastie and Wayne Belmont led introductions of Committee members.

Project Overview, Timeline and Advisory Committee Process

Matt Hastie provided an overview of the project, including primary tasks, work products and the schedule for completing them. The group discussed the schedule and approach for future meetings of the Policy Advisory Group (PAC) and TAC and agreed on the following:

- The next meeting of the TAC and the first meeting of the PAC will occur on Tuesday, March 5 in the late morning and early to mid-afternoon, respectively.
- In advance of the meetings, the consultant team will prepare and provide the draft Gap Analysis/Background Report and a Project Summary. The Project Summary will describe the objectives and expected outcomes of the project. It also will state what the project will not do (i.e., will not be the silver bullet that solves all housing problems in Lincoln County and will not directly address homeless issues and programs).

- Each jurisdiction will allow its policy makers to decide how to participate in the PAC (e.g., a single representative or multiple Council or Planning Commission members). The meeting will be advertised as a public meeting to accommodate multiple decision-makers from a given jurisdiction.
- The first PAC meeting will be held in Newport. Subsequent meetings of the PAC will be held in different locations to spread them around geographically. Meetings will essentially follow a similar format to previous policy roundtable meetings conducted with local policy makers. This group is expected to meet twice during the process, once in March and again in May.
- It will be important for the PAC to see some substantive work prior to their first meeting.
- PAC meetings should incorporate time and opportunities for public comment.

Summary of Work Underway and Remaining Information Needs

Matt noted that the consultant team is working on the *Draft Gap Analysis/Background Report*. This document will describe the following:

- Housing policies, implementation strategies, agreements, and related initiatives currently being implemented by the County and its partners, including an assessment of how well those programs are currently working;
- The legal framework for housing policies within the state; and
- Best practices recommended by state and national planning organizations, DLCD, and others that have proven to be successful in promoting needed housing. The focus will be on those programs that could be effective if adopted locally or county-wide, and that can reduce barriers to promoting needed housing.

Matt provided a handout, listing strategies that will be evaluated in the report, including those that are currently being implemented by Lincoln County or its cities, and those that are being implemented in other communities in Oregon and elsewhere. TAC members agreed that the list is relatively complete but also suggested adding information about use of urban renewal funding, application of document recording fees, and potential reallocation of funds from the County's transient lodging tax. TAC members also noted the following existing programs which were not reflected in the draft handout:

- Tax abatement programs administered by the County
- System development charge (SDC) exemptions for accessory dwelling units (ADUs) in Lincoln City
- Public private partnerships in Lincoln City and the City of Newport
- Community Land Trust activities and funding in partnership with Proud Ground in Lincoln City, Newport and Lincoln County
- Urban Renewal is being used in Newport
- Transient Lodging Taxes (subject to pending legislation) should be looked at

Matt also noted that the strategies ultimately will be assessed to look at costs to administer, relative impact, flexibility of the strategy and feasibility (is it legally allowed? Politically feasible? Community supported?)

Additional comments included:

- Inclusionary zoning likely won't be implemented here
- We should take the lead from the state regarding tenant protection and rent stabilization programs and not spend much time evaluating those programs separately from what is currently being considered by the Oregon Legislature.
- The Housing Strategy needs to clearly describe our ability to successfully implement specific strategies or best practices.

Matt noted the following remaining information needs:

- Comprehensive Plan policies and development code for the City of Siletz
- Comprehensive Plan policies for the City of Toledo
- Additional information about housing programs discussed at the meeting for which information has not already been provided

Stakeholder Interviews and Engagement

One of the early steps in the process will be to conduct an initial set of stakeholder interviews. We will try to conduct as many of these as possible prior to the first PAC meeting, likely on March 4. TAC members recommended talking to the following types of stakeholders and committed to providing names of specific interviewees as a follow-up to the meeting:

- Developers, both smaller and larger entities and including some from the Willamette Valley
- Construction Financing professional(s)
- Board of Realtors
- Large employers (e.g., School District, Pacific Seafood, Oregon State University, or others)
- Smaller local businesses
- Lincoln County Housing Authority
- Non-Profits (via the Northwest Coastal Housing Coalition)
- Siletz Tribe
- Local public works department director(s)
- Property owners who are interested in developing housing but have not been able to move forward with specific projects
- Port of Toledo
- Property managers

Additional Issues and Comments

TAC members noted the following additional comments and issues:

- The housing situation in Lincoln County is out of equilibrium, (demand far exceeds supply) and we need to recalibrate this.
- The housing strategy implementation plan needs two clear statements regarding its outcomes stating; 1) what it will not do, and 2) what it will do.
- This project is an important opportunity for knowledge transfer to local stakeholders, including decision-makers and the development community.
- We want to understand how construction costs affect the ability to build housing affordable to low and moderate income households here.
- There are significant poverty issues in Lincoln County. They manifest themselves in homelessness, drug abuse and crime issues, camping in rural areas, and a strong market for recreational vehicle parks or facilities. Recreational vehicles are a housing choice for many people in the County that lack resources for more permanent housing.
- A recent economic study prepared for the County can provide additional information about the overall economic context underlying local housing needs.
- We've seen a lot of changes in Lincoln County as people have moved here with wealth accumulated from other parts of the state or country.
- We need to have a long-term housing strategy that is capable of weathering cyclical trends in housing need and development.

- As jurisdictions update their comprehensive plan policies, we will want to make sure they talk about the importance of an adequate supply of buildable lands and recognize affordable housing needs.
- We will want to make sure that all applicable state requirements are included in everyone's codes and that even if codes don't create housing, they can create opportunities

Next Steps

- Prepare meeting summary (consultant)
- Provide names of potential stakeholder interviewees and begin scheduling interviews (County)
- Provide remaining informational materials (County and City staff)
- Prepare draft Project Summary (consultant)
- Prepare draft Gap Analysis/Background Report (consultant prepare; County staff review)
- Ask directors about what is working and not working
- Make logistical arrangements for next TAC and PAC meetings, including notifying participants (County and City staff) and moving meetings around the county

To:	Wayne Belmont, Lincoln County
From:	Matt Hastie and Andrew Parish, Angelo Planning Group (APG)
Date:	March 7, 2018
Re:	Lincoln County Housing Strategy Plan (HSP) – Technical Advisory Committee (TAC) Meeting #2 Summary

INTRODUCTION

Meeting Date: March 5, 2019
Time: 1pm-2:45pm
Location: Newport City Hall Conference Room A

Attendees:

- Wayne Belmont, Lincoln County
- Stewart Brannen, Siletz Tribal Business Corporation
- Rachel Cotton, City of Newport
- Arlene Inukai, City of Toledo
- Larry Lewis, City of Waldport/Depoe Bay
- Dave Madison, City of Yachats
- Craig Martin, City of Toledo
- Dana Nichols, Cascades West Council of Governments (CWCOG)
- John O'Leary, Lincoln County Planning
- Lisa Phipps, Oregon Department of Land Conservation and Development (DLCD)
- Lindsey Sehmel, City of Lincoln City
- Derrick Tokos, City of Newport
- Matt Hastie, Angelo Planning Group
- Andrew Parish, Angelo Planning Group

PROJECT STATUS UPDATE

Matt Hastie provided an update of the status of the project.

- APG has put together the following draft materials
    - Project Summary Sheet
    - Draft Background Report and Gap Analysis
    - Executive Summary to Draft Background Report and Gap Analysis
- APG is conducting stakeholder interviews currently. Several people are being interviewed in person/on the phone this week, with more coming in the next weeks. Discussions with Business Oregon and other nonprofit entities will be scheduled as part of a later task.
- Matt Hastie and Andrew Parish are conducting a quick tour of some cities and housing developments throughout the County. Matt asked for suggestions for additional developments to visit.

INITIAL STAKEHOLDER FEEDBACK

Matt Hastie provided a brief summary of stakeholder feedback heard to date.

- Cities are doing a lot to help with the tools and resources available to them.
- All types of housing are needed.
- Second homes/vacation rentals are frequently brought up, though interviewees have a variety of feelings on the matter.
- In the restaurant industry, employers have had to start becoming housing providers to attract and retain employees. We have heard examples from other industries as well.
- We will have other interviews on the phone and potentially as part of subsequent trips as part of this project

The committee discussed the issue of vacation rentals. If second homes/vacation rentals weren't built, would we be seeing affordable home development? If homeowners couldn't use the property for short term rentals, people would perhaps either sell it (needed the income to make it make sense) or keep it as a second home but not rent it out.

DRAFT GAP ANALYSIS/BACKGROUND REPORT FINDINGS

Matt Hastie described the contents of the draft report, using the executive summary to guide the discussion.

- Overview of project
- Summary of programs that are being undertaken today. What did we miss?
  - Yachats SDC deferral for affordable housing (program or case-by-case basis?)
  - Lincoln city looked at "base plan ordinance" (pre-approval of standard plats that follow a template, maybe for specific types of projects. Building codes aren't static, so would need to be updated regularly.)
  - PSU forecasts for residents/housing, etc would be good to include.
  - Number of units under development currently would be good to have. These were just reported to DLCD so the information should be available.
  - Can we take a look at assessor data for average prices, etc? (Maybe, not scoped for this project but we can see if it's feasible.)
  - County examining tax-foreclosed properties under Chapter 271 for low-income housing.
  - Toledo looking at residential as part of commercial storefront development, "kicking the tires" of the code.
  - Waldport Downtown District Zone - intended to promote mixed use but it prohibits residential only. And now there are properties that are for sale and people want to develop for residential only but they can't.
  - PUD provisions in Waldport and Yachats.
  - "Crazy idea": Getting a consortium of employers to help create workforce housing. Even temporary housing while people are looking for a permanent home.
- Review of comprehensive plan policies associated with housing
  - Most communities generally affirm housing and affordable housing, partnerships, etc.
- Zoning code
  - Communities in the County include a range of residential zones, allowing for a range of housing types.
  - Clear and objective standards for needed housing are required in Oregon.

- Typo on page 16. (r3 and r4)
- Yachats has height std of 30 feet, but there are a large number of CCRs that limit heights to 25 or 20 feet. Some CCRs are expiring.
  - The City generally reviews CCRs. But some of these CCRs were approved 25 years ago.
  - Yachats probably has more homes under a CCR than not.
- Best Practices/Strategy Information
  - There is interest in a regional BLI from the group.
  - Funding Sources
    - Add urban renewal funding info. Directly dedicating urban renewal funds to housing, would be interested in seeing what other communities are doing.
    - Community development block grants? Business Oregon provides these.
    - State housing has a number of programs...maybe add a line for grants/etc that the city can plug individual projects into.
    - Re-allocation of TLT funds
    - Support for the way the report explains how other jurisdictions have used various strategies.
  - Programs to develop or preserve affordable housing
    - Inclusionary Zoning is likely a nonstarter here.
    - Take the lead of the legislature in terms of what tenant protection items to mention in the report.
    - Add information from the housing authority that was imparted during stakeholder interviews.
    - As an alternative to Inclusionary Zoning - using a development agreement (home-rule variety) in order to commit properties to workforce housing. (Newport and Lincoln City are looking at this for certain properties.)
    - "Places of worship" can develop housing with tax advantages. Maybe add this to discussion of public/private partnerships.
    - Preservation of low cost housing: define acronyms used in the report.
  - Tools to remove barriers
    - Regional BLI - Say "Lincoln County" not regional.
    - Business Oregon does this for industrial lands (shovel-ready industrial properties).
    - Discussion of minimum densities / single family detached in a high density zone.

POLICY ADVISORY COMMITTEE MEETING

Matt Hastie asked for suggestions in presenting/discussing these materials with the Policy Advisory Committee, which consists of many elected officials from throughout the county.

- This is meeting one with the policy group for this project. More introductory information is required.
- Emphasize that there is no magic bullet policy that will fix the problem.
- Emphasize that the project will allow communities to learn from each other.
- Stick with the project summary mostly – no need to go into too much detail.
- Ask for more opportunities/challenges from these folks.
- Spencer will do some introductory comments.

SUMMARY AND NEXT STEPS

- Revisions/updates to the Executive Summary and Background Report within the next two weeks or so.
- APG will keep conducting interviews, phone interviews.

