



PC-CC Worksession #2

Yachats Housing Implementation Plan

May 23, 2023



01

Welcome and Overview

1:30 – 1:45 pm

02

Draft Housing Strategies

1:45 – 2:30 pm

03

Q&A, Discussion, Polling

2:30 – 2:50 pm

04

Next Steps

2:50 – 3:00 pm

Overview

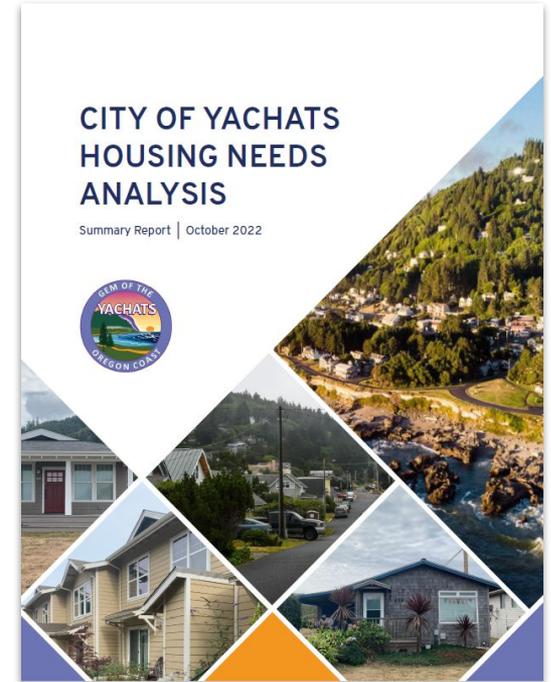
Background and Purpose

A Housing Needs Analysis (HNA) for Yachats was completed in fall of 2022. This analysis concluded the following:

- Yachats **needs an increased share of apartments, plexes, townhomes, and accessory dwellings** in addition to single family housing.
- There is a **deficit of land available for townhomes, plexes and multi-family housing**, and a surplus of land available for single family homes.

Based on those findings, the analysis **recommends strategies** that will help facilitate the development of needed housing.

A Housing Implementation Plan will help Yachats evaluate and implement these strategies.



Yachats needs at least 55 new rental units, mainly for lower income households

Median Household Income Range	Affordable Monthly Rent	Renter-Occupied Households	Estimated Available Rental Units	Pent Up Demand
\$75,000+	\$1,875	33	23	(10) market rate gap
less than \$20,000	less than \$500	48	6	(45) subsidized housing gap
\$0 or negative	requires subsidy	3	-	
Total		84	29	(55)



Rental Housing Inventory Gap

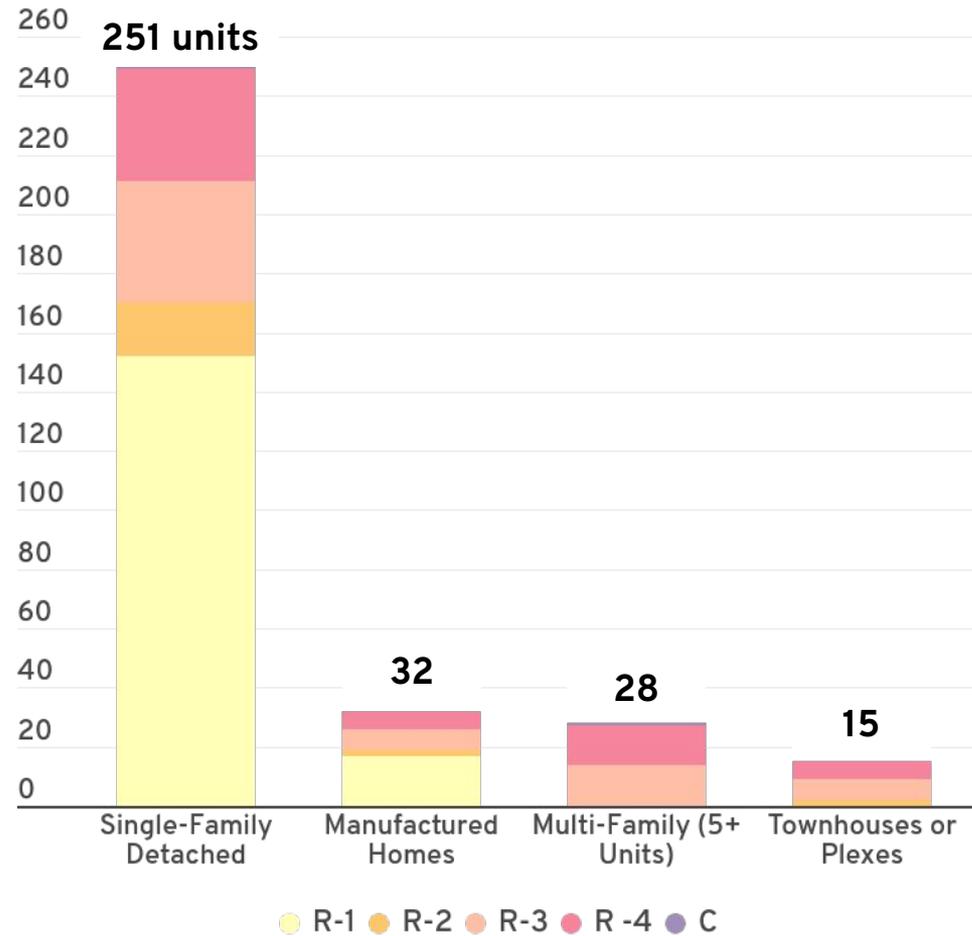
U.S. Census Bureau, ACS 2016-2020; FCS GROUP

Over 9 in 10 jobs in Yachats are filled by workers living outside the City.

