



# Draft Housing Strategies

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Yachats Housing Implementation Plan

March 2, 2023



01

## **Welcome and Overview**

2:00 – 2:15 pm

02

## **Draft Housing Strategies**

2:15 – 3:05 pm

03

## **Q&A, Discussion, Polling**

3:05 – 3:25 pm

04

## **Next Steps**

3:25 – 3:30 pm

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# Overview

Review of Housing Needs Analysis and Overview of Housing Implementation Strategies

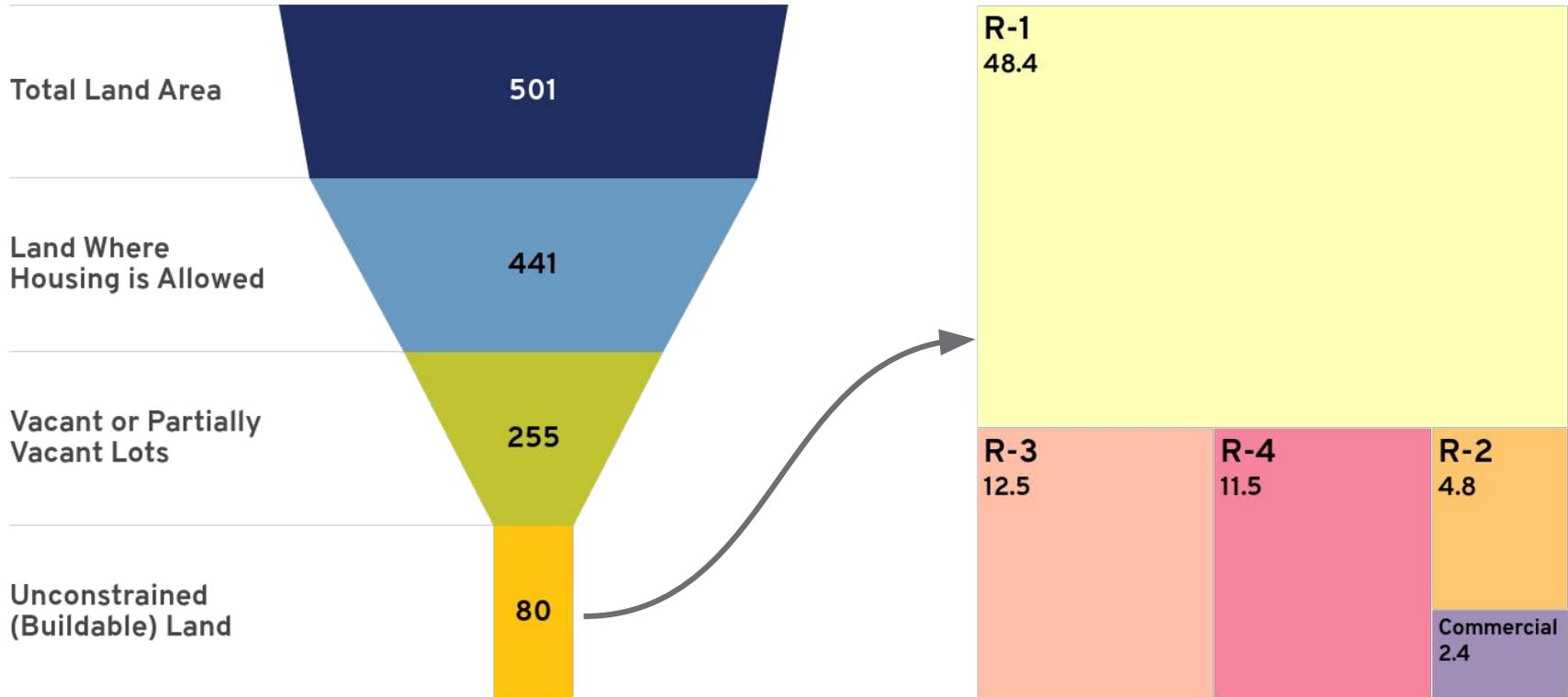
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## Background and Purpose

- The purpose of the **Housing Needs Analysis (HNA)** is to quantify 20-year housing need and help the city to identify actions and solutions to facilitate development of housing that is needed.
- The purpose of the **Housing Implementation Plan (HIP)** is to identify actions the city can take to address housing needs based on the findings of the HNA.
- The purpose of today's meeting is to present and share findings related to tools and strategies being considered for inclusion in the HIP and to get your feedback on them.
- This is the first of 3 work sessions we will be doing with the Council and/or Planning Commission between now and the end of June.