- Discussions with nonprofits (starting March 11) and Business Oregon.
- APG will schedule another TAC meeting in about a month; tentatively scheduled for April 4.
- APG will start task 5 - report of assessment/recommendations.
- Once draft of that is done, another meeting with TAC and PAC.
- Next Meeting Dates:
    - TAC Meeting #3: April 9
    - TAC Meeting #4 and PAC Meeting #2: Mid-May (need to confirm specific date)

To:	Wayne Belmont, Lincoln County
From:	Matt Hastie and Andrew Parish, Angelo Planning Group (APG)
Date:	April 21, 2019
Re:	Lincoln County Housing Strategy Plan (HSP) – Technical Advisory Committee (TAC) Meeting #3 Summary (April 9, 2019)

INTRODUCTION

Meeting Date: April 9, 2019
Time: 12:30 -2:45pm
Location: Newport City Hall

Attendees:

- Wayne Belmont, Lincoln County
- Rachel Cotton, City of Newport
- Arlene Inukai, City of Toledo
- Larry Lewis, City of Waldport/Depoe Bay
- Dave Madison, City of Yachats
- Craig Martin, City of Toledo
- Dana Nichols, Cascades West Council of Governments (CWCOG)
- John O'Leary, Lincoln County Planning
- Lisa Phipps, Oregon Department of Land Conservation and Development (DLCD)
- Derrick Tokos, City of Newport
- Phil Warnock, CWCOG
- Matt Hastie, Angelo Planning Group

PROJECT STATUS UPDATE AND PAC MEETING #1 DEBRIEF

Matt Hastie provided an update of the status of the project. APG has conducted the following activities since the last round of committee meetings:

- Summarized the last round of TAC and PAC meetings
- Finished conducting the majority of stakeholder interviews
- Begun conducting meetings or conference calls with Business Oregon representatives and others regarding the County's housing rehabilitation loan program
- Substantially completed revisions to the Background Report/Gap Analysis document
- Begun working on the draft Affordable Housing Plan

The group briefly discussed the first Policy Advisory Committee (PAC) meeting. They agreed it was a good meeting in terms of hearing from a wide range of community leaders re: key housing issues and needs across Lincoln County. The level of attendance attested to the importance of these issues to communities in Lincoln

County. Wayne noted that the issue of unmet housing needs has come up in every local Planning Commission or City Council meeting he has attended during the last several weeks. Wayne and others also noted the following:

- There is strong support among the cities for re-starting the housing rehabilitation loan program.
- Expectations for this study may still be unrealistically high and setting reasonable expectations will continue to be important.
- Homelessness is a significant issue in the County and is raised at most local meetings.
- There is a lot of alignment towards support for a large, needed housing project in Toledo, with strong support for collective action. It would be great to find ways to accelerate this project which could help meet a variety of needs.
- Connecting assets across the County and fostering regional collaboration should be a key outcome of this project.

STAKEHOLDER FEEDBACK SUMMARY

Matt Hastie noted that his team is almost finished conducting stakeholder interviews with only 2-3 remaining, which should be completed by April 12. He briefly summarized the following recurring themes:

- We have heard repeatedly that there is a need across all types and prices of housing in Lincoln County.
- Supply of land in the right locations and zoned for the right housing types and densities is an issue in a number of coastal communities. There generally is an adequate supply of land overall but not necessarily on sites that will support certain types of development cost-effectively.
- The financial feasibility of coastal development, including in Lincoln County is challenging due to a variety of factors, including low achievable rents, constrained land supplies, high costs of construction related to coastal weather conditions, a shortage of labor on the coast, and a smaller scale of development compared to projects in larger communities in the Willamette Valley. These factors affect the basic economics of development here and make it more challenging and less attractive to larger builders from other parts of the state.
- Many local developers noted that Systems Development Charges (SDCs) contributed to housing costs for their projects. In some cases, these fees were seen as disincentivizing attached housing types. However, other developers interviewed said that the review process in Lincoln County is similar to other places, and in some ways has been easier and faster than jurisdictions elsewhere.
- There are a variety of perspectives on whether Vacation Rentals are contributing to the lack of inventory, how much, and what possible remedies may be.
- Lack of housing has affected the ability of local employers to attract and retain workers. In some cases, they have had to start becoming housing providers to attract and retain employees. We have heard examples from other industries as well.

Committee asked several questions about what specific types of interviewees said on the topic of development costs and recommended that the team describe this issue in more detail in a revised Stakeholder Interviews Summary. They suggested summarizing key points made by different types of interviewees.

REHABILITATION LOAN PROGRAM ASSESSMENT

Matt Hastie noted that his team has conducted phone meetings with representatives of Business Oregon and Willamette Neighborhood Services to better understand the current status of this program and how it could be resumed in the future. The team still needs to talk to Peggy McGuire of Community Services Consortium and

also plans to talk to representatives of two to three county housing authorities who are reportedly implementing this program very successfully. Preliminary observations and comments from committee members included:

- The term "revolving loan fund" is something of a misnomer. Typically loans are not repaid quickly enough for the funds in the program to be used on a consistent sustainable basis based on repayment. The only way to use the program successfully on a year-to-year basis is to apply for new funds from the state (through the Community Development Block Grant) program.
- Community Services Consortium(CSC) has stopped managing the program due to the high costs in relation to money available for administration. They are in the process of preparing a request for proposals to solicit a new organization to manage the program for the county and cities here.
- The Siletz Tribe could be a potential partner in the program along with interested cities and the County.
- It will be important to decide how to use both the remaining money in the program, as well as new monies, assuming the communities continue to apply for new funding on a regular basis. In the past, most of the participants agreed that funds should be pooled collectively and used to fund loans for households throughout the county, without regard to which individual city successfully applies for the funds. TAC meeting participants generally agreed that this is a good model to use going forward.
- TAC members will want to see a breakdown of the status of existing program funds and understand if there are any restrictions on how that money can be used in the future.
- A key step moving forward will be draft new agreements between the participating jurisdictions and the new (non-profit organization) implementation partner. It also will be important to understand the extent of staff or other resources required from participating cities.
- Linn County has managed a rehabilitation loan program successfully in previous years. They used a partnership approach with each city taking turns applying for funding. They had a template for applications that everyone used and the process ran pretty smoothly.

DRAFT AFFORDABLE HOUSING REPORT

Matt Hastie briefly summarized the following likely approach to recommendations associated with each of the strategies identified in the Background Report/Gap Analysis.

- **Construction Excise Tax (CET).** This may be a viable option for Lincoln City in the future but probably not for the cities of Depoe Bay or Waldport. The County is unlikely to adopt a county-wide CET.
- **Affordable Housing Bond Measure.** This likely will be challenging and not particularly palatable, particularly given other bond measures likely to be put on future ballots.
- **Affordable Housing Levy.** This could be more promising than a bond measure. Taking a county-wide approach to this strategy would have a number of benefits.
- **Transient Lodging Tax.** Some jurisdictions in the County likely would be interested in considering using some of these revenues for affordable housing and this is probably most applicable in Lincoln City, Newport and possibly for the County. However, this is probably less applicable or likely in Depoe Bay, Waldport and Toledo.
- **Urban Renewal.** Potential use of affordable housing set-asides or similar use of urban renewal should be explored in Lincoln City and Newport, and possibly in Waldport and Depoe Bay.

- **Development Code Strategies.** Several cities are already using a number of these strategies successfully. APG will review each city's development code and provide specific recommendations for to code-related strategies to consider.
- **Inclusionary Zoning.** This strategy likely is not beneficial overall, given administrative costs and limitations.
- **Public Private Partnerships, Community Land Trusts, Faith-Based Affordable Housing Projects, and Similar Strategies.** The County and cities should generally continue to support these types of efforts. Newport, Yachats and Lincoln City have good examples of previous, applicable efforts related to some of these strategies
- **Preservation of Low Cost Market Rate Housing.** Most jurisdictions in Lincoln County likely won't have the administrative or financial resources available to implement this type of program in a comprehensive way. However, there may be limited opportunities to use this type of strategy in some cases (e.g., public acquisition on Housing Authority properties that may be sold in the future).
- **SDC Deferrals or Reductions.** Newport's model is a good approach for other cities to emulate when they update their SDC methodologies. Exemptions for ADUs and/or deferrals or exemptions for qualifying affordable housing projects also may be transferrable to other communities in the County.
- **Tax Abatements.** This strategy should continue to be used in Lincoln County, Newport and Lincoln City and is potentially transferrable to other jurisdictions.
- **Tenant Protections.** Recent legislative requirements appear to be adequate. Most cities in Lincoln County likely won't go beyond these requirements.
- **Land Banking and Acquisition.** Targeted opportunities to use county or city-owned land for affordable housing development projects, including foreclosed properties, should continue to be explored. More comprehensive land banking or acquisition programs are likely beyond the resources available to manage them.
- **Staff Allocation to Housing Program (regional approach).** This should be examined further in the report as a potential coordinated, revenue-sharing approach to leveraging other housing funding and opportunities.
- **Regional Buildable Lands Inventory.** There is strong support for this tool and the report should provide guidance on how it could be used collectively by the county and cities.
- Summary of programs that are being undertaken today. What did we miss?

SUMMARY AND NEXT STEPS

- Revisions/updates to the Executive Summary and Background Report within the next two weeks or so.
- Completion and summary of stakeholder interviews within the next one to 1 ½ weeks.
- Completion of Task 4 (Business Oregon/Rehab Loan Program assessment) by the end of April.
- Work on Task 5 - report of assessment/recommendations – within completion in advance of next TAC and PAC meetings.
- Next Meeting Dates: TAC Meeting #4 and PAC Meeting #2: May 16, 1:30-3:30 pm and 4-6 pm, respectively.

To:	Wayne Belmont, Lincoln County
From:	Matt Hastie and Andrew Parish, Angelo Planning Group (APG)
Date:	June 7, 2019
Re:	Lincoln County Housing Strategy Plan (HSP) – Technical Advisory Committee (TAC) Meeting #4 Summary (May 16, 2019)

INTRODUCTION

Meeting Date: May 16, 2019
Time: 1:30 -3:30 PM
Location: City Hall, Lincoln City

Attendees:

- Wayne Belmont, Lincoln County
- Rachel Cotton, City of Newport
- Onno Husing, Lincoln County
- Arlene Inukai, City of Toledo
- Dave Madison, City of Yachats
- Dana Nichols, Cascades West Council of Governments (CWCOG)
- Lisa Phipps, Oregon Department of Land Conservation and Development (DLCD)
- Lindsey Sehmel, City of Lincoln City
- Derrick Tokos, City of Newport
- Matt Hastie, Angelo Planning Group

PROJECT STATUS UPDATE AND PAC MEETING #1 DEBRIEF

Matt Hastie provided an update of the status of the project. APG has conducted the following activities since the last round of committee meetings:

- Summarized the last TAC meeting
- Finished conducting meetings or conference calls with Business Oregon representatives and others regarding the County's housing rehabilitation loan program and drafted a summary of findings and recommendations
- Completed revisions to the Background Report/Gap Analysis document
- Completed a first draft of the Affordable Housing Plan

SUMMARY DEMOGRAPHIC AND HOUSING DATA

Matt Hastie noted that his team included basic demographic and housing data in the draft Affordable Housing Plan in response to requests from TAC and PAC members. Committee members suggested the following changes to this part of the document:

- Add data for the unincorporated portion of the County to tables and charts where it is available.
- Define median household income and how it relates to workforce housing.
- Clarify that occupancy percentage includes vacation homes.
- Provide information about the number of short term rental homes in the County, broken out by jurisdiction if possible. Newport and Lincoln City can provide that information for those cities as a follow-up to this meeting.

Committee members also suggested creating an Executive Summary to accompany the report.

COMPREHENSIVE PLAN POLICY AND DEVELOPMENT CODE RECOMMENDATIONS

Committee members suggested the following changes to this part of the document:

- Include an assessment of County Comprehensive Plan policies; it is OK not to include recommendations for changes to County development code provisions although the County plans to address that topic as a follow-up to this project.
- Define all acronyms.
- Provide some discussion of tiny homes on wheels, RVs and similar types of housing.
- In Newport, a 35' height limit can be problematic for a three-story building because of how the City measures height per its code.
- Note best practice code standards for ADUs to the extent we haven't done that already; the County is already implementing the DLCD guidance re: ADU standards.
- Add something about minimum densities.
- Reword the Newport recommendations related to ADUs.

OTHER HOUSING STRATEGIES

Committee members provided the following comments and suggested changes to this part of the document:

- **Urban Growth Management Agreements**. Review and recommend changes to these agreements.
- **Housing Rehabilitation Loan Program.**
  - Describe pros and cons of keeping de-federalized funds in the loan pool vs. using for other types of programs. The County and participating jurisdiction will need to make that decision when re-starting the program.
  - The initial assumption is that loans will be provided to residents living in any part of the County, regardless of whether their jurisdiction is participating in applying for grant funds.
- **Construction Excise Tax (CET).**
  - Provide information about other jurisdictions' experience in adopting a CET.
  - Identify examples of development incentives that the County could provide if they adopted a CET.