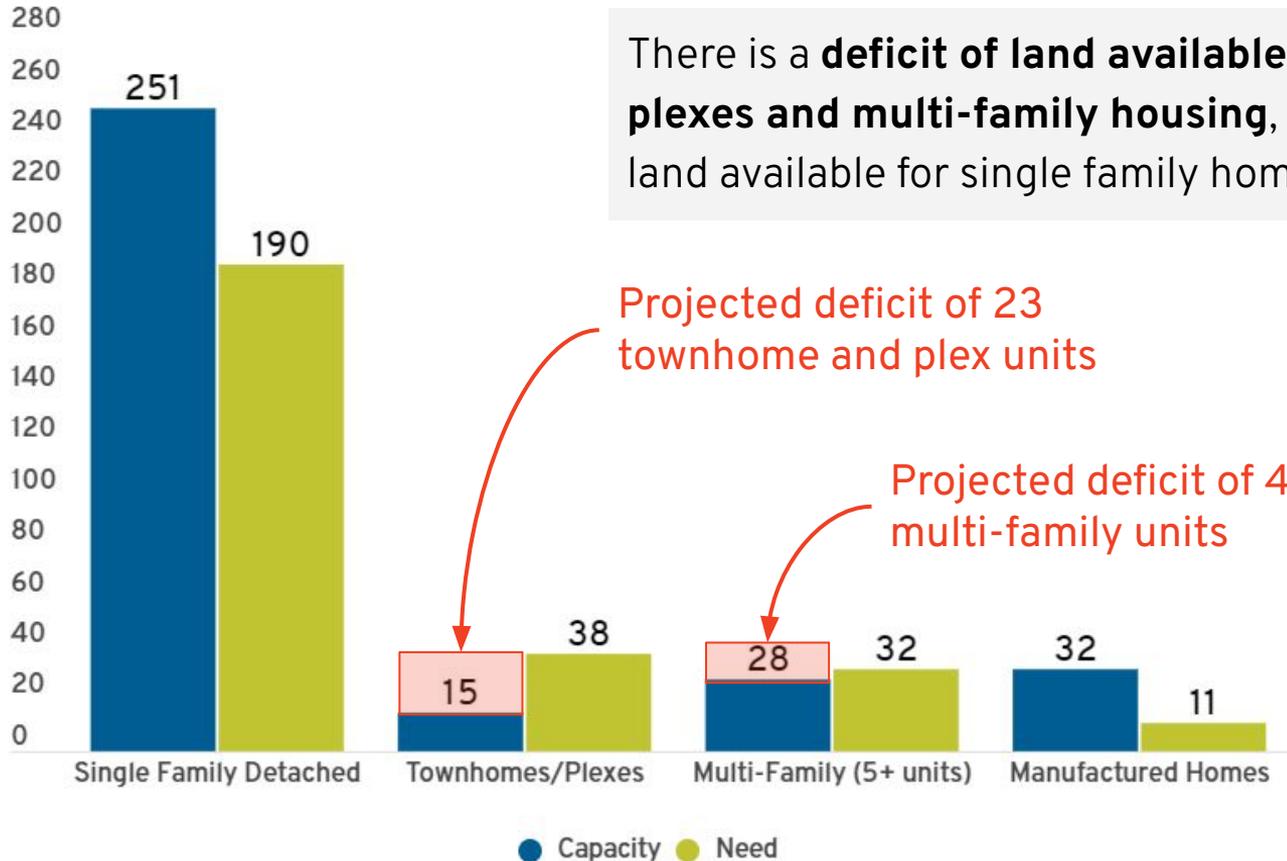




Housing Capacity by Housing Type and Zone District



20-Year Housing Need vs. Estimated Capacity by Housing Type



There is a **deficit of land available for townhomes, plexes and multi-family housing**, and a surplus of land available for single family homes.

Projected deficit of 23 townhome and plex units

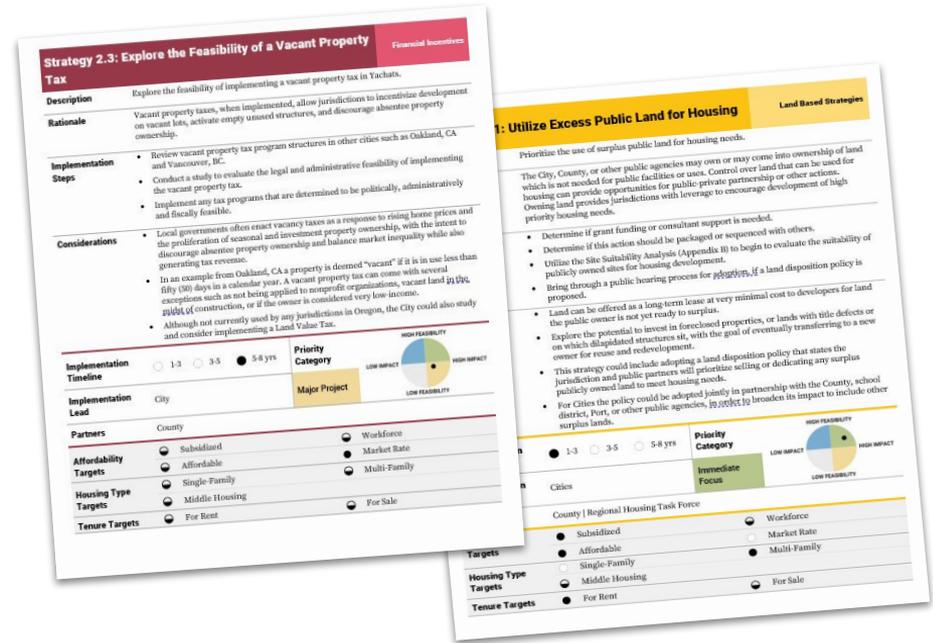
Projected deficit of 4 multi-family units

What is a Housing Implementation Plan (HIP)?

The HIP evaluates strategies that the City can implement to address Yachats' housing needs, as identified in the City's recently-created Housing Needs Analysis (HNA).

For each strategy, the HIP provides:

- **Description** of the strategy
- **Rationale** explaining how this strategy can help meet Yachats housing needs.
- **Considerations** for each strategy.
- **Implementation details** providing actions needed to implement strategy and timeline



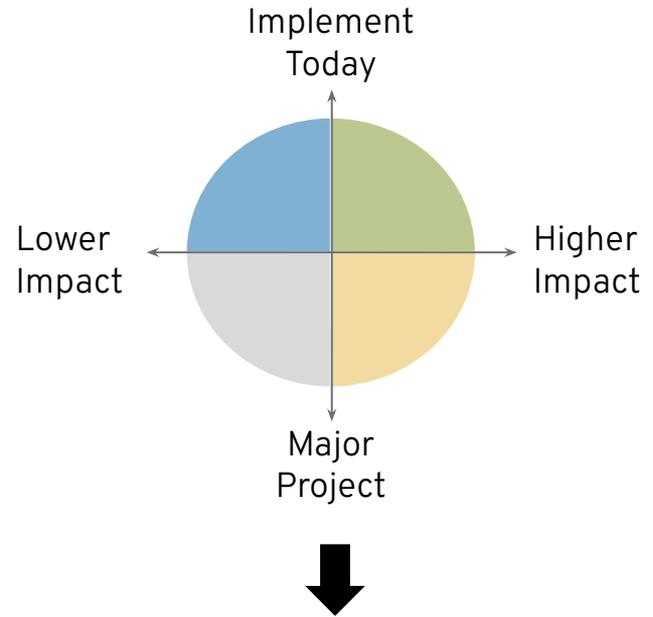
Examples of a detailed strategy description

What is a Housing Implementation Plan (HIP)?