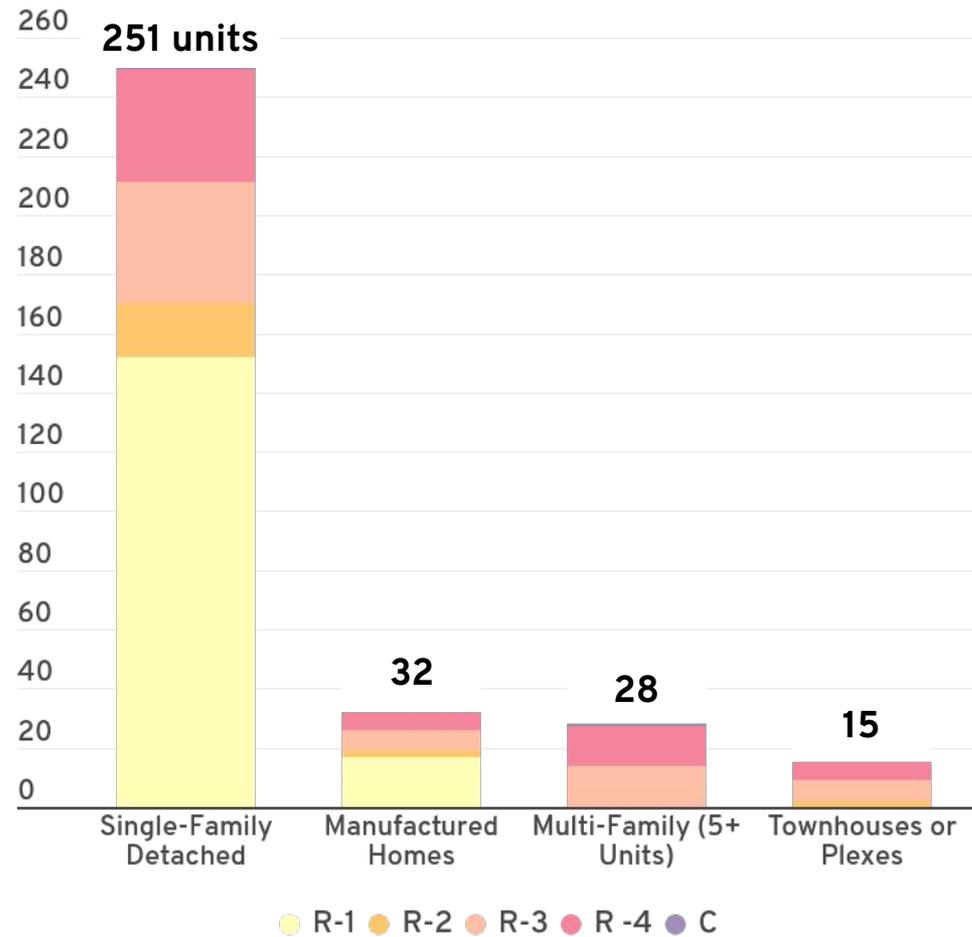


# Summary of Buildable Land Inventory Results (Acres)

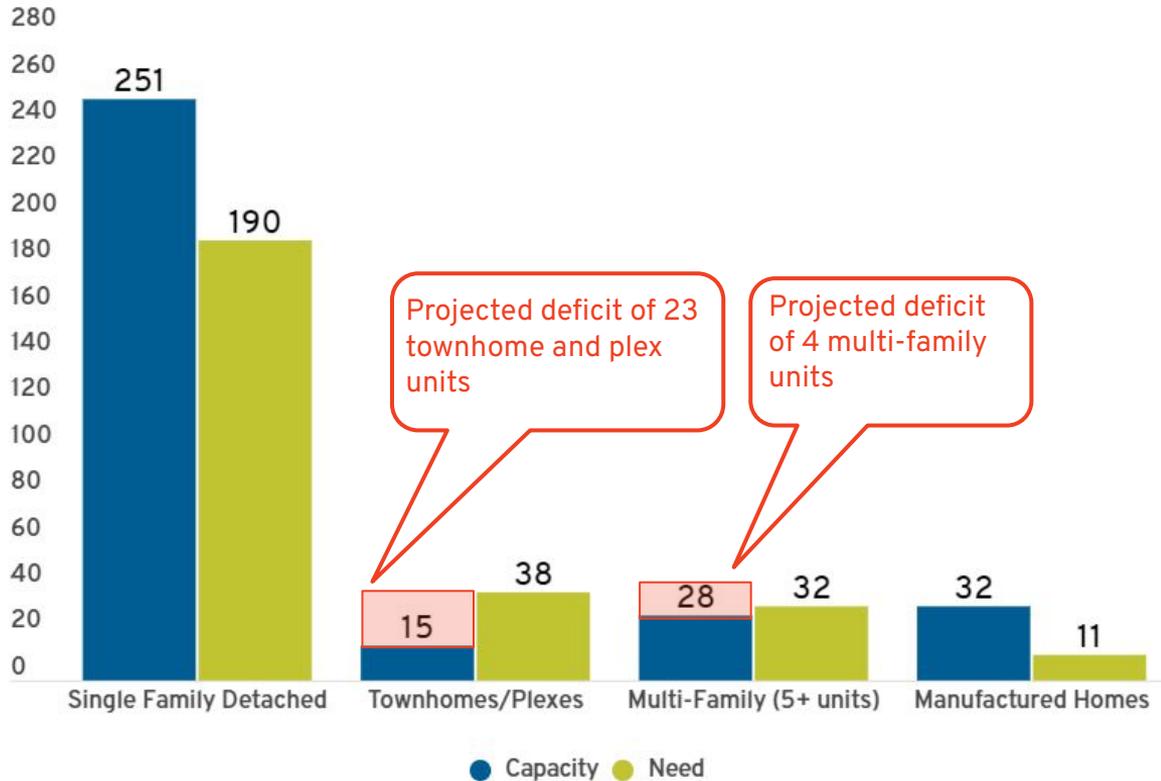




## Housing Capacity by Housing Type and Zone District



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