    - Newport's revenues have been below projections but the largest recent development projects there have been exempt from the CET.
    - Imposing the CET on commercial and industrial development would be a way for employers to participate in addressing housing affordability issues.
- **Transient Lodging Tax.** Some jurisdictions in the County likely would be interested in considering using some of these revenues for affordable housing and this is probably most applicable in Lincoln City, Newport and possibly for the County. However, this is probably less applicable or likely in Depoe Bay, Waldport and Toledo.
    - The County would have to resubmit the TLT ordinance to the voters to allow for reallocation.
    - Newport would likely not support reallocation.
    - Allocations in Lincoln City are specified in the City Charter but there is some flexibility in how the funds are used in the budgeting process.
    - We should identify this as a possible strategy in all of the cities but note some of the challenges.
- **SDC Deferrals or Reductions**.
    - This is an important but relatively modest piece of the puzzle.
    - It might be helpful to review the recent League of Oregon Cities study to compare SDCs in Lincoln County to those elsewhere in the state.
    - Most jurisdictions only actually apply a certain percentage of the allowed fee.
    - Deferral can be hard to track and should only be provided for larger projects that are being implemented by organizations that will enter into agreements with the County that are easier to administer and track.
- **Tax Abatements**.
    - Include the Surfview projects as an example in Lincoln County.
    - Note that it is important to make developers aware of this option in any jurisdiction where it is available.
    - Note the 50% participation threshold if we haven't already.
    - Tenant Protections. Recent legislative requirements appear to be adequate. Most cities in Lincoln County likely won't go beyond these requirements.
- **Regional Buildable Lands Inventory**.
    - It makes sense for the County to contribute to coordinating and providing some of the funding for this strategy.
    - The Council of Governments would be another good potential partner, given that they have GIS data and personnel that could contribute.
    - Ultimately, the County will need not only a regional BLI but a set of updated Housing Needs Analyses.

SUMMARY AND NEXT STEPS

- Revisions/updates to the Executive Summary and Background Report within the next two weeks or so.
- Completion and summary of stakeholder interviews within the next one to 1 ½ weeks.
- Completion of Task 4 (Business Oregon/Rehab Loan Program assessment) by the end of April.
- Work on Task 5 - report of assessment/recommendations – within completion in advance of next TAC and PAC meetings.
- Next Meeting Dates: TAC Meeting #4 and PAC Meeting #2: May 16, 1:30-3:30 pm and 4-6 pm, respectively.

To:	Wayne Belmont, Lincoln County
From:	Matt Hastie and Andrew Parish, Angelo Planning Group (APG)
Date:	March 7, 2018
Re:	Lincoln County Housing Strategy Plan (HSP) – Policy Advisory Committee (PAC) Meeting #1 Summary

Meeting Date: March 5, 2019
Time: 3pm-5:45pm
Location: Newport City Hall Council Chambers

Attendees:

- Andrew Parish and Matt Hastie, Angelo Planning Group
- Cynthia Jacobi, City of Newport
- Dietmar H Guebel, City of Newport
- Betty Kakiwa, City of Toledo
- Paul Virtue, City of Waldport
- Susan Woodruff
- Kerry Kemp, Waldport City Manager
- Heather Jukich, Toledo City Council
- Dina Eldridge, Community Services Consortium
- Diana Huiton, Lincoln City
- Kathy Kowtko, Housing Authority of Lincoln County
- Larry Henson, Housing Authority of Lincoln County
- Caroline Bauman, Economic Development Alliance of Lincoln County
- Craig Warton, City of Toledo
- Arlene Inakai, City of Toledo
- Rod Cross, City of Toledo
- Stu Strom, City of Toledo
- Kathy Short, City of Depoe Bay
- Anne Eliu, City of Toledo
- Ron Chandler, City of Lincoln City
- Shannon Beaucair City of Yachats
- E. Glen, Yachats City Council
- Spencer Nebel, City of Newport
- Kaety Jacobson, Lincoln County
- Dick Anderson, Lincoln City Mayor
- Onno Husing, Lincoln City Planning
- John O'Leary, Lincoln County Planning
- Lisa Phipps, DLCD
- Derrick Tokos, City of Newport
- Dana Nichols, OCWCOG
- Lindsey Sehmel, Lincoln City DCD
- Wayne Belmont, Lincoln County
- Stewart Brannen, Siletz Tribal Business Corporation
- Rachel Maddock-Hughes OCWCOG
- Ellen Bristow, Newport Resident

INTRODUCTION

Spencer Nebel welcomed the group and introduced Matt Hastie, consultant project manager. Spencer noted that this is the third time the region has come together to discuss housing issues.

PROJECT STATUS UPDATE

Matt Hastie provided an introduction to the project and described the work to date.

- The intent of the project is to provide a reasonable roadmap of strategies that the communities in Lincoln County could follow to address pressing housing needs there.
- The project is funded by a grant from the State of Oregon – the timeline is short because it is tied to state funding for the fiscal year.
- Matt reviewed the project schedule, noting that there will be a meeting with the Technical Advisory Committee (TAC) in April, and a subsequent meeting with this larger Policy Advisory Committee (PAC) sometime in May to review and discuss a preliminary set of project recommendations.

INITIAL STAKEHOLDER FEEDBACK

Matt Hastie provided a brief summary of stakeholder feedback heard to date.

- Description of the types of stakeholders that we've talked to so far, and those that we will talk to.
- (Question: Are you talking to large employers? Response: Yes.)
- Problem for employers in attracting and retaining employees.
- Housing affordable to people with lower incomes takes subsidy from a lot of different sources.
- It would be good to have a snapshot of income, housing statistics throughout the county.
- Communities are doing a lot to try to help, given available resources.

GENERAL DISCUSSION

The committee had a wide-ranging discussion facilitated by Matt Hastie.

- There are a few general types of strategies the report addresses:
  - Funding sources. Money is a big part of building housing, especially affordable housing.
  - Ways to remove barriers.
  - Partnering with others.
  - Preserving affordable housing.
  - Tools to remove development barriers.
  - Providing information to folks about development opportunities.

A summary of comments and questions follows.

Question: What is your definition of affordable housing for this county?

- Affordability is generally discussed in terms of Area Median Income (AMI), and the rents one could pay at about 30% of overall income. The report doesn't currently lay this out for Lincoln County and its communities – future versions should do so.

Comment/Question: Lincoln city has implemented a lot of zoning changes. However, just changing the zoning doesn't guarantee that housing will be built. It also depends on the economics of development, having developers here who can make a project work, and other factors. How do these updates to zoning requirements or other housing strategies work?

- Construction excise tax. How has it affected development, how are you using the funds?
  a. The City of Newport just recently adopted this tool. They are in the process of determining how the funds will be used. Collections will be about $75k in the first year but that's a bit low because of some tax exempt projects. Some of the funds will be used to buy down SDCs. It has not been decided yet how the rest of the money will be used.

b. Doesn't seem like it is affecting the amount of development so far.
c. The City of Newport recently lowered SDCs so the CET is not expected to increase the costs of development overall.
d. The CET is a 1% assessment on new commercial and residential development. The state allows between 1 and 3 percent.
e. APG will provide more information about how this is going to the extent it is available.

- Employer based housing.
  a. Pacific Seafood is building housing. Had to change zoning provisions to allow for extended stay hotel/motels with some specific provisions.
  b. Might be applicable to other employers and/or communities.
- How do you preserve low cost market rate housing when development pressure is the opposite?
  Loans or grants to owners to allow improvements/repairs. There is typically market pressure to buy lower cost housing or properties and build more expensive houses there or raise the cost of existing housing. We will provide some additional info on this and strategies to address it.

General Question: Are there any cities that actually build housing? We need builders, where are they? Supply of developers is a constraint here.

- Cities don't really do much building - they partner with others with more expertise. They typically partner with nonprofit or market rate developers.
- City of Portland passed bonds to build housing, but they aren't the ones doing the building. They will be partnering with non-profit and market rate developers for that.

Question/Comment: The US Department of agriculture had low income housing loans. Is that program still around? It would be helpful to make an inventory of rural programs that may be available to our communities and property owners or developers here.

Question: What does the final product for this effort look like?

- Policies being used currently in communities in Lincoln County and how they may be transferrable to other communities here.
- An assessment of Comprehensive Plan supporting policies and associated gaps.
- Zoning code barriers and possible solutions.
- Other best practices to address housing needs here.
- Final report that each community can use to go forward and try to implement an appropriate set of strategies and best practices.

Comment: There are advantages of trying to market this area as a county to developers and builders from outside the area, as opposed to separate communities trying to address needs separately. We all have a role to play in addressing housing for the region.

Comment/Question: I think vacation rentals (VRD) will significantly impact the housing supply here. People who might think about renting month to month might decide to do short term rentals, in part because they will be limited by the state's rent control laws.

Comment: Employers draw from a regional employee pool here.

Comment: We are working with developers to get more apartment development into the region. It is not going to be mom and pop contractors. We need to get an RFP together if we want to see a bunch of units developed, as opposed to small infill projects.

Comment: Lincoln city has tried to market property one at a time, with limited success. Just having multiple sites to offer might encourage developers, they can see opportunities for several projects.

Question: Would it make sense to have a shared housing staff person that could help all the cities and the County with information and coordination?

Comment: Perception that is expensive to build on the coast - other people shy away.

Comment: University housing - were going to build 500 units. But it is on the backburner now, didn't factor how much more construction costs here.

Comment: Some of the things we may recommend are likely to result in more nimbyism. Whenever we do a planned development it gets challenged. One of our local projects is undergoing a two-year delay due to appeals.

Comment: Energy efficient houses will mean that into the future they will be cheaper to live in.

Comment: Don't get hung up on income that much. I don't look at income. Ratio of wages to the cost of housing is different. Lots and lots of ocean view in Yachats. Length of person's commute is another good indicator that the housing situation here is out of balance.

Comment: Look at supply of rental housing. The health care industry needs to supply doctor/executive housing and people need rentals to relocate here.

Comment: We have lost capacity because of the VRD issue. There is very little rental inventory for all price points. Rental housing is in very short supply here.

Comment: If we ever want to deal with homelessness, we need more low income units.

Comment: One of our barriers is the real estate industry. We are attractive to out of state investors. Realtors want to protect vacation rentals, and I feel like we are always battling the industry. Things have calmed down since we've provided some clarity for the rules.

Comment: What is affordable housing? It's important that we nail down what we mean by affordable housing. Below 60% there is a lot of federal/state funding, and the market takes care of 100% and above. But missing middle is 60 to 100%.

Comment: A lot of these strategies are pretty standard. Maybe you need combinations of things...

Question: Does government get in the way? Will you be addressing that issue?

- We will look at development codes for each community here. We won't look at the full combination of local and state regulations in detail although we may touch on your point in our report.

Comment: On the other hand: "cut and run" development and geologic hazards have been a concern. Geology and geography are very important here. Need to understand previous fill, etc.

Question: How do you keep employer housing from becoming the company store? Where the employee is now in debt to the employer? There are a lot of ways to get employers to contribute to housing. The City of Lincoln City owns houses that they rent to new employees.

Comment: Transportation/distance is an issue.

Comment: Use the tribe as an example of an employer/government that provides housing and has a specific program to do that. It may provide lessons as a case study.

SUMMARY AND NEXT STEPS

- APG is continuing interviews of stakeholders and will publish a summary when complete.
- Revised documents including some of these comments will be available in March.
- Additional conversations with Business Oregon and others are in the works.
- After that, APG will be producing a draft of this housing plan and meet with the PAC in May.

To:	Wayne Belmont, Lincoln County
From:	Matt Hastie and Andrew Parish, Angelo Planning Group (APG)
Date:	June 10, 2019
Re:	Lincoln County Housing Strategy Plan (HSP) – Policy Advisory Committee (PAC) Meeting #2 Summary (May 16, 2019)

INTRODUCTION

Meeting Date: May 16, 2019
Time: 4 -6 PM
Location: City Hall, Lincoln City

Attendees:

- David Allen, Newport City Council
- Dick Anderson, Mayor, Lincoln City
- Caroline Bauman, Economic Development Alliance of Lincoln County
- Wayne Belmont, Lincoln County
- Beatriz Botello, Newport City Council
- Rachel Cotton, City of Newport
- Diana Hinton, Lincoln City Council
- Onno Husing, Lincoln County
- Kaety Jacobson, Lincoln County Commissioner
- Cynthia Jocobi, Newport City Council
- Dave Madison, City of Yachats
- Rick Mark, Lincoln City Council
- Spencer Nebel, City Manager, Newport
- Dana Nichols, Oregon Cascades West Council of Governments (CWCOG)
- Ryan Parker, Newport City Council
- Lisa Phipps, Oregon Department of Land Conservation and Development (DLCD)
- Lindsey Sehmel, City of Lincoln City
- Derrick Tokos, City of Newport
- Geoff Wilkie, Toledo Planning Commission
- Matt Hastie, Angelo Planning Group

PROJECT STATUS UPDATE AND PAC MEETING #1 DEBRIEF

Matt Hastie kicked off the meeting with introductions around the room and an overview of the agenda for the afternoon. He stated that this is really the start of the process for things to explore in the future and thanked DLCD for the funding to pursue this initial phase. He also noted the strict deadline associated with the project of June 30, 2019.