The HIP also evaluates strategies based on:

- **Level of Difficulty to Implement**
(‘can start implementing today’ or ‘major project,’ meaning that implementation is complex and may require additional resources study, and stakeholder coordination)
- **Level of Impact on Producing Needed Housing**
(low to high)

These factors influence how long it takes to implement a strategy.
Implementation timelines can range from 1 year to 8 years.



Example

Implementation Timeline: 3-5 years



Draft Housing Strategies

Review of draft strategies being considered for inclusion in the housing implementation plan

Overview of Strategies and Actions		AFFORDABILITY TARGETS			HOUSING TYPE TARGETS			TENURE TARGETS		PRIORITIZATION			
		Publicly Subsidized (< 30% AMI)	Affordable (30-80% AMI)	Workforce (80-120% AMI)	Market Rate (> 120% AMI)	Single-Family	Middle Housing	Multi-Family	For Rent	For Sale	Immediate Focus	Major Project	Opportunistic Project
1.1	Define and allow a wider range of housing types	🟡	🟡	🟢	🟢	🟠	🟢	🟡	🟢	🟢			
1.2	Reduce minimum lot size per unit	🟡	🟡	🟢	🟢	🟠	🟢	🟢	🟡	🟢			
1.3	Identify and remove unnecessary regulatory barriers	🟠	🟡	🟢	🟢	🟠	🟡	🟡	🟡	🟢			
1.4	Maintain limits on short-term rentals	🟠	🟡	🟢	🟢	🟢	🟡	🟢	🟡			🟡	
1.5	Strategic parking reductions	🟢	🟡	🟡	🟡	🟠	🟡	🟡	🟡			🟡	
1.6	Establish a minimum density in R-3, R-4 and C-1 zones	🟠	🟡	🟢	🟢	🟡	🟡	🟡	🟢			🟡	
1.7	Rezone land in the R-1 Zone	🟠	🟡	🟢	🟢	🟢	🟡	🟡	🟢			🟡	
2.1	Calibrate and reform system development charges	🟢	🟢	🟢	🟡	🟡	🟢	🟢	🟢				🟢
2.2	Offer a Property Tax Abatement for key housing needs	🟢	🟢	🟡	🟠	🟠	🟡	🟢	🟡	🟢			
2.3	Explore the feasibility of a Vacant Property Tax	🟡	🟡	🟡	🟢	🟡	🟡	🟡	🟡			🟡	
3.1	Utilize Excess Public Land for Housing	🟢	🟢	🟡	🟠	🟠	🟡	🟢	🟡	🟢			
3.2	Assist with Land Acquisition and Banking	🟢	🟢	🟡	🟠	🟠	🟡	🟢	🟡			🟡	
3.3	Form partnerships with land trusts	🟡	🟢	🟢	🟠	🟢	🟡	🟡	🟢				🟢
3.4	Form partnerships with institutional landowners	🟢	🟢	🟠	🟠	🟠	🟢	🟢	🟠				🟢
4.1	Target infrastructure improvements to support housing	🟠	🟠	🟡	🟢	🟢	🟡	🟡	🟢				🟢
4.2	Target Urban Renewal Investments to support housing	🟡	🟡	🟡	🟢	🟢	🟡	🟡	🟢			🟡	
4.3	Evaluate the feasibility of implementing a Construction Excise Tax	🟢	🟢	🟢	🟠	🟡	🟡	🟢	🟡	🟢			

Regulatory Strategies

Zoning and regulatory changes that may help to remove barriers to development of a wider variety of housing types and meet key housing needs.

Overview of Regulatory Strategies

All Housing

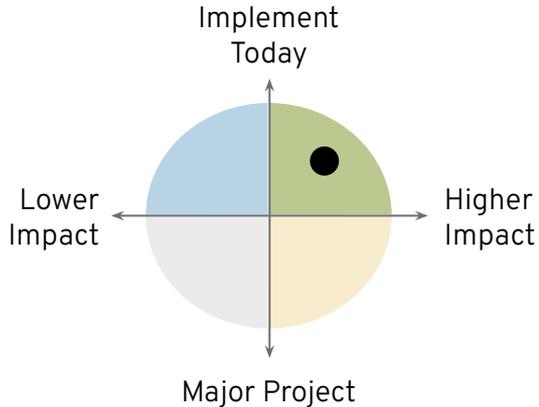
- 1 Define and allow a wider range of housing types
- 2 Identify and remove unnecessary regulatory barriers
- 3 Maintain limits on short-term rentals
- 4 Reduce parking requirements (for certain housing types)

Townhomes, Plexes and Multi-Family Housing

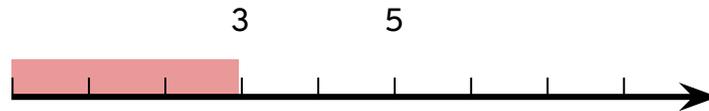
- 5 Reduce minimum lot size per unit
- 6 Establish a minimum density standard in R-3, R-4, and C-1 zones
- 7 Rezone land in the R-1 Zone to higher density zone

DEFINE AND ALLOW A WIDER RANGE OF HOUSING TYPES

- Allow duplexes in the R-1 zone.
- Allow up to triplex in the R-2 zone.
- Define and allow Accessory Dwelling Units (ADUs) and cottage clusters in all zones.
- Bring factory built and manufactured dwelling and park standards into compliance with state law.