Evaluating housing capacity by housing type highlights a potential deficit of land for townhomes, plexes and multi-family housing.

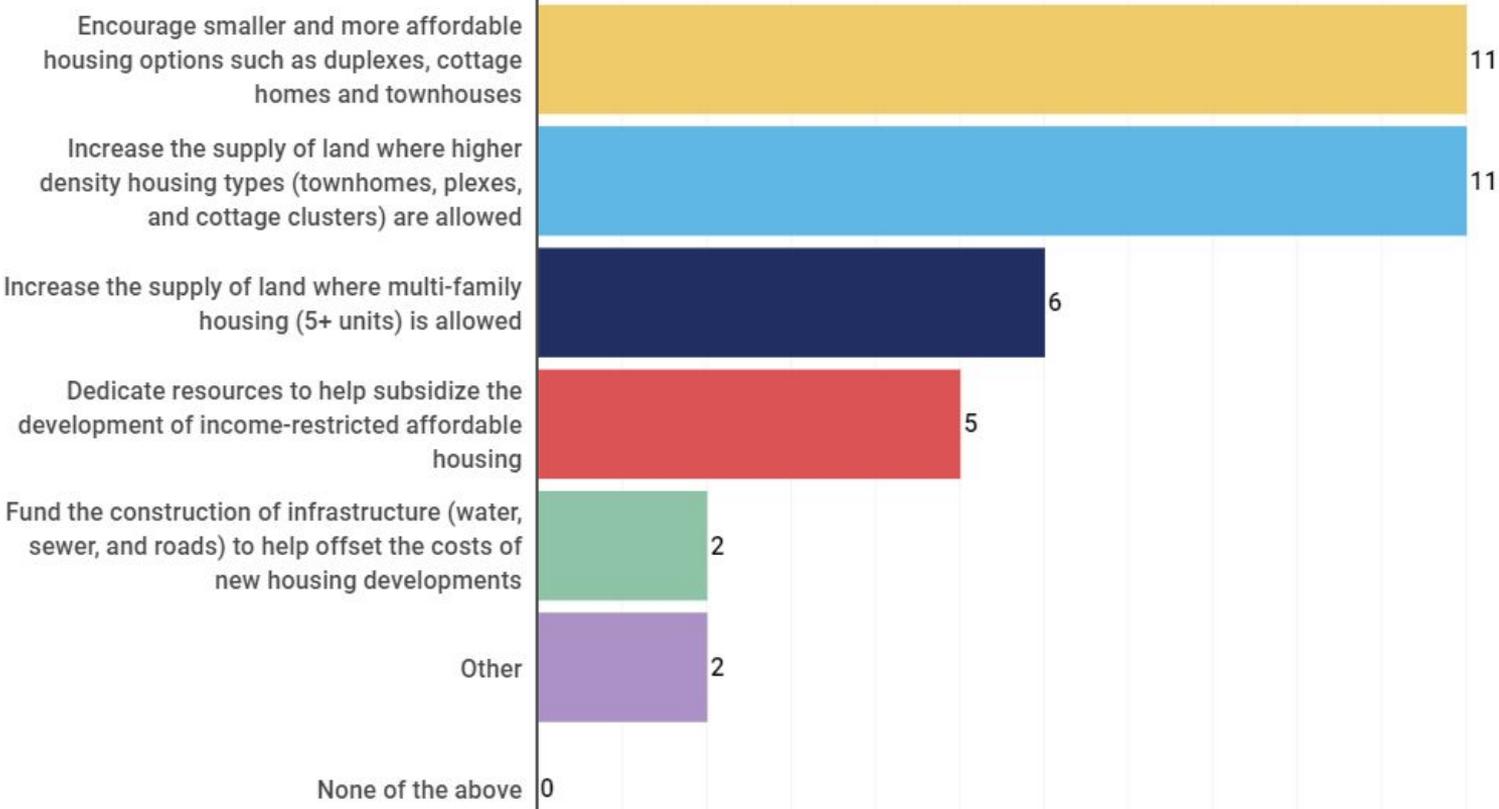
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# Draft Housing Strategies