Matt then launched into his PowerPoint presentation, noting that it would address demographics and policy and move into the strategies and implementation.

Matt explained that the project is nearing completion. The 4th TAC and 2nd PAC meeting took place today and the report will be revised to reflect any comments that come out of today's meetings. Matt noted that to date the team has conducted the following activities:

- Reviewed and assessed local codes and comprehensive plans
- Interviewed stakeholders
- prepared a background report and gaps analysis
- assessed the Housing Rehabilitation Loan Program
- held 3 TAC and 1 PAC meetings
- prepared a draft Housing Strategy Plan

SUMMARY DEMOGRAPHIC AND HOUSING DATA

Matt Hastie noted that his team included basic demographic and housing data in the draft Affordable Housing Plan in response to requests from TAC and PAC members. Committee members made the following comments:

- There were questions raised about the graphs. Matt said that he would look at inconsistencies identified between the 2013 and 2017 report (e.g., between decennial Census data and American Community Survey data).
- Regarding households over 65 years old or with children, Matt questioned Lincoln City's numbers and would review the HNA.
- There was a request to include a note on the Rent-burdened slide explaining the percentages in that they aren't additive: of the rent burdened over 30% of income, X% are over 50% (several rent-burdened).
- Someone also asked if mortgage information could be included (in addition to rents).
- There was also a request to add the age of housing – this would be beneficial information for the Housing Rehabilitation Loan program.

KEY HOUSING ISSUES

Matt described key findings from results of stakeholder interviews and meetings. Committee members made the following comments:

- The interviewees also noted that they cities were good to work with. There was a request that this be clearly called out in the report as a positive.
- There was a question about whether the stakeholders had any complaints about fees being higher than anywhere else. Matt said that in some instances, the fees here are lower in Lincoln County jurisdictions, compared to other cities around the state, particularly in the Portland metropolitan area.

COMPREHENSIVE PLAN POLICY AND DEVELOPMENT CODE RECOMMENDATIONS

In reviewing development code updates, Matt said his team looked at the following types of policies and development code issues:

- The potential need to expand the range of housing types allowed in medium density zones
- Current densities and minimum lot sizes
- The question of whether some areas should have higher densities

Committee members made the following comments:

- Newport would like their current parking analysis project acknowledged in the report.
- There was a question from Lincoln City about why we would encourage more rentals in the R-1 zone as opposed to the zones for multi-family dwellings. Matt said that the report is not stating that we need to build more rentals but rather provide more types of housing choices. He noted that if there are a lot of single-family residences built in multi-family zones, these zones are being under-utilized and lower density forms of housing should be restricted in high density zones to ensure an adequate supply of land for higher density housing.
- Newport wondered if there could a pro/con discussion about when, where, and how to implement minimum densities.
- Reword the Newport recommendations related to ADUs.

OTHER HOUSING STRATEGIES

Committee members provided the following comments and suggested changes to this part of the document:

- There was a discussion on the Housing Rehabilitation Loan program with Matt providing clarity on the program, funding, and processes. There was also discussion on pending legislation around the use of Transient Lodging Tax. It is unclear if that legislation will pass in this session.
- There was a discussion about how to best address system development charge deferrals or exemptions and if updating the methodologies in the jurisdictions would be beneficial. It was also suggested to look at exemptions and abatements and to have policies in place before someone asks. It is better to be proactive than reactive. He said that these are two useful tools in promoting low-income housing.
- The report also looks at other opportunities including county-wide collaborations (a county-wide buildable lands inventory), DLCD grant opportunities, shared GIS and interns, and to look at other counties' examples.
- There was a question about what "buildable lands" means and Matt explained the guidelines for determining buildable lands. It was recommended that this explanation be included in the report.
- There was a comment that there is no middle housing available.
- There was also a comment that while land might be "buildable", the cost of getting infrastructure to the site may be too high. Matt noted that those kind of comments can be included in the inventory. It was noted that a Construction Excise Task (CET) could help pay for infrastructure.
- A comment was made that what continues to be missing are the results of what communities have done with these dollars. For example, what, if any, successes have communities had with use of revenues from a CET? If we lower costs to construct, does it result in lesser costs to the consumer? It was thought that it was too soon to tell in many cases, given how recently these strategies have been adopted.
- There also needs to be mention of communities who have already bought land in the strategy.

- Matt emphasized that many of the strategies included in the plan need to be in combination with one another.
- Comments included adding in public-private partnering for off-site infrastructure and adding in Urban Renewal.
- There was also a request that the jurisdictions consider using other technologies for infrastructure such as sand filters, solar power, etc.
- There was also interest in further discussing a collective housing staff person. Housing person could promote programs.
- There was a question about what the timelines are for the programs included in the report. Matt will give examples of how this has worked in other areas

SUMMARY AND NEXT STEPS

Matt then laid out the final steps:

- Matt will send the PowerPoint to Wayne for distribution to groups
- June 15th soft deadline to have the reports updated, including the following changes:
  - enhance charts
  - summarize current policies and programs
  - provide draft comprehensive plan language
  - update information regarding Housing Rehabilitation Loan program
  - provide list of state housing programs and resources
  - review and comment on the County IGA with the cities
  - additional changes to the reports per the TAC and PAC direction
- Final Housing Strategy Report out by mid-June

Appendix C

STAKEHOLDER INTERVIEWS SUMMARY & SUMMARY OF SITE TOUR

Lincoln County
OREGON

LINCOLN COUNTY
HOUSING STRATEGY PLAN

To:	Wayne Belmont, Lincoln County
From:	Matt Hastie and Andrew Parish, APG
Date:	April 15, 2019
Re:	Lincoln County Housing Strategy Plan (HSP) – Summary of Task 3 Stakeholder Interviews

INTRODUCTION

Matt Hastie and Andrew Parish of Angelo Planning Group and Brendan Buckley of Johnson Economics have conducted interviews with a variety of key stakeholders involved with the provision of needed housing in Lincoln County. These interviews were conducted in person or by phone. The list of interviewees is below.

- **Laura Anderson,** Local Ocean Seafood
- **Rich Belloni,** Lincoln County School District
- **Steward Brannen,** CEO, Siletz Tribal Business Corporation
- **Bob Cowen,** Director, Hatfield Marine Science Center (OSU)
- **Tom Gerding,** T. Gering Construction
- **Jim Patrick,** Dolphin Construction
- **Kathy Kowtko,** Housing Authority of Lincoln County
- **Diane Linn,** Lincoln Community Land Trust (formerly, now with Proud Ground)
- **Justin Metcalf,** Wish Camper Partners
- **Mike Miliucci,** Pacific Seafoods
- **Layne Morrill,** Our Costal Village, Inc.
- **Daryn Murphy,** The Commonwealth Companies
- **Brigetta Olson,** Willamette Neighborhood Housing Services
- **Brian Plechaty,** Halvorson-Mason
- **Bonnie Saxton,** Advantage Real Estate
- **Bonnie Serkin,** Landwaves
- **Michael Shilling,** Fowler Homes
- **Paul Williams,** Property Owner
- **Jim Wisler,** Oksenholt Construction

KEY THEMES

- **Overall housing need.** We have heard repeatedly that there is a need across all types and prices of housing in Lincoln County. Many interviewees noted that the market tends to take care of housing at the upper end, while workforce housing at or below $250k for a home is sorely needed. Low achievable rents mean that multifamily housing is particularly unlikely to be built without subsidy, and there has been little apartment construction in Lincoln County in recent decades.
- **Land Supply.** Supply of land in the right locations and zoned for the right housing types and densities is an issue in a number of coastal communities. There generally is an adequate supply of land overall but not necessarily on sites that will support certain types of development cost-effectively. Land supply is naturally constrained by the beach and ocean to the west and the hills to the east in a number of communities.
- **Sources of high costs and challenges to financial viability of coastal development.** Most of the developers and builders interviewed noted the following issues, which are described in more detail on pages 5-7 of this report:

  - Labor costs are high for coastal construction due to low local availability and resulting commuting time for workers from the Willamette Valley.
  - Needed weatherization for the coastal area adds to project costs.
  - Transporting materials from the Willamette Valley or elsewhere adds to project costs.
  - Maintenance of structures on the coast is higher due to weather.
  - A significant amount of developable land in Lincoln County is either difficult/costly to serve with infrastructure, has steep slopes, or has wetland issues.
  - Profit margins for work on the coast generally needs to be higher than similar work in the Willamette valley; in a competitive development cycle, a developer is likely to choose a different project in a location more convenient to them.
  - The smaller typical scale of projects on the coast is less attractive to Willamette Valley developers than projects in the Portland Metro area or other larger urban areas in the valley.
  - The cost of land, construction and debt does not always sync up well with the achievable rents available for coastal housing. In other words, it is harder for projects on the coast to "pencil out."
  - Because of these reasons, developers will not be aggressive about outpacing demand on the coast – they will always be trailing the pent-up demand.
- **Development Process and Fees.** Many local developers noted that Systems Development Charges (SDCs) contributed to housing costs for their projects. In some cases, these fees were seen as disincentivizing attached housing types. However, other developers interviewed said that the review process in Lincoln County is similar to other places, and in some ways has been easier and faster than jurisdictions elsewhere.
- **Vacation Rentals.** We have heard varying perspectives on whether Vacation Rentals are contributing to the lack of inventory, how much, and what possible remedies may be. This is clearly an issue on lots of peoples' minds. Several interviewees noted that most vacation rentals are high-end homes that do not directly compete with affordable housing, and the tourism revenue generated is important for the community.
- **Appropriate Strategies.**
  - Removing barriers to development won't be sufficient because of the underlying economic reality – getting more affordable housing will require public subsidy and investment.
  - Continue to work with partner agencies and focus on subsidized housing – this is the only way to get rents and prices low enough for many current residents.
  - There appears to be some vacant land in commercial designations in places like Newport. Multifamily can be built but ground-floor commercial is required – this can be challenging for developers and a nonstarter for housing agencies/nonprofits. The policy of ground-floor retail requirements is worth discussing.
  - It always helps to streamline the review and permitting process. Evaluate SDC costs and structures, timing/concurrency of reviewing authorities. Consider exemptions or special provisions for housing projects that meet certain affordability requirements.
  - Continue to allow for, encourage and reduce barriers to production of smaller units, including small single-family detached homes, cottage cluster housing , plexes, and other types of homes that can be more affordable to the local workforce.

SUMMARY OF DETAILED COMMENTS

The remainder of this memorandum provides a summary of interview comments, grouped by topic question. These comments represent the individual opinions of those interviewed and do not constitute policy direction

by the consultant team, Lincoln County, or city staff. However, these results will be considered in preparing future policy recommendations as part of this planning effort.

What is your interest in or experience with housing within Lincoln County and its communities?

- Developer and home remodeler, resident since 1978. Work has mostly been in Newport. Some duplexes, haven't built any apartments. Family experience in property management.
- Head of the Housing Authority of Lincoln County (HALC). We provide low income housing and housing choice vouchers. HALC owns 262 units, 197 of them are income-restricted.
- Developer of "Fisterra Gardens," managed by the housing authority. The development contains townhomes at 80% of AMI with permanent deed restriction.
- Employer of a medium-sized business. Recruiting talent is limited by the availability/price of housing. But mostly availability. I had an employee leave because she applied for three different homes and couldn't close on one. This leads to instability in the workforce.
- Real estate broker in the area, covering much of the county. I focus on residential single-family products.
- "Special Projects and Law" for Pacific Seafood. Looking at housing for employees.
- Property owner with short term vacation rentals and long-term rentals. In the process of building more. Concerned about the direction of the vacation rental discussion currently.
- Executive director of Proud Ground, which provides home ownership opportunities for working families. Proud Ground has recently merged with the Lincoln County Community Land Trust. We work in home ownership - but partnering with Habitat we can serve 30-50% AMI population. We usually do 60-80% AMI under a community land trust model to ensure permanent affordability. The nonprofit holds land under houses and sells the homes at an affordable price.
- Owner of a land development company, working mostly in Depoe Bay. Does market-rate single-family development, though has considered attached/multifamily projects in the past.
- Affordable housing developer with a national company. Runs the Portland office working on projects west of the Rocky Mountains.
- Director of Hatfield Marine Science Center, which is owned and operated by Oregon State University. The center has a total of about 300 employees and 100 students whose housing needs range from dormitories to low-cost rentals to higher end homes.
- The Gerding Company are both commercial contractors, undertaking construction for clients, and also occasionally developers of their own properties. As developers they have completed the Shoreline Condominiums in Newport (2006-7), as well as projects in the valley. As contractors, the company has worked on the coast for the school district, hospital system, and other public and commercial clients.
- Developers of the Wilder development in Newport.