Implementation Timeline: 1-3 years



HOUSING TYPES

	R-1	R-2	R-3	R-4	
Single-family detached					 Currently permitted
Accessory dwelling unit					 Recommended to be Permitted
Cottage cluster					
Duplex / 2-Unit Townhouses					 Currently not permitted
Triplex / 3-Unit Townhouses					
Quadplex / 4-Unit Townhouses					
Multifamily (5+ Units)					
Manufactured Dwelling					
Manufactured Dwelling Park					 Required to be Permitted per state law

*Commercial zone allows all uses allowed in residential zones

Housing Examples

Duplex



Small Lot Single-Family



3,900 sf lot



2,200 sf lot

Middle Housing Examples

Triplex and Quadplex



ADU

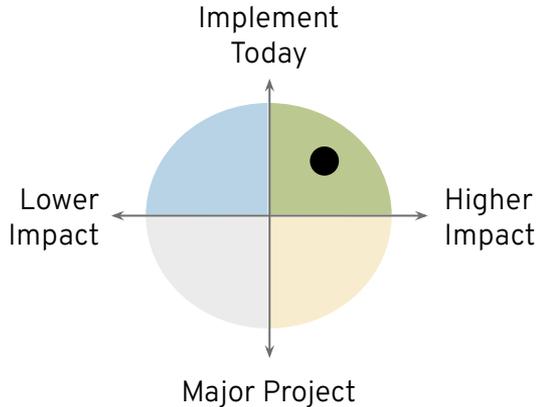


Cottage Cluster



COMPLY WITH STATE REQUIREMENTS FOR MANUFACTURED HOUSING

- The state now requires development standards for manufactured housing to be **clear and objective**. Many of the city's current standards are out of compliance.
- Manufactured dwelling parks are currently a conditional use in R-3 and R-4 zones but must be **allowed outright** in any zone that has a density range of 6-12 units per acre.

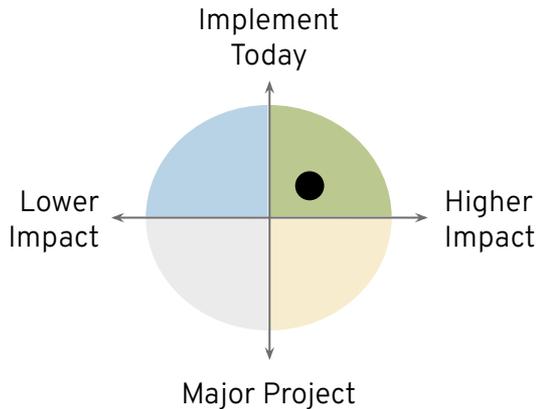


Implementation Timeline: 1-3 years

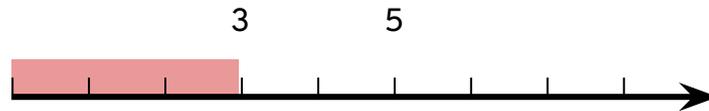


REDUCE MINIMUM LOT SIZE STANDARDS FOR MULTI-UNIT HOUSING AND ELIMINATE MAX DENSITY

- Reduce minimum lot size standards in all zones and set minimum lot size standards in accordance with existing lot sizes.
- Use minimum lot sizes to control maximum density rather than applying an additional standard.



Implementation Timeline: 1-3 years

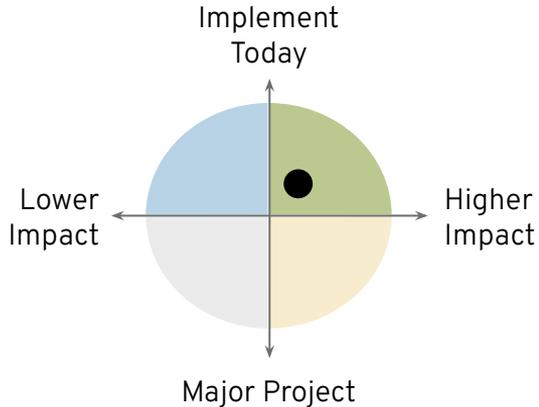


Yachats Minimum Lot Size Standards (sq. ft.)

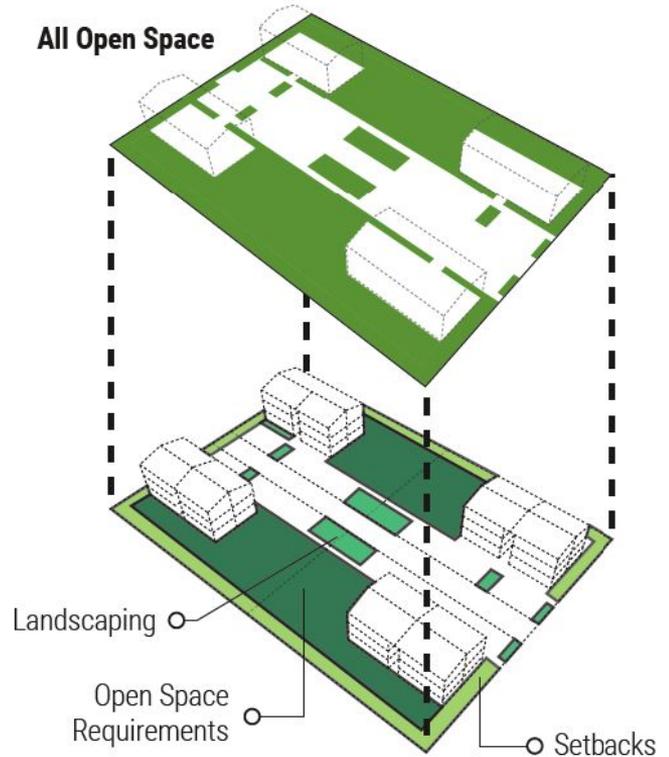
Zone	Single Fam	Duplex	3+ Units
R-1	7,500	X	X
R-2	6,000	7,500	X
R-3	6,000	7,500	6,000+ 2,500/du
R-4	6,000	7,500	5,000+ 2,500/du
C	6,000	2,500/du	2,500/du

IDENTIFY AND REMOVE UNNECESSARY REGULATORY BARRIERS

- Align code standards such as setbacks and lot coverage requirements with existing development patterns.
- Replace subjective design or conditional use criteria with objective standards.