Review of Draft Strategies Being Considered for Inclusion in the  
Housing Implementation Plan

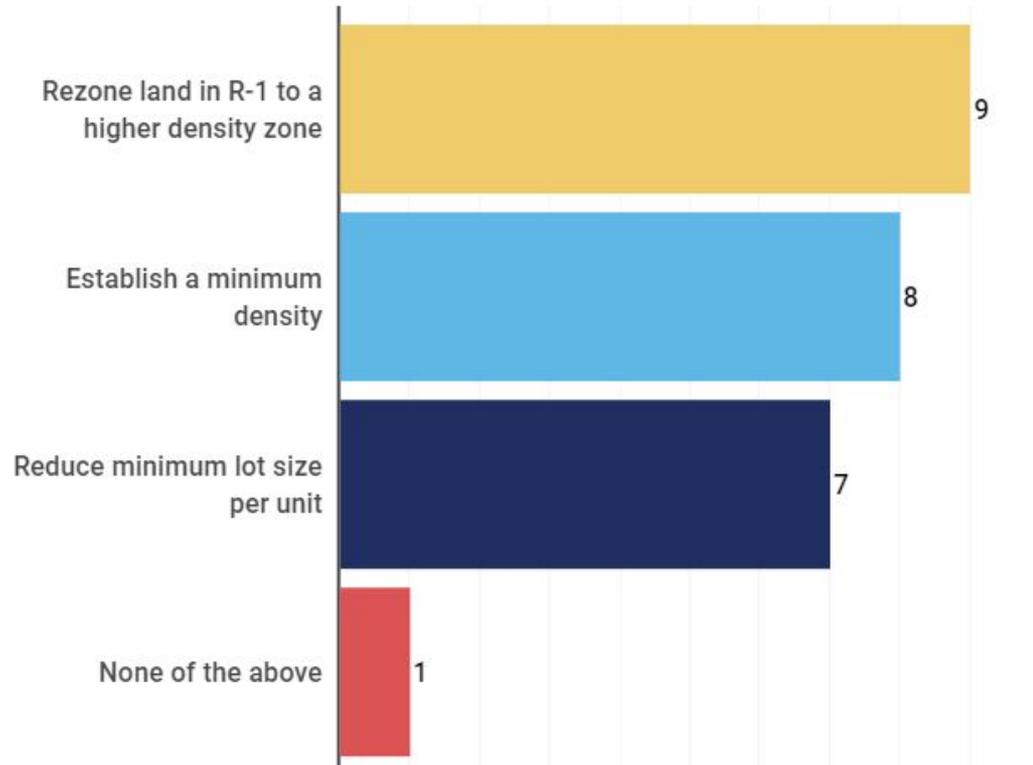
# Polling from Previous Work Session (September 13, 2022)

What are some things the City can do to help meet housing needs? Choose up to 3.