What are some recent projects you've seen or been part of? What were their challenges and successes?

- A major challenge for our low-income housing is finding something close to medical and other services.
- Wilder Homes has been able to put a variety of housing together on their site. They have deep pockets and it still took a long time to sell out (because the lots are small). Their buyers have tended to be retirees, but a high percentage of them are permanent residents.
- Developing a dormitory project in Newport with a central kitchen. We changed the zoning code to allow this development to occur and the City has been supportive. Purchased an office building to convert to residences. We could also buy a motel but they are more expensive. There will be 75 to 100 people living

in that building. We used to rent hotels for employees, which was costly, and people want us to assume high levels of liability for employees.
- You see gated communities that have lots and lots of 2nd homes.
- The Wilder cottage cluster is a good model and scalable. However, it is located far away from other attractions and amenities.
- A significant amount of housing is being built in Siletz.
- Constructing a new modest home with the intent to rent it out, in Waldport.
- Working on 110 units in Agate Beach using tax credits, looking to break ground in May. All 60% AMI restricted income housing. We try to serve families usually with 3-bedroom units. What they heard in Newport is there is a need for 1-bedroom units. Easier to make projects work if there are more bedrooms - this project has a mix of 1, 2, 3 bedrooms.
- We tend to work outside of urban areas (there is plenty of development capacity in urban areas). Newport has less capacity.
- We have plans for expansion and are looking to build new dormitories. They may also have some affordable 1-2-bedroom units for graduate students. It is a challenge to find land at the appropriate size (5-7 acres) that is close enough to the Hatfield center, but there are a couple of options we are looking into currently.
- Wilder Development – The original goal of the project was to build attainable, workforce housing for people who live and work in Newport. The builders have done a good job of building at price levels affordable to community members – started at about $200K; now some are closer to $300K. Next phase would include about 20 micro-cottages (800-1,000 sf, mostly 2-bedroom). These are expected to be priced at or below original prices of earlier cottages. People very interested in/responsive to concept. Also building six bungalows (about 1,500 sf.) in this phase. Everything built with sustainable materials and with features that promote community. Apartments are under construction and all are rented. Apartments may not be affordable to lower income residents but will increase overall supply of housing and help meet needs of people who can afford them. Recently, stormwater permitting has become a major hurdle in this process.

What is the greatest need in terms of housing in Lincoln County? What types of housing are needed that aren't being developed?

- Need is across the board. Nobody can move up into nicer housing because of lack of inventory, which keeps lower-end housing more expensive.
- The largest need is apartments – few have been built in recent decades, and they seem to need subsidy.
- One-bedroom units, located close to services/medical/transit are needed. There's an excess of 3-bedroom units owned by the housing authority, people don't need that type as much anymore. Limited quantity of small, individual homes (many are vacation rentals or second homes). Low priced homes tend to need a lot of work, housing stock is old and not well maintained.
- Affordable workforce housing, for people who work at the hotels and restaurants in coastal communities. Apartments needed, but for Our Coastal Village developments eventual ownership is the goal.
- There is a need for homes for younger single people, with less restrictive leases.
- Workforce housing is lacking – we had to buy a house to keep an employee.
- Homes under 300k-$350k. Low interest rates mean cheap houses are getting snapped up. Median price in the mid $300k's right now
- Rentals are needed. There is a very limited supply of low-end housing (though there is more in Toledo and Waldport).
- Samaritan (hospital) leases homes for employees in Wilder development.

- Coastal communities (we have seafood plants in Warrenton, Astoria, Westport too) are struggling due to supply and demand. Workers can't find housing - rent is high and supply is low.
- Low and moderate-income homes are sorely needed for the local workforce. Vacation rentals are competing with workforce housing to some extent.
- Until about 2012 the housing picture was the opposite here - it was hard to rent out places, they'd have to sit vacant a while. Hard to find good renters. Now, if you have a rental you have a line of good applicants. Population has increased, particularly the proportion of the population making around or slightly above minimum wage.
- Subdivisions with houses in the low 200s. The city would need to remove a lot of red tape to make this work.
- There is a great need all across the board. Commonwealth was relocating people in order to develop a site in Newport, but it was very difficult to find a place for them. Rental properties had a huge waiting list (over a year) everywhere.
- Inventory is tight across the board - we worry about availability of housing in hiring and generally advise new hires to expect to rent for a few months while looking for a home.
- There is clearly a need for housing at the lowest income levels as well as midrange workforce housing.
- There is very strong demand for workforce housing. Accessory dwelling units are in demand. Demand for micro-cottages partly due to desire for own space, not sharing walls with neighbors.

What are the major barriers to housing development in Lincoln County?

- Very little development activity happening currently. It's not one thing, it's lots of things. Land cost is high. Building codes are onerous. Achievable rents are low. Not enough contractors - many have moved to the valley or to Bend. Wind blows the rain sideways here, construction practices are different.
- There's a monopoly on some construction materials on the coast (concrete in particular), which drives up costs.
- Costs of construction, insurance, and paperwork for voucher applicants. Competition for homes. Not many contractors. Some zones require ground-floor commercial which would be difficult for the housing authority to manage, so we don't look into projects in that area.
- Smaller communities have a city government run by volunteers - not much capacity to do deal-making.
- Subdivisions take a long time to sell here, it's just a slow pace of growth.
- It's cheaper to build in the county than within city limits - fewer SDCs and other costs.
- Costs of development is high due to infrastructure.
- Vacation homes are a problem, they take homes out of circulation for use as second homes. Upwards of 30-40% of housing stock is tied up in vacation rentals/second homes.
- Most vacation rental houses are large, expensive, with a view, etc. These will never be affordable rental homes - they do not compete with low-income renters.
- Vacation home rentals impact availability but there are pros and cons. If managed right they bring income to the community. Though I think a lot aren't registered.
- The government often gets in the way. SDCs are a disincentive to developing affordable housing or multi-family housing. I wanted to build a four-plex but the SDCs would be $65k (as opposed to the $15 for a single-family dwelling). Required studies and application requirements drive costs of housing up.
- Required affordable housing creates a problem of "comps" affecting all property owners.
- We faced a classic NIMBY situation trying to create an affordable product near Nye Beach.
- There is a lack of local developers with interest in developing property - this inhibits housing production.
- We look for multifamily land: there isn't a lot to be found. We don't like to rezone land, neighbors often are opposed. We got one of the last good multifamily parcels in Newport. The ones that are left are steep, don't have utilities, etc.

- Newport has empty commercial lots, but they don't permit multifamily construction. Some places let you do residential over commercial, but we don't build commercial. This is a barrier to some developers, and particularly nonprofit developers that aren't experienced financing mixed-use projects. "Community room" doesn't count as commercial space typically.
- There is a premium on construction right now - it is adding 20-25% to our previous cost estimates. We are recruiting people from all over the state and even from California in order to do big projects.
- Utility fees, SDCs, sidewalks, and other upgrades add to the cost of development.
- Availability of suitable property is limited, especially outside of tsunami areas.
- The market doesn't support the rents needed to build a lot of housing types.
- One of the main challenges of building on the coast is getting enough skilled labor in a timely way for large projects. When the company is self-performing the construction with their own labor, they tend to commute out of the Willamette Valley. There is some labor on the coast, but it is limited and often tied up with local companies, and working on smaller projects such as custom-built homes.
- A big barrier to new housing construction on the coast is that the income levels are lower on average, and therefore achievable rents and home prices for permanent residents are lower. But at the same time, the cost of construction on the coast is higher for labor, and because buildings must be built more robustly due to the elements (rain and winds).
- Labor is more expensive because it is more scarce and therefore skilled workers can demand higher wages while low availability can increase the development period. Alternatively, if employees commute from the valley they must be compensated for time and travel expenses. Commuting labor is likely to stay in a hotel depending on the duration of their work on a project. If it is a longer project, they are more likely to commute more regularly, rather than due an extended hotel or rental stay.
- Material costs are not more expensive when directly compared (i.e. a 2x4 on the coast costs the same as 2x4 in the valley.) However, because structures must be built more robustly for the weather, there are additional costs such as rain screen, upgraded windows and flashing, roofing, etc. In addition, once a project is built on the coast, the cost of maintenance over time will be much higher due to the weather.
- Coastal development sites may add some additional costs/process because of complicated soils, slide hazards and wetland issues. The risk of having to mitigate can add significant time and costs to prep the site. Some building sites that seem "available" may actually be constrained by these issues.
- Due to these factors, no developer will be aggressive about outpacing demand on the coast. They will always be trailing the pent-up demand.
- Developers are not simply looking to see if a project will "pencil out", but how it compares to the potential returns of competitive projects they may do elsewhere. With limited time and resources, they will pursue the projects that provide not just "a return", but the highest return. This makes coastal projects difficult to compete with other areas.
- Lack of local experience in apartment development. Hard to do it at all, and doubly hard to make it affordable. Apartment projects on the coast are too small for a Portland developer to want to bother with. Challenging to get contractors to do the work.
- There is a lack of multi-family-zoned land in Yachats - it has mostly been developed as single family.
- Lots of little small barriers lead to an overall lack of housing. Land use planning + predevelopment requirements, lack of funding, lack of local commitment to affordable housing.
- Land prices are a barrier. Achievable rents aren't high enough for missing middle market-rate housing to get built oftentimes.
- It is hard to find entitled buildable land in many coastal communities. Many are getting land locked, as there is a low amount of remaining land, or it is already under contract. Expansion on the coast is naturally limited between the beach and the hills.
- The cost of weatherize a coastal home adds significant costs over a home in the valley. The higher price point slows absorption of a new subdivision and many working class residents are priced out of new

housing. The high price point is also self-reinforcing as the buyers of such homes will also expect better finishes and features that also add cost.

Additional Housing Development and Cost Issues/Comments

- Lincoln City has lots and lots of 2nd homes. Eventually their owners hope to retire into them.
- We still have foreclosures on the appraisal list, which lowers property values overall.
- No developers are lining up for land inside the Newport UGB. It's hard to serve, or steep, or needs bridges to access.
- Not many buildable lots.
- Funding/financing takes time for the housing authority.
- Location and transportation cost - you may have an apartment unit in Toledo but need to work in Newport. Transit is poor in this area.
- Lack of housing limits the stability of our workforce.
- Low incomes, high costs of producing housing.
- Development fees are about $10k to the City of Waldport, about $5k to the County. Done as cheaply as possible, I can't make a house that I could rent for less than about $1k a month.
- We're building an affordable condo in Portland and testing the model of multi-family ownership for Proud Ground - beach condos don't have to be on a view property and can be integrated into the community easily. 2-3 bedroom would be ideal but even 1 bedroom would be good. Must be built with an eye toward affordability.
- Lack of building over the last 10-20 years has caused the current situation. Especially little multifamily has been built. At this point, we care playing catch-up. There is a similar situation all along the coast.
- There are not that many local buyers for newly built homes because they need to be sold at fairly expensive levels to compensate the developer for land, labor, and weatherization costs
- The older/retiree demographic often want single-story homes. This means that denser forms that encourage going to two or three stories to save land area have a somewhat lower demand pool.
- A major problem for new home building is slow absorption. New homes tend to be at a higher price point that is not affordable to many current residents, so can take a long time to absorb. Estimated costs have risen roughly 25% over the last few years as competition for labor, and cost of materials has risen across the west. At the same time, profit margins generally need to be higher for coastal projects to justify traveling from the valley to undertake the work. If margins are similar to the valley, then the developers will select projects closer to home.

Does the development review process lead to good outcomes in your experience?

- Yachats code is very flexible for the PUD provisions. Planning commission offered further flexibility. The Comprehensive Plan includes a policy for affordable housing. 1.5 cars per unit and smaller parking spaces were allowed.
- The water district in the county allows for cheap development outside city limits.
- City has been supportive of changes needed to get large dormitory project going.
- Staff has been helpful and flexible for our projects.
- I believe there is sufficient residential land available so that's not the core issue.
- Lincoln City has been difficult to work with at times.
- Proud Ground has been working in the Wilder development to get some units to be permanently affordable. Permitting process has been somewhat difficult. Recognizes that it is important work but it does complicate things, slow the process down, and cost money.