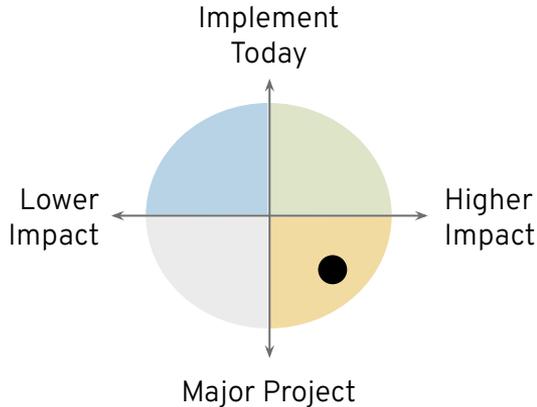


Implementation Timeline: 1-3 years

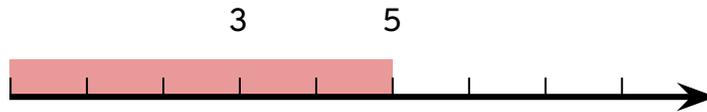


MAINTAIN LIMITS ON SHORT-TERM RENTALS

- Limits on short term rentals should be maintained.
- City should assess appropriate parameters for the short term rental cap periodically as population and housing inventory grow.



Implementation Timeline: 3-5 years



Yachats, Oregon Municipal Code
Title 4 - Business Licenses and Regulations

Chapter 4.08 - Vacation Rental Licenses

Section 4.08.010 Purpose.

Section 4.08.020 Definitions.

Section 4.08.030 Standards.

Section 4.08.040 Inspection, license and annual fee.

Section 4.08.050 Complaints.

Section 4.08.060 Violations—Penalties.

Section 4.08.010 Purpose.

The vacation rental license is in recognition of the desire of many owners to rent their property on a short-term basis and to provide for the orderly use and regulation of such rentals to preserve the health, safety and welfare of the community. This use shall not adversely affect the residential character of the neighborhood. These standards and procedures are in addition to City ordinances and Federal and State laws and regulations. The purpose of an inspection is to ensure the health and welfare of the occupants. (Ord. 347 § 1, 2017; Ord. 328, 2014; Ord. 311, 2012; Ord. 291a, 2010; Ord. 148 § 1, 1992)

Section 4.08.020 Definitions.

"Dwelling unit" means any building or portion thereof which contains separate living facilities, including provisions for sleeping, eating, cooking and sanitation.

"Incident" means an offensive activity or breach of the standards.

"Local contact person" means a person with the authority to take action or make decisions concerning the management of a licensed vacation rental property.

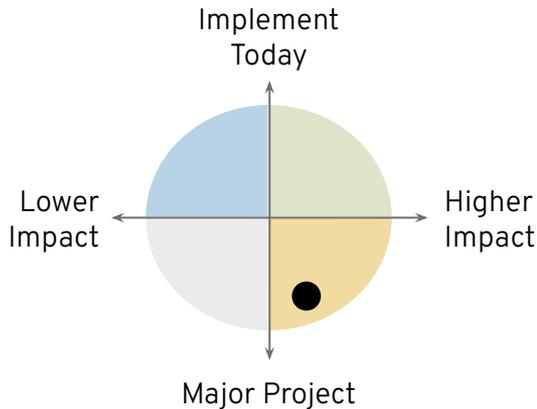
"Overnight" means anytime between the hours of 10:00 p.m. and 7:00 a.m. on the following day.

"Rental occupant" means a person over the age of four (4) years who occupies a rented dwelling unit.

"Sleeping area" means a bedroom or loft within a dwelling unit which meets the requirements of the building code as adopted by the State of Oregon.

REDUCE MINIMUM PARKING REQUIREMENTS

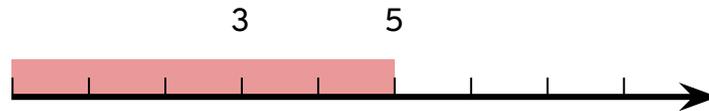
Reduce parking requirements to reduce barriers to development and to be consistent for all types of multiple unit housing.



Housing Type	Current	Recommended
Single Family	2.0	2.0
Duplex or 2-Unit Townhouses	4.0	3.0
Triplex or 3-Unit Townhouses	5.0	5.0
Quadplex or 4-Unit Townhouses	6.0	6.0
Multifamily (5+ Units)	1.5/unit ¹	1.5/unit
ADU	–	None
Cottage Cluster	–	1.5/unit
Affordable Housing Project		0.75/unit

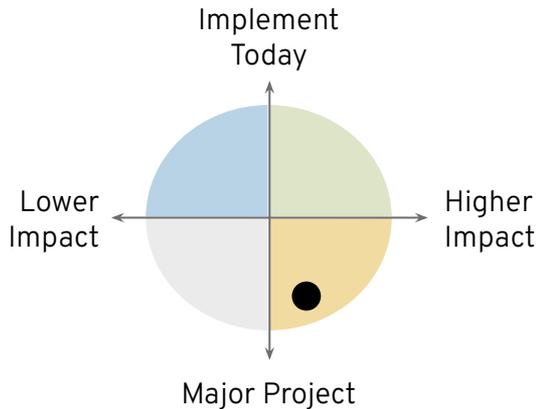
¹Rounded up to the nearest whole number

Implementation Timeline: 3-5 years

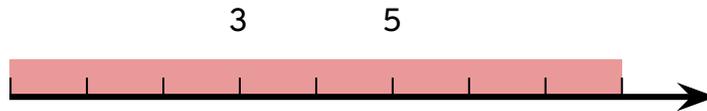


ESTABLISH A MINIMUM DENSITY IN R-3, R-4, AND C ZONES

- Set a minimum density standard in R-3, R-4, and C zones to incentivize development of needed types of housing.
- Encourages efficient use of buildable land.

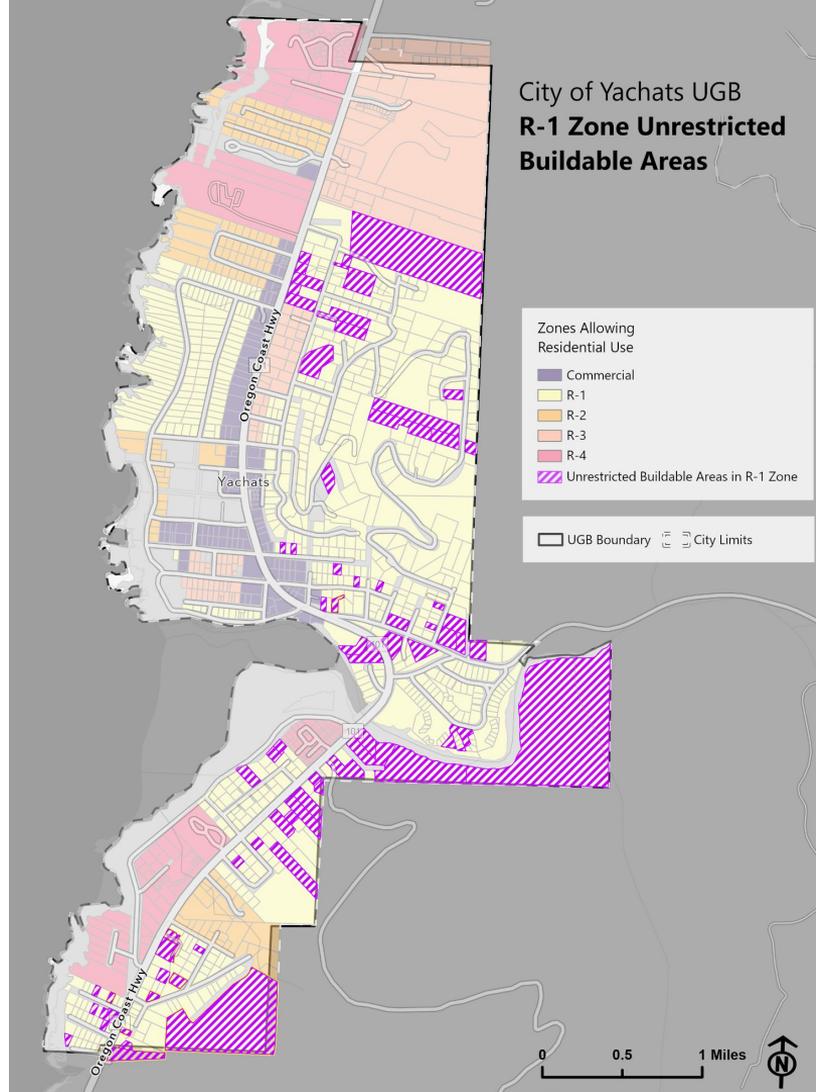
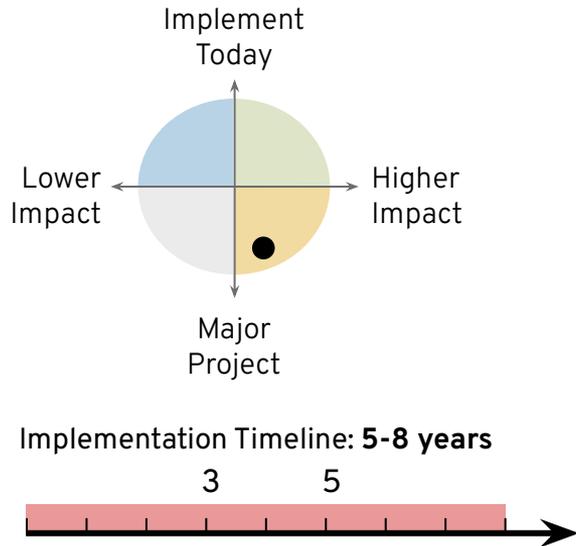


Implementation Timeline: **5-8 years**



REZONE LAND IN THE R-1 ZONE TO HIGHER DENSITY ZONE

Rezone an area of the R-1 zone to one of the city's higher density residential zones that allow townhomes, plexes and multi-family housing, such as R-3 or R-4.



Additional Strategies and Tools

Non-regulatory strategies and tools the City could implement to address housing needs and facilitate housing production that fall into three categories:

1. Financial Incentives
2. Land-Based Strategies
3. Public Projects and Resources

Financial Incentives

New incentives to encourage development of key housing types.

FINANCIAL INCENTIVES

Financial incentives can encourage development of key needed housing types.

- Property taxes and System Development Charges (SDCs) impact the economic feasibility of developing housing.
- The City can use and target fee policies to incentivize development of key housing types that aren't being built today:
 - Affordable housing (income-restricted)
 - Smaller units
 - Multiple-unit developments
- Changes to SDC methodology should result in a revenue neutral outcome.



FINANCIAL INCENTIVES

1 **Calibrate and Reform System Development Charges**

SDCs are a significant upfront cost of housing development. Proper calibration, including scaling and allowing deferrals, can act as a housing development incentive.

2 **Offer a Property Tax Exemption for Key Housing Needs**

Property tax exemptions can stimulate development of needed housing and can be targeted to only be available to projects that would otherwise not be feasible.

3 **Explore the Feasibility of a Vacant Property Tax**

Vacant property taxes, when implemented, allow jurisdictions to incentivize development on vacant lots, activate empty unused structures, and discourage absentee property ownership.

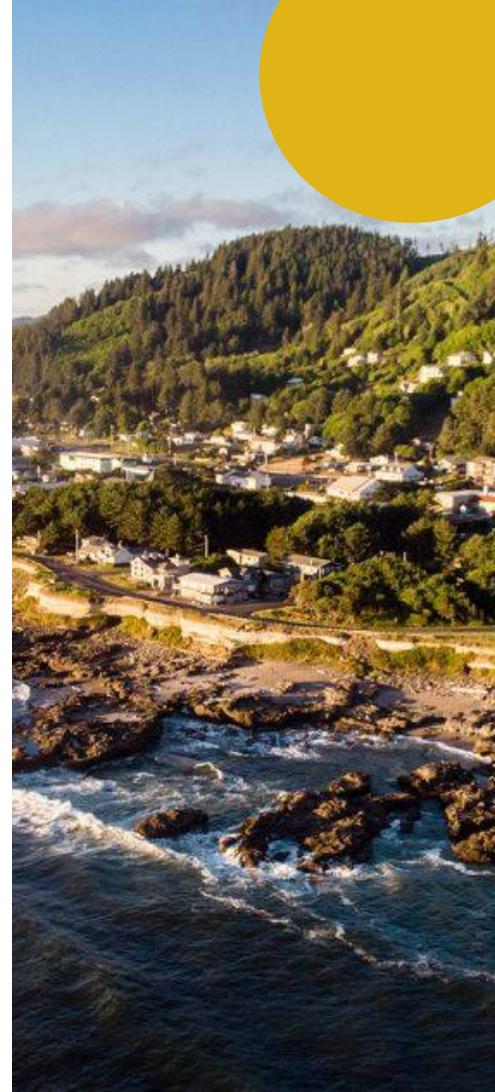
Land-Based Strategies

Strategies that involve acquiring, disposing, or holding land to be used for housing.