- The development review process in Newport was good overall. We're having to provide infrastructure which makes sense for the community, but it adds costs.
- The review process in Lincoln County has no more issues than in other places, and in some ways may be easier/faster than in some other places.
- Project entitlement may add a year to a project for difficult or constrained sites. Environmental review can be difficult as rules that apply elsewhere do not fit so easily on the coast.
- In our experience there is a tendency for some departments in the city to say "no" and not be flexibile to new ideas or approaches.
- Opposition to narrower streets was an issue for our development. For first phase city allowed 20-foot streets but not for second phase. Cost of wider streets adds up.
- Newport Community Development department is good; not oppositional and interested in working through issues. Open to listening to proposals and solutions. Planned development allows for more flexibility which is good. We have had only a few issues with concerns about setting precedent.
- Planners have been willing to consider other community codes and practices as alternatives in Newport.
- Issues currently with stormwater/infrastructure permitting in Newport have slowed the next phase of the Wilder development.

What kinds of housing would you like to see more of in Lincoln County?

- Anything.
- One-two bedroom units, units without stairs.
- We are always a couple of years behind the rest of the state in terms of real estate trends.
- I would beat the competition for great employees if I could offer housing.
- Student housing and seasonal housing (potentially dorm-style housing) would be appropriate.
- "Quads" - structures with a shared kitchen space between four units.
- Need a mix of housing.
- We are open to sharing the space, or management of the space in the dormitory project with local housing authority or other nonprofit.
- Multifamily units are more affordable per unit.
- Four plexes, or groups of four plexes together, would provide multifamily units with a form that is closer to single family homes.
- Single family homes on small lots with small yards.

What tools or strategies do you think would be effective in creating more desired housing in Lincoln County?

- It's just the basic economics - it doesn't pencil out to build apartment buildings here.
- Accessory Dwelling Units are a good idea.
- The City of Newport isn't putting any roadblocks in the way of development today. So the answer will need to be more than just removing barriers.
- Mixed income projects are worth looking into.
- Financing affordable developments is challenging – Shelly Pac at Washington Federal's Bend Office has been really good to work with in financing affordable developments.
- Developing Fisterra Gardens required a wide variety of different subsidies. SDC Deferment from the City was useful. County grant of $10k. Other grants and private foundation money also used. "Preference" for families with employees in this zip code, families with children is allowed per fair housing rules.
- We need to create incentives for apartment housing for low-income households.

- Older people are moving here and they like the status quo. There needs to be a balance with newcomers in order to build a community.
- Not sure what the city/county can do. Lowering SDC costs and permitting costs perhaps - they are limitations to business generally. Parking requirements are high, not many developments could have accommodated that requirement as we did.
- Need a region-wide picture of housing need/supply in order to have a cohesive dialogue.
- Address commuting as an issue for employees here.
- More cottage cluster developments.
- If the City is doing its job, private developers will build housing if the demand is there.
- Educate citizenry in zoning and other issues, publicize incentives to develop or move there.
- Low interest loans would help local developers (and me personally) build affordable housing in order to help the local tourism industry survive.
- Zoning flexibility to open up some space/lots to residential development would be helpful.
- As much as I hate to admit it, I think a bond for affordable housing might be a good idea.
- Smaller lot sizes – 5,000 sf is too big and 3,000 sf might make more sense in a lot of areas.
- More flexibility on the part of the Cities - waived fees and requirements.
- Restricting the price that a home can be turned-around and sold for may limit "flipping" and encourage owner-occupied housing.
- Lincoln City owns some land - if they are interested in affordable housing buying the land would be beneficial.
- We are looking into modular homes as part of the answer - pre-fabricated homes could bring costs down significantly.
- SDCs are needed for the community, but there are times that they need to be waived if a project meets other community goals. Waivers should be considered on guaranteed-affordable projects.
- Jurisdictions could help with identifying inventory on the market that would be suitable for a Community Land Trust or other program.
- Jurisdictions could help with attracting resources from Salem, grant funding, etc.
- It's not enough to remove barriers, making a dent in this issue will need actual resources and funding.
- Establishing more Construction Excise Taxes in Lincoln County and perhaps utilizing Inclusionary Zoning.
- Eventually the State of Oregon will have to look into the mortgage interest deduction. We are spending a billion dollars every year subsidizing homeownership for those who don't need the help.
- Low-return equity fund would be helpful for funding affordable housing projects.
- SDC waivers are beneficial for affordable housing projects, but in our case that just meant needing to ask the State of Oregon for less money - the public pays either way.
- Newport's tax exemptions have been helpful for us as nonprofit developers.
- Public-private partnerships to help ameliorate some of the high costs, to incentivize builders to participate in low-cost housing. Financing to allow things to be paid over longer periods time. This amounts to spreading wealth a little bit - taxing more expensive homes to pay for less expensive ones, and is an overall benefit to this community.
- The recommended approach for the County and cities to encourage more housing development on the coast is to continue to partner with affordable housing agencies to build needed housing types of permanent residents. These projects can use programs to help offset costs, while the ultimate achievable rents/pricing are less of an issue. The project does not need to pencil out in the same way a market project does. Also, these projects tend to be focused on the long-term and place value on the long-term durability of the structures required, rather than seeing this as a hindrance.
- To encourage housing development, the public sector should continue to work with partner agencies and focus on subsidized housing. This is the only way to get rents and prices low enough for many current residents

- Community Land Trusts – Proud Ground efforts using LIFT financing; interested in using for units within Wilder. Could potentially hit that price point (about $200K) with fewer amenities.
- Education for buyers re: how to buy a house, deal with a mortgage, get low down payments, etc. Tough to find mortgage brokers at coast who are familiar with financing opportunities (e.g., farm loans). Education for consumers and housing professionals. Should be easy to reach out and educate people, given small town nature of Newport; everyone is connected to lots of things. This is a big resource not being effectively used.
- Builders not building to coastal standards – end up with housing with significant issues (mold, water damage, etc.). Some education, information needed by builders and consumers re: those issues. Important to spend a little more upfront to address those issues and reduce long-term maintenance or rehab costs. Cities should be attuned to and focused on sustainability goals and practices.
- City should be doing more to harness Wilder's desire to say yes to things; consider discussion about how city and Wilder (or others) can work together to figure out how to say yes to things that will benefit both the city and Wilder.
- Pre-fabricated housing could be a solution to cost issues if those businesses could be located on the coast – pre-fab for house components for assembly on site.
- Look at alternative/innovative ways to address wastewater management (e.g., packaged/on-site systems).
- Fast-tracking of affordable housing projects.
- It always helps to streamline the review and permitting process. Lincoln County compares well to some others in this regard. The County's process is efficient and might serve as a guide to the local cities as well. It helps when county/city departments review applications at the same time to the extent possible, rather than consecutively. Time is money for developers, and long pre-development periods really can discourage new development activity.

Which tools or strategies are a poor fit for this community?

- Construction Excise Taxes can be too complicated for smaller communities to administer.
- CCRs prohibit ADUs in parts of Lincoln County, so they cannot be part of the solution.
- High fees will just keep people from building anything at all.
- Overregulating vacation rentals will harm tourism in our community. Vacation rentals open up areas south of Lincoln City to overnight visitors, people visiting in groups, etc. That brings lots of money into the community and allows us to hire tourism workers, who we also need to house.
- Regulating vacation rentals is misguided - this is income for this resort area. Most of these houses are so large that they will never be affordable to most people. Vacation rentals create tourism jobs (cleaning, maintenance, etc.).
- Even affordable homes need to be high quality - the impact of the weather can't be overstated. Don't sacrifice quality in the pursuit of affordability.
- Need to be careful not to build tenements - maintenance is very important for community buy-in and for the personal pride of people living in low-income developments.

Appendix D

HOME REHABILITATION LOAN/ GRANT PROGRAM MEMORANDUM

Lincoln County
OREGON

LINCOLN COUNTY
HOUSING STRATEGY PLAN

To:	Wayne Belmont, Lincoln County
From:	Matt Hastie, Brandon Crawford, and Andrew Parish, APG Brendan Buckley, Johnson Economics
Date:	April 24, 2019
Re:	Lincoln County Housing Strategy Plan (HSP) – Task 4 Cover Memorandum

INTRODUCTION

Angelo Planning Group (APG) and Johnson Economics have been contracted to prepare a Housing Strategy Plan for Lincoln County. The Housing Strategy Plan is intended to assist Lincoln County and its cities in identifying and addressing issues related to housing. It will help the County and its cities move forward on a number of housing policy initiatives to respond to current and future housing needs

As part of this effort, APG and Johnson Economics have consulted with Business Oregon and nonprofit organizations engaged in the provision and maintenance of housing to discuss collaborations and opportunities going forward. In particular, Lincoln County and its cities are interested in leveraging the Community Development Block Grant (CDBG) program administered by Business Oregon and making an existing pool of CDBG housing rehabilitation loan funds available for use throughout the County.

To this end, APG and Johnson Economics have engaged in several meetings and conference calls with members of Business Oregon, the Lincoln County Affordable Housing Partners group, Community Services Consortium, and Willamette Neighborhood Housing Services.

HOME REHABILITATION LOAN/GRANT PROGRAM

Program Information

The purpose of this program is to provide funds for the repair of owner-occupied housing for those with low to moderate incomes. These funds generally are provided as zero-interest deferred-payment loans, which are tied to the home itself and repaid upon sale of the home. Alternatively, these funds can be simply granted to recipients.

The source of funding is from the Department of Housing and Urban Development (HUD)'s Community Development Block Grant (CDBG) program, which is administered by Business Oregon and provided to applying jurisdictions. About 28% of the program goes into housing repair funds, totaling roughly $3 million per year available for jurisdictions outside of the Portland Metro region. The loans themselves are administered by partner organizations such as Community Services Consortium or Willamette Neighborhood Housing Services.

Current Status in Lincoln County

The rehabilitation loan program has been essentially on hold and inactive for several years. The organization administering the program (Community Services Consortium) found that it could not cost-effectively administer the program due to the administrative complexity involved, limited ability to use program funds to pay for administration activities and sufficient economies of scale to concurrently manage multiple or larger related programs. Several of these issues are described in more detail in the following section. A summary of the current status of the loan portfolio and other fund associated with the program follows.

A fund balance statement as of mid-2018 showed that the CSC administered housing rehabilitation funds for a collection of counties and cities in the Linn, Benton and Lincoln Counties. The program has a positive fund balance across the three counties of $5.05 million. The 14 CDBG grants listed date from the early 1990's through 2010.

A majority of the funds' assets are loan receivables, or the money owed to the program from homeowner borrowers. Given the indefinite terms and irregular payment of much of this loan portfolio, these loan receivable do not provide a consistent revenue stream. The three-county funds do hold some cash assets that were estimated to be roughly 17.5% of total assets as of 2018.

The Lincoln County portfolio is divided between CDBG grants awarded to the County, Lincoln City, Newport, Toledo, and Waldport. As repayments are made to each fund, that money is transferred to a Lincoln Regional Loan Fund where it gains more flexibility in how it can be used.

The following table presents the estimated assets of the Lincoln County (only) funds as of 6/18. Activity in this fiscal year are not yet noted, but this provides a snapshot of fund balances and the relative scale of recent repayments to the funds.

Figure 1: CSC-Administered Rehab Grants Fund Balances, Lincoln County (6/2018)

Grant Number	Title	Fund Balance	Cash Assets (Estimated)	Loan Asset (Estimated)	Repayment 17/18 FY *
4120	CDBG - Lincoln City 1999 & 2009	$369,467		$369,467	-$27,783
4140	CDBG - Toledo 1993	$206,847	$129,813	$77,034	
4150	CDBG -Waldport 1996	$140,434		$140,434	
4175	CDBG - Lincoln County 2004	$266,736		$266,736	
4176	CDBG - Lincoln County 2006	$184,764	-$58	$184,822	
4185	CDBG - Newport 2002	$542,266	$140,796	$401,470	-$56,992
4041	Lincoln Regional Loan Fund	$1,051,746	$350,947	$700,799	$84,775
	TOTAL:	**$2,762,260**	**$621,498**	**$2,140,762**	**$0**

* Repayments are counted as a negative asset for the individual funds and positive for the Regional Loan Fund.

A reactivated program can utilize these funds to continue making rehabilitation loans, while seeking new CDBG funds to grow the program's impact.

Challenges and Opportunities

In discussions with organizations that have implemented this program in the past, the following opportunities and challenges were mentioned.