LAND-BASED STRATEGIES

Land is a major cost and a barrier to housing development, especially for affordable housing.

- One of the single biggest limitations to developing affordable housing is the high cost of land.
- The City can play a role in helping to identify, acquire, and hold land that can be used to meet key housing needs.
- Lower land costs can be passed onto consumers in the form of lower rents and sales prices.



LAND-BASED STRATEGIES

- 1 Prioritize the use of public land for housing needs**

Acquiring land for housing is one of the most challenging aspects of development. The City can play a key role by offering surplus public land for housing development.
- 2 Assist with local land acquisition and banking**

The City can help to establish a local land bank for affordable housing by helping to convene organizations and agencies that can contribute resources.
- 3 Form partnerships with community land trusts**

Community land trusts are nonprofit, community-based organizations designed to ensure community stewardship of land. They can be used to ensure long-term housing affordability.
- 4 Form partnerships with institutional land owners**

Non-profits and faith-based organizations (FBO) may have surplus land that could be sold or donated to be developed for high priority housing needs, including affordable housing.

Public Projects and Resources

Strategies that involve making public investments to support housing development.

PUBLIC PROJECTS AND RESOURCES

Public investments and partnerships can help support housing development.

- Infrastructure investments and urban renewal projects can support housing development.
- A Construction Excise Tax can provide a dedicated source of revenue for housing programs.



PUBLIC PROJECTS AND RESOURCES

- 1 Target and prioritize infrastructure to support housing**

Where feasible, capital project planning or designs should be modified or prioritized to improve conditions for housing development.
- 2 Target Urban Renewal Investments to support housing**

Urban Renewal funding can be invested in projects and programs that support housing development, including financial incentives, infrastructure improvements, and land acquisition.
- 3 Evaluate the feasibility of implementing a Construction Excise Tax**

A CET provides the option to create a linkage between new development and investment in housing. It can provide a dedicated source of revenue for housing programs.

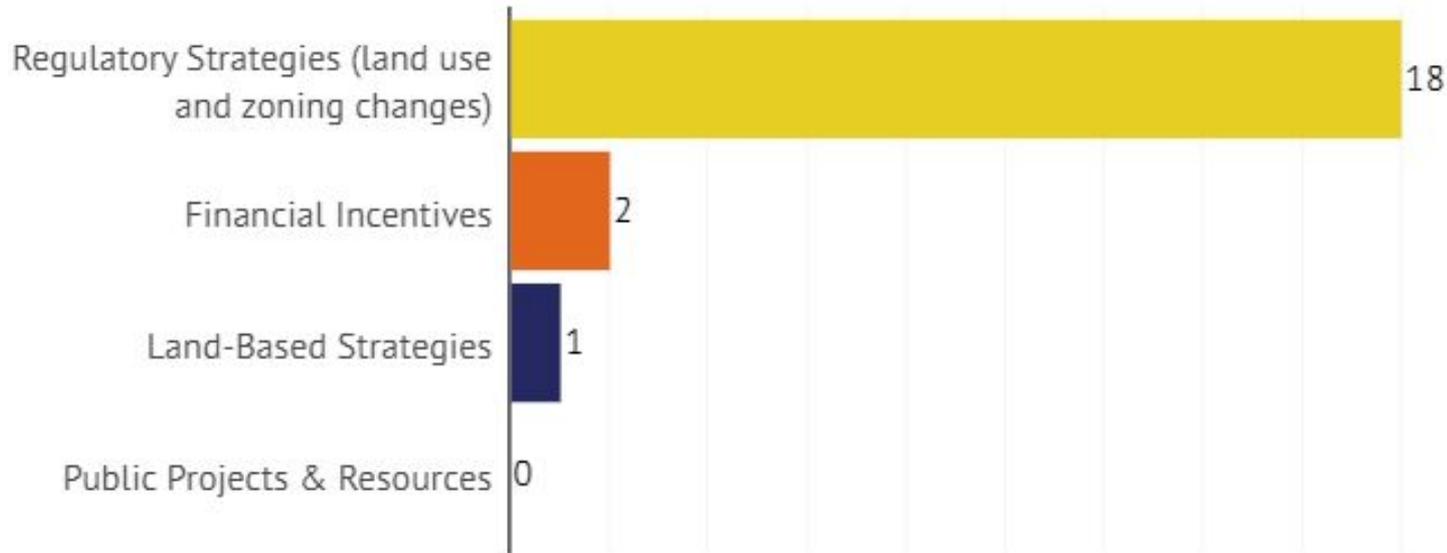
Q&A, Discussion and Community Polling

Group Discussion (15-20 minutes)

- 1. Do you have any general questions about the project or the presentation?**
- 2. Community Meeting Poll Questions and comments**