- These funds can be very beneficial homeowners by allowing them to maintain or repair their homes and continue living in them. The no-interest deferred-payment terms are very favorable to low income individuals.
- Maintaining existing affordable housing stock is a key strategy in the overall housing picture for Lincoln County.
- Applying for CDBG funds can be handled by the sub-grantee without much effort needed on the part of the sponsoring jurisdiction.
- The jurisdiction sponsoring CDBG funding has certain obligations, including two public hearings related to the program and some ongoing fiscal and staff responsibilities. There are also requirements not strictly related to this program – these include "Section 504" checklists requiring compliance with accessibility requirements for persons with disabilities, a requirement of a Fair Housing resolution and related brochures, and other requirements detailed in the CDBG Grant Management Handbook[1]
- The CDBG funds are a reimbursement – cash on hand is required to complete the repairs.
- Other communities have successfully shared the administrative responsibility of sponsoring and applying for CDBG funding between several jurisdictions. For example, the Linn County Housing Rehabilitation Partners is an association of ten municipalities who have signed an intergovernmental agreement to distribute the programs' burdens and benefits among them.
- Once the initial loan is paid back, the funds are "de-federalized" and available for other uses, providing a more flexible source of funding for other affordable housing programs and initiatives.
- There are very specific qualification requirements for the recipients of these funds and the home being repaired. The home must have a specific amount of equity, and the applicants must meet income requirements.
- There are also very specific qualification requirements for the nonprofit partner that administers these loans. The program requires staff that is certified to do loan origination and inspections, and requires marketing to attract potential fund recipients.
- The process of completing a loan can be time consuming. The organization works with the applicant to develop the scope of work, find and hire a contractor, inspect the work, etc. Often, the organization puts a significant amount of time and resources into an individual loan application but cannot successfully help the applicant receive or use the loan for some of the reasons described here.
- Because loans are paid back in a sporadic and unpredictable way, it does not generate a revenue stream that can be relied upon to create new loans and the program must be supplemented with new funds to be viable.

Path Forward

Based on these conversations, the approach for restarting the housing loan rehabilitation program in Lincoln County is as follows:

[1] Available at https://www.orinfrastructure.org/Infrastructure-Programs/CDBG/Handbooks/#

- CSC will distribute a Request for Proposal (RFP) to find new non-profit administrator for the current portfolio of loans. The CSC staff and board will review and evaluate resulting proposals and select a new contractor. Lincoln County and its cities will be consulted during this process to ensure that the new program manager can address the needs and priorities of Lincoln County jurisdictions.
- After a new administrator is chosen, Lincoln County and its cities will work with the new organization do the following:
    - **Establish how existing funds will be used** to benefit County and city residents, based in part on any agreements associated with the current program. Discussions with city and county staff undertaken as part of the current housing study have indicated that program funds will be used to provide loans to anyone in Lincoln County based on whether or not the property owner and home apply, rather than establishing a geographic formula for distribution of loans. However, it will be important to affirm or refine this approach, as needed.
    - **Determine which cities in the County will participate** in a new program moving forward. Historically, some but not all of the cities in Lincoln County have participated in the program. To date, most of the cities in the County have expressed an interest in participating but final agreement on participation will be needed.
    - **Determine how "de-federalized" money from repaid loans will be used.** The County and its partners could identify specific purposes or a process for the advisory board to make that determination, as needed when those funds become available. Some of the existing money in the program has previously been earmarked for use by specific jurisdictions although most of the funds have not been programmed for a specific use.
    - **Identify a process and provisions for new intergovernmental agreements** between the new organization, the County, and each city with regards to respective responsibilities of each party
    - **Formalize/adopt the agreements.** This is not expected to require formal adoption by local city councils although it will be important to review draft agreements with some combination of city managers, counsels, and/or governing bodies to ensure they are comfortable with the agreements.
- Each city will re-appoint members to the local jurisdiction board that will advise the partner organization
- Establish a process, applications templates, and other materials as needed to apply for future funds.

Tips for Success

Our team interviewed several people to identify best practices for operating a re-established rehabilitation loan program in Lincoln, including representatives of Business Oregon, the Yamhill County Housing Authority, and Willamette Neighborhood Services, which currently administers the same type of program in Linn County. They offered a variety of advice about how to successfully and cost-effectively run this program in the future.

- The program has many detailed requirements; the sub-grantee must be capable and detail-oriented. However, once underway, the process can be run very smoothly and efficiently.
- There are a number of options for designing a program to meet the community's needs. The County and cities should articulate housing priorities and work with Business Oregon and the partnering non-profit to figure out how to enact these priorities.
- The particulars of CDBG funding are governed by state and federal law – advocating for improvements to the program in Salem may lead to better outcomes down the road.
- It will be important to work with the non-profit partner to be creative about loan products. There may be options to provide different products for homeowners in different situations.
- Seniors tend to make up a large share of the homeowners which this program serves; program materials and outreach efforts need to be designed accordingly.

- This program is affected by the generally tight market for contractors, just as other housing repair/production is.
- The funds can be provided as grants, which makes manufactured homes eligible for repair funding. However, loan funds will become "Defederalized" once repaid and can be utilized in other ways, such as for purchasing foreclosed properties or meet other housing affordability objectives.
- Getting the word out about the program to potential applicants can be difficult in rural areas but is essential to the success of the program in terms of having an adequate pool of loan applicants. Others have had success with radio interviews, flyers, yard signs, and word of mouth. A waiting list of 25 applicants is required to apply for funding, so marketing is key. Direct mailings using County tax assessor data to look at low home improvement values has been successful in some jurisdictions.
- It is beneficial to have both elected leadership and administrative staff on board with the program's goals and the work required. They can champion the program and generate applicant interest, and they are able to guide the program to best meet the community's needs.
- Funds can be supplemented with veterans' services from Oregon Housing and Community Services. Meyer Memorial grants for manufactured homes. Local Community Action Program agency will likely have weatherization programs that can dovetail with CDBG loans.
- The Housing Authority of Yamhill County (HAYC) has had success establishing the loans as a $25,000 line of credit (as opposed to creating a lien for the specific repair amount). This provides flexibility for changes in repair cost compared to the estimate, and can also allow for a second repair to be funded without a new application process.
- Specific software made for managing CDBG programs may be helpful – the software used by HAYC is called CursorControl and helps them manage CDBG applications and construction timelines together (www.cursorcontrol.com)
- Having the homeowners themselves get bids and hire contractors will ease the program's administrative burden. A good relationship with a deep bench of local contractors is helpful – swift payment, trainings on new regulations, and being as unbureaucratic as possible were mentioned as ways to improve relationships with contractors.

OTHER PARTNERING OPPORTUNITIES

In addition to the CDBG Housing Rehabilitation program, there are a variety of other partnering opportunities for Lincoln County and its member jurisdictions to address housing issues. Partnering opportunities that emerged from a meeting of the Lincoln County Affordable Housing Partners are introduced briefly below, and will be described in more detail as part of the final Housing Implementation Plan document.

- Continue to seek opportunities for Public Private Partnerships (PPP) to create new affordable housing.
- Provide support for Community Land Trusts (such as Proud Ground) as a program lead or funding partner.
- Partner in acquisition and preservation of existing affordable and workforce housing.
- Provide technical assistance to non-profit developers
- Work to develop a program for Systems Development Charge (SDC) waivers, modified infrastructure requirements, and other incentives for affordable housing development.
- Help with messaging and advertising of housing opportunities and other programs from affordable housing partners.
- Pool resources toward a dedicated staff person to provide technical assistance on housing and development throughout Lincoln County. This position could potentially be filled by an Americorps or RARE participant.

An inventory of housing related services and providers is provided as an attachment to this memorandum.

ADDITIONAL RESOURCES AND CONTACT INFORMATION

Business Oregon 503-986-0123 www.oregon4biz.com	Grants and technical assistance are available to develop livable urban communities for persons of low and moderate incomes by expanding economic opportunities; and providing housing and suitable living environments.
C.H.A.N.C.E. Lincoln County **541-272-3740** **137 NE First St. Newport, OR 97365** www.chancerecovery.org	Serves clients with mental health and substance abuse disorders at all levels of their recovery. They assist with matters related to physical, mental and behavioral health, in hopes of increasing success in permanent housing, employment, education, and other necessary support networks.
The Commonwealth Companies **503-241-5921** www.commonwealthco.net	Private developer of affordable housing, with 110 units under development in Newport, serving populations at 60% Median Family Income and below.
Community Services Consortium (CSC) **541-265-8505** **120 NE Avery St. Newport, OR 97365** www.communityservices.us	Serves populations throughout Lincoln County, offering energy education, home weatherization, housing education, housing rehabilitation, rental assistance, utility assistance, homelessness and eviction prevention, fair housing assistance and other housing related services.
Oregon Department of Human Services (DHS) **541-265-2248** **120 NE Avery St. Newport, OR 97365**	Offers self-sufficiency benefits including: Temporary Assistance for Needy Families (TANF); SNAP and associated supportive service requirements; Employment Related Daycare Reimbursement (ERDC); Emergency housing through Domestic Violence (DV) grants; CSC subcontracts with DHS to provide personal development and accountability activities.
Family Promise **541-614-0964** **5030 SE Hwy 101 Lincoln City, OR 97367** www.familypromiseoflincolncounty.org	A nonprofit organization with a mission to provide shelter, meals and comprehensive assistance to homeless, low-income families with children in Lincoln County, while they seek to achieve sustainable independent living.
Grace Wins Haven **541-265-1974** **437 NE 1st St. Newport, OR 97365**	Day shelter open M-Th, 9-4 PM, providing security, resources and a place to learn working and life skills, with a mission to assist unhoused patrons of Lincoln County.
Habitat for Humanity of Lincoln County **541-574-4437** **227 NE 12th St. Newport, OR 97365** www.hfhlc.org	Serves low-income home owners through new construction and critical home repair programs. Finances home ownership with 30-year low interest loan (currently 0%). Homeowners must provide sweat equity as well as closing costs and regular mortgage payments. Low income is defined as >80% MFI.
Housing Authority of Lincoln County **541-265-5326** **1039 NW Nye St. Newport, OR 97365** www.haic.info	Public rental housing; Section 8 vouchers; Veterans Affairs Supportive Housing (VASH) vouchers; Oceanspray Family Literacy Center (Resident Services); The Housing Authority has 262 units of affordable housing in Lincoln County, including public housing, Low Income Housing Tax Credit properties, Rural Development properties, and a senior property. They service 507 Housing Choice (Section 8) Vouchers that are used to subsidize low-income families looking to obtain rental housing in the private market.
Legal Aide of Lincoln County **541-265-5305** **304 SW Coast Hwy. Newport, OR 97365** http://www.lasoregon.org	Advice and legal representation on civil cases for low-income Oregonians and seniors, including evictions, tenants' rights and mobile home park issues.
Lincoln City Resource Center & Emergency Warming Shelter **206-713-8234**	Emergency warming shelter open mid November - mid February when temperature is below 40 degrees, with option to extend into March if weather permits; Resource Center open M-F, 10 AM-4 PM.

www.lincolncitywarmingshelter.com	
Lincoln County Health & Human Services **541-574-5960**	Provides counseling, assistance and case management for clients looking to secure housing.
Lincoln County School District HELP Program **541-265-4506**	Lincoln County School District program for students and their families experiencing unstable and transitional housing; provide assistance with resources and programs to support students' education and basic needs.
Lincoln County Veterans Affairs (VA) **541-265-4182**	Assistance with filing claims for Veterans' Benefits, Survivor's Benefits and other veteran specific programs.
My Sisters Place **541-994-5959** www.mysistersplace.us	Advocacy and shelter services for individuals experiencing domestic violence, intimate partner violence or stalking.
Newport Warming Shelter	Overnight shelter available Sunday-Thursday evenings each week, located at the Lincoln County Fairgrounds. Hot meal served every night and morning.
Northwest Coastal Housing **541-574-0320** www.nwcoastalhousing.org	92 units of low-income rental housing in Lincoln County, serving families or individuals at 50%/60% or less of the area's family adjusted income, including persons with developmental disabilities, mental disabilities, homeless victims of spousal abuse, veterans and others in need.
Oxford House **541.265.2971** www.transitionalhousing.org	Democratically-run, self-supporting, drug-free group home for men.
Proud Ground **503-493-0293 x14** www.proudground.org	County-wide land trust that has built three homes in Lincoln City and is currently partnering with local employers to match income-eligible households with eight down-payment assistance grants available to first time homebuyers in Lincoln County.
Reconnections Counseling **541-994-4198** www.reconnections.com	Provides sober living housing for participants in Reconnections outpatient services.
Samaritan House **(541) 574-8898** **715 SW Bay St. Newport, OR 97365** www.samfamshelter.org	10 month transitional housing program for families with children.
Safe Families for Children **541-261-7410**	Provides much needed support for parents in crisis, giving them time to get back on their feet while their children are cared for in a safe, loving, host home environment.
Second Home of Lincoln County **541-833-0667**	A host home program for unaccompanied minors ages 16 and older or 15 if pregnant/parenting.
Shangri-La Housing **541-265-4015** **141 NW 11th St. Newport, OR 97365** www.shangrilaoregon.org	Nonprofit organization that provides homes, jobs and supports to Oregonians with disabilities or economic challenges.
Siletz Tribal Housing Department **541-272-7041**	With funds provided by the Native American Housing Assistance and Self-Determination Act and other resources, the Confederated Tribes of Siletz Indians (CTSI) operates a housing program whose overall mission is to ensure that low income Siletz Tribal Members have the opportunity to obtain housing that meets their needs, is affordable, and provides a safe, healthy living environment.
Seashore Family Literacy Center **541-574-7890** www.seashorefamily.org	Serves South County with a wide range of activities and programs focused on meeting basic needs.