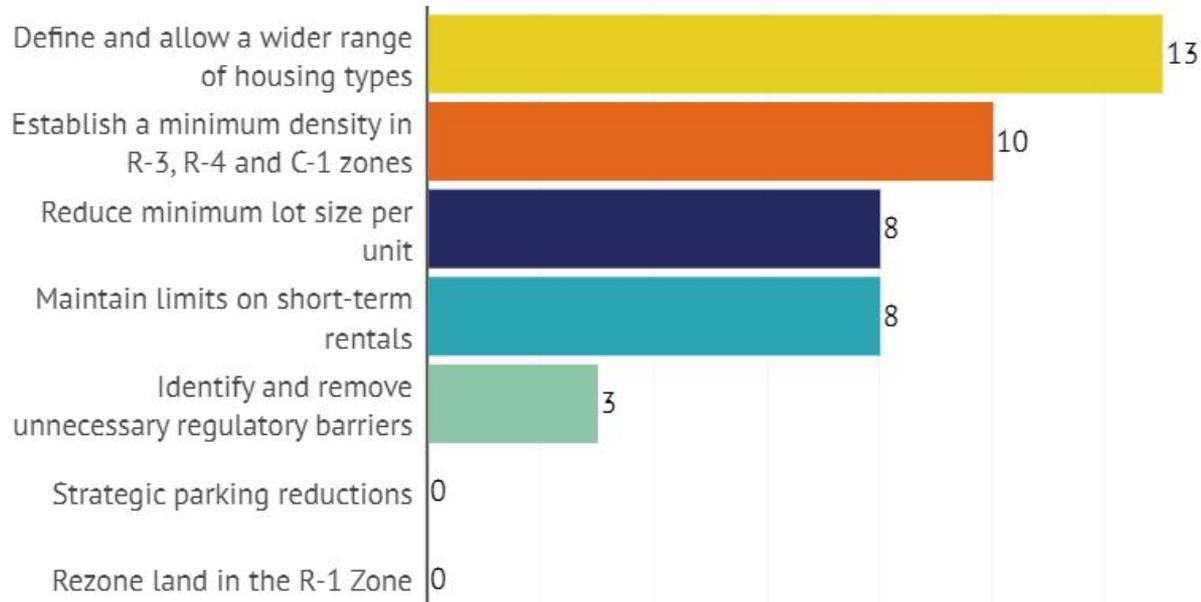
POLL QUESTION 1 - COMMUNITY MEETING 5/12/2023

Priorities: Which set of strategies do you think should be the highest priority for implementation? Choose 1.



POLL QUESTION 2 - COMMUNITY MEETING 5/12/2023

Priorities: Which regulatory strategies do you think should be the highest priority? Choose up to 2.



Next Steps

Incorporating Community Input

Feedback from today's meeting...



Strategy 2.3: Explore the Feasibility of a Vacant Property Tax

Description Explore the feasibility of implementing a vacant property tax in Yachats.

Rationale Vacant property taxes, when implemented, allow jurisdictions to incentivize development on vacant lots, activate empty vacant structures, and discourage absentee property ownership.

Implementation Steps

- Review vacant property tax program structures in other cities such as Oakland, CA and Vancouver, BC.
- Conduct a study to evaluate the legal and administrative feasibility of implementing the vacant property tax.
- Implement any tax programs that are determined to be politically, administratively and fiscally feasible.

Considerations

- Local governments often enact vacancy taxes as a response to rising home prices and the proliferation of seasonal and investment property ownership, with the intent to discourage absentee property ownership and balance market inequality while also generating tax revenue.
- In an example from Oakland, CA a property is deemed "vacant" if it is in use less than fifty (50) days in a calendar year. A vacant property tax can come with several exceptions such as not being applied to nonprofit organizations, vacant land in the middle of construction, or if the owner is considered very low income.
- Although not currently used by any jurisdictions in Oregon, the City could also study and consider implementing a Land Value Tax.

Implementation Timeline 1-3 3-5 5-8 yrs

Implementation Lead City

Partners County

Affordability Targets

- Subsidized
- Affordable
- Single-Family
- Middle Housing
- For Rent

Housing Type Targets

- Workforce
- Market Rate
- Multi-Family
- For Sale

Tenure Targets

Priority Category Low Impact High Impact

Major Project



1: Utilize Excess Public Land for Housing

Prioritize the use of surplus public land for housing needs.

The City, County, or other public agencies may own or may come into ownership of land which is not needed for public facilities or uses. Control over land that can be used for housing can provide opportunities for public-private partnership or other actions. Owning land provides jurisdictions with leverage to encourage development of high priority housing needs.

- Determine if grant funding or consultant support is needed.
- Determine if this action should be packaged or sequenced with others.
- Utilize the Site Suitability Analysis (Appendix F) to begin to evaluate the suitability of publicly owned sites for housing development.
- Bring through a public hearing process for public input.
- Land can be offered as a long-term lease at very minimal cost to developers for land the public owner is not yet ready to surplus.
- Explore the potential to invest in foreclosed properties, or lands with title defects or on which dilapidated structures sit, with the goal of eventually transferring to a new owner for reuse and redevelopment.
- This strategy could include adopting a land disposition policy that states the publicly owned land to meet housing needs.
- For Cities the policy could be adopted jointly in partnership with the County, school district, Port, or other public agencies, to broaden its impact to include other surplus lands.

Implementation Timeline 1-3 3-5 5-8 yrs

Implementation Lead City

Partners County

Affordability Targets

- Subsidized
- Affordable
- Single-Family
- Middle Housing
- For Rent

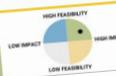
Housing Type Targets

- Workforce
- Market Rate
- Multi-Family
- For Sale

Tenure Targets

Priority Category Low Impact High Impact

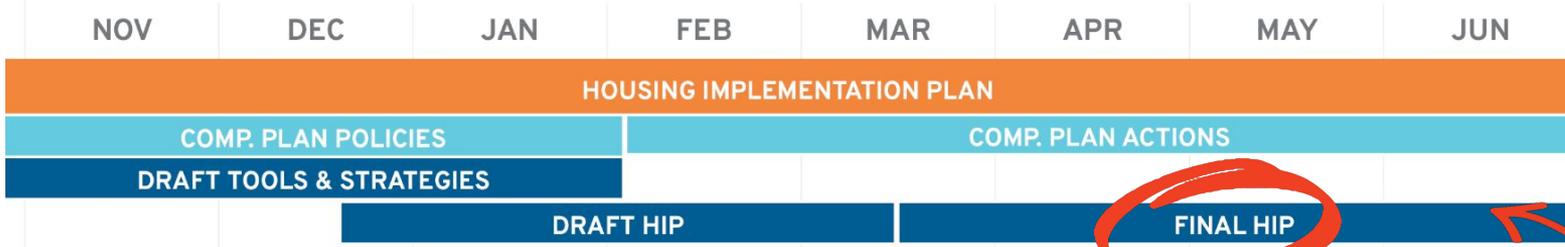
Immediate Focus



Project Timeline

Contact rachel@cascadia-partners.com with questions or comments

2023



We Are Here



Joint Planning Commission and City Council Worksession



Virtual Community Engagement



Joint Planning Commission and City Council Worksession

Next Steps



Planning Commission Meeting