Stepping Up Initiative **509-670-7766**	Lincoln County has been awarded a three-year, $745,871 federal grant through the Bureau of Justice Assistance's Justice and Mental Health Collaboration program to provide direct assistance to clients, supportive services including housing and treatment, and additional training for law enforcement, targeting individuals with mental health and substance use disorders. Funding is ultimately intended to provide necessary services to keep people with mental health disorders out of jail.
Transition and Programming Services (TAPS) Housing **(541) 265 - 8851**	Sober housing for individuals on probation offered through Lincoln County Community Corrections
Willamette Neighborhood Housing Services **541-752-7220** **www.w-nhs.org**	Works with Proud Ground, Neighborworks' HomeOwnership Center and others to provide a combination of education, counseling and, in some instances, financial assistance to assist income-eligible buyers to purchase their first home.

YACHATS VISITORS CENTER
FY 2018/2019 QUARTERLY BUDGET REPORT
submitted 7/5/2019

BUDGET ITEM	2018/2019 BUDGET	FY 2018 Quarter 1 July-Sept 2018	FY 2018 Quarter 2 Oct-Dec 2018	FY 2019 Quarter 3 Jan-Mar 2019	FY 2019 Quarter 4 Apr-June 2019	YEAR TO DATE
FACILITY						
Rent	6,600.00	1,675.00	1,725.00	1,725.00	1,725.00	6,850.00
Repair & Maintenance	575.00				231.94	231.94
Restroom - cleaning and supplies	750.00	200.00	387.41	251.31	607.42	1,446.14
Supplies - Office/Misc	1,250.00	123.18	107.30	302.20	965.00	1,497.68
Accounting	500.00		200.00		300.00	500.00
PERSONNEL						
Contract Director	37,850.00	6,308.32	9,462.48	9,462.48	12,616.64	37,849.92
Administrative Assistant						
History Walking Tour Dev	7,590.00	160.00	80.00	240.00	1,940.00	2,420.00
Volunteer Training	500.00				478.75	478.75
PROMOTION						
Yachats Brochure/2-year surplus	1,750.00				357.50	357.50
Printing Costs - Lists, Postcards, Attractions Map	2,550.00	1,668.53		1,871.15		3,539.68
Postage: Information/Mail-outs	1,750.00				867.50	867.50
Telecommunications - Phone/800#	2,250.00	484.74	829.86	631.57	645.44	2,591.61
Memberships - OLA, OCVA	600.00	400.00				400.00
Travel OR Brochure Dist	250.00			600.44		600.44
Oregon Coast Magazine	0.00					
OCVA and Travel Oregon	0.00					
Willamette Living (& Portland Monthly & Salem editions)	0.00					
Radio	0.00					
Social Media and Video	0.00					
TOTAL	**64,765.00**	**11,019.77**	**12,792.05**	**15,084.15**	**20,735.19**	**59,631.16**
approved through the budget process. Outside of the City/Chamber Contract						

YACHATS VISITORS CENTER
FY 2018/2019 QUARTERLY BUDGET REPORT
submitted 7/5/2019

City Manager's Report
July 17, 2019

Dear Mayor Moore and Councilors,

It is my pleasure to update you on some of our current project highlights.

- **Finance:**
  - ***Auditors***: Onsite July 29, 30, 31.
  - ***Springbrook***: Training occurred July 8-12. Work is continuing.
- **CIS Facility Reviews & Updates:**
  - We are awaiting facility review reports and will recommend next steps as those reports are received.
- **Insurance Rates:**
  - I confirmed we do not have any additional earthquake insurance. The only thing we have is included in our general liability coverage.
  - A memorandum discussing the recommended additional coverages is discussed in the Council agenda.
- **Lincoln County Housing Strategy Implementation Plans:**

  The final report is pending and may be available by the July work session.

  - **Background:** The signed MOU is in the document library attached to the December 12, 2018 City Manager Report & January 16, 2019 Council Packet. The MOU memorializes a no-cost working relationship between the Oregon Department of Land Conservation and Development and Lincoln County. The goal is to develop a regional housing implementation strategy for Lincoln County. The final report is to be completed on or before June 30, 2019.

    Planner Dave Mattison has been appointed to the technical advisory committee (TAC), which will identify existing reports, data, codes, fees, and similar housing related materials that will be analyzed to see what gaps exist. Councilor Max Glenn has been appointed to the policy advisory committee (PAC) which will review the gap analysis, and the goals and strategies and implementation of the regional plan.

    The final report is attached and discussed in the Council agenda.

- **Ocean View Drive:**

  - **Background:** In October 2001, the City of Yachats entered into a settlement agreement. One of the items in the settlement agreement was for the County to transfer Marine and Ocean View Drive, and the trail to the City for transportation and pedestrian usage and to implement the Village Circulation Plan adopted by the City. This agreement is in the document library.

    Work on this project paused around April 2017 due to attention required on other City and County projects. However, at the City Manager's request, monthly meetings to resume progress on this project began in October 2017.

  - Property Easements: Easement language has been drafted and approved by the City Attorney. The Planner is working with the 5 impacted property owners to finalize the easements. The County has offered to cover the costs of recording the easements.

  - Archeologist: The State Archeologist was supposed to deliver a scope of work for the identified areas for the City and County to review by February 15, 2019. This did not occur. Upon acceptance of the scope of work, the archeological study will begin. Delays here will impact the goal date to complete this project.

  - Guardrails: Subsequent to the Archeological Study findings, new guardrails will be installed before the overlay is completed. The original Mid-March timeline is delayed until the archeological study can be completed.

  - Culverts: Yachats PWD identified 9 culverts running under Oceanview Drive. One of the culverts runs underneath Highway 101. The City and County have identified culverts that have the most wear and will work on placing inserts in those culverts to extend the life of the culverts. These inserts are currently being installed.

  - 804 Trail Improvements:
    - The County, City, and Trails Committee discussed, and agreed, to find and compact a better material to provide greater stability on the Trail.
    - The County, City, and Trails Committee discussed improving signage along the trail and including educational, wayfinding, and distance signage. Additional meetings are occurring to discuss these items and develop a signage plan.
    - The County, City, and Trails Committee discussed the Boardwalk that was taken to Council in 2018. The archeological study noted above will review this area.
    - The County, City, and Trails Committee discussed the possibility of having viewing decks at the park at 7th and Oceanview Drive and the property towards the end of Oceanview Drive where the pump house is located. A member of the Trails Committee will draw a rendering of the decks and the City and County will work together utilizing mitigation funds.

  - Property Connection between Marine Drive: The 804 Trail is connected from Aqua Vista to Marine/Oceanview Drive through a property that links the 2 streets. The County has

asked the City for input on ideas for the Property. The trail easement would be maintained; however, the question is what ideas would look like for the remainder of the property. Ideas ranged from affordable housing to selling the properties (retaining the trail easement) for development and placing those funds into the mitigation account.

- City Planner, Larry Lewis provided renderings about what could be built on each lot with current code setback requirements. The lot on Marine Drive could do a footprint of approximately 1800 square foot building footprint and the lot on Aqua Vista could hold a 2450 square foot building footprint (document located in the December 12, 2018 City Manager's Report)

- Street Condition/Paving:
  - On December 13, 2018 the City's Engineer of Record (Westech), County, and City Representatives met to discuss the condition of Oceanview/Marine upon transfer. These discussions will continue as we develop more information from the archeological studies and warmer paving conditions develop.

- **Website Redesign:**
  - **Background:** In July 2017 the City issued an RFP for a website re-design. The background leading up to the issuance of the RFP is in the document library labeled *Council IT Memo*. Throughout an extensive process, the City decided to sign a contract with Civic Plus to redesign the City's website and provide a robust integrated reservation system. Civic Plus (www.civicplus.com) specializes in municipal web design and software. The Civic Plus contract is in the document library. Project specific updates were provided in the February and April City Manager report. CivicRec launched May 10, 2019.

  - Due to work with Springbrook it was determined to postpone Go Live on the Civic Plus Engage Site until on/or around July 22, 2019.

  - Citizen Request Tracker will follow numerous items such as Code Enforcement complaints

- **City Hall Proposal:**
  - **Background:** At the direction of Council, the City Manager presented a proposal for architectural work to develop a conceptual design for City Hall at the 501 Building. The City Manager eliminated the multiple designs and 2 in-person trips by the architect, reducing the initial proposal by $3400. We received designs from the architect. A grant was pursued through the USDA during a Council meeting on June 19.

  - **Library Expansion/Remodel:**
    - Bidding documents and Financial Plans are being reviewed by the Commission. Those will be reviewed by Council earlier in the July 17 Agenda.

  - **Little Log Church and Museum Repairs:**
    - **Background**: The Little Log Church walls are made from natural logs, setting on a post and beam foundation system. The original log structure was completed in 1930. Modifications to the exterior church walls were made in the mid 1990's, which consisted of replacing selected wall logs with new peeled logs. The attached museum

structure has walls made from log siding material. The museum foundation has a concrete stem wall and footing around the perimeter, and interior post and beam floor support. There is a crawl space access on one side of the building, with a narrow opening for access. The full engineer's analysis is in the document library labeled *LLC&M Engineers Analysis.* We had been utilizing Red Hat Construction to narrow down options for the LLC&M, but due to the demands of the Contractor and concerns about the continued deterioration of the LLC&M, we moved forward with the Engineer's Analysis.

- Work with Parks & Commons and the Little Log Church & Museum Board to develop funding plans and a strategy for the preservation of our historical property.

- **FY19 Accomplishments:**
  - The City was awarded $100,000 ODOT Small City Allotment grant towards the East 2nd Street Improvement Project. A copy of the grant is in the document library attached to the December 12, 2018 City Manager Report.
  - The City was awarded a $20,000 grant for our Water Master Plan update by the Oregon Infrastructure Finance Authority.
  - Multi-purpose room flooring completed (April 2019).
  - City Entrance Signs completed (June 2019)

Public Works Report:

Date: July 1, 2019

To: Shannon Beaucaire, City Manager

From: Public Works Department

Re: June 2019 Public Works Report

Rain fall at Yachats Public Works:

	Inches			
Year	2019	2018	2017	2016
June	1.38	1.68	2.86	1.25
Rain year to date:	33.91	36.27	52.50	29.23

Total water production: 3,684,000 gallons Water loss efficiency: 91.2 %

Total wastewater treated: 3,409,000 gallons

The following is a list of what was done by Public Works staff outside of normal operations:

Streets:

- Potholes filled on 1St St. and on W.3rd St.
- Crosswalk sign repaired on Hwy 101.
- Electrician needed for light on North entry sign on Hwy 101.

Drainage:

- Side-arm mowing and brush cutting in ditches.

Water:

- Plant maintc.
- Contractor generator maintenance.

Distribution Sys:

- Radio read water meter class at City Hall.
- Two water meters installed at Koho.
- Waterline under bridge repaired.
- Meter reading.
- Fire hydrant painting.

Sewer:

- Plant maintc.
- Electrician needed for headworks control panel.
- 10-yard air brake repair (in-house).
- Two Biosolids trips to Roseburg.
- Contractor generator maintenance.

Collection Sys:

- CCTV'd 100 feet of sewer main on E.3rd St.
- Degreased Main pump station.
- Contractor generator maintenance.

Public Works:

- Shop maintc.
- Fleet maintc.

- Removed and maintc. on three air relief valves on water main alongside Yachats River Road.
- Clean sweep assistance.

Commons & City Hall

- Contractor generator maintenance.

Library:

- Completed two work orders.

Parks & Trails:

- Repaired Whale Park.

Sewer & Water CIP:

- Working on Pole Bldg. CIP

City Beautification:

- Curb painting and street striping.

Ocean View Drive Project:

- Replaced nine water valve cans in preparation for paving.