## Polling from Previous Work Session (September 13, 2022)

Of the three potential zoning changes, which do you support? Choose up to 3.



# Overview of Recommended Regulatory Strategies

The following 7 regulatory strategies are recommended for consideration in the HIP. The strategies are targeted to the key housing needs that are not being fulfilled by recent development.

## Townhomes, Plexes and Multi-Family Housing

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

## All Housing

- 4 **Define and allow a wider range of housing types**
- 5 **Identify and remove unnecessary regulatory barriers**
- 6 **Reduce parking requirements (for certain housing types)**

## Manufactured Housing

- 7 **Bring code into compliance with state requirements for manufactured housing and parks**

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# Recommended Zoning Changes

Zoning changes recommended to address lack of supply for multifamily housing, townhouses, and plexes.

1. Rezone Land in the R-1 Zone to a Higher Density Zone
2. Establish a Minimum Density in the R-3, R-4, and C Zones
3. Reduce Minimum Lot Size Standards for Multi-Unit Housing

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

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## Background

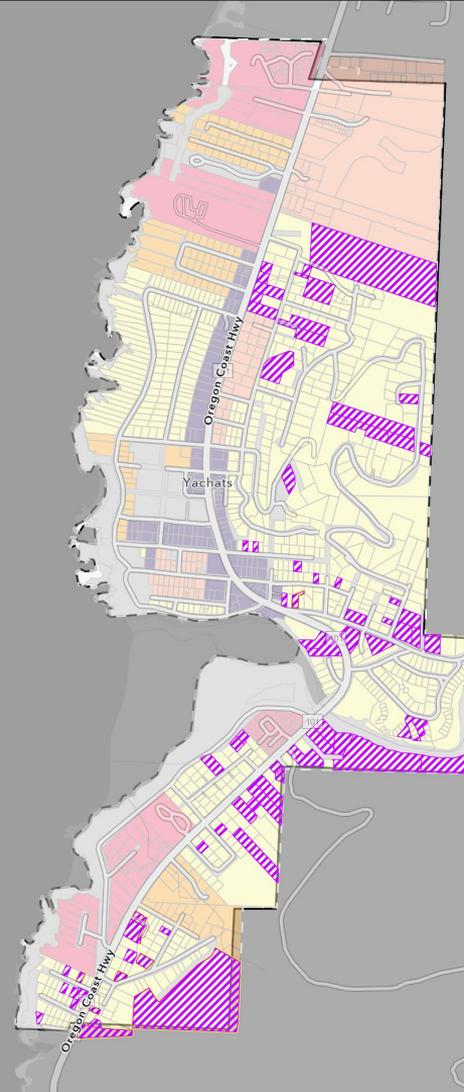
The majority of the city's residential land supply (over 60 percent) is located in the R-1 zone. The Residential Land Needs Analysis (RLNA) indicates an estimated surplus of single family housing capacity and a potential deficit of land for townhomes, plexes and multi-family housing. Strategically rezoning areas of the R-1 zone to one of the city's higher density residential zones is a way to facilitate additional capacity for development of townhomes, plexes and multi-family housing.

## Strategy

**Rezoning 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.**

## Benefits and Effectiveness

Increasing the supply of land where higher density housing types are allowed removes a major barrier to developing these types of housing.



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

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## Background

4 out of 5 homes built in Yachats since 2000 have been single family detached, and all of the housing built in the R-4 zone since 2000 has been single family detached housing. Establishing a minimum density standard in higher density zones would preserve buildable land in these zones for needed townhomes, plexes and multi-family housing.

## Strategy

**Set a minimum density standard in R-3, R-4, and C zones.** This would incentivize development of needed types of housing to be built in addition to single family homes in these areas, while still allowing for development of higher density single family housing (on smaller lots).

Accessory dwelling units are not typically included in density calculations but could be included to meet minimum density requirements.



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

## Background

Less than 10% of the overall supply of housing built in Yachats since 2000 has been townhouse, plex, or multi-family housing, but one quarter of needed housing over the next 20 years consists of these housing types. Minimum lot sizes currently required to develop multiple-unit housing in Yachats often make these projects infeasible to build on existing lots.

## Strategy

**Reduce minimum lot size standards in all zones and set minimum lot size standards in accordance with existing lot sizes.**

## Benefits and Effectiveness

Reducing minimum lot size standards and setting them in accordance with existing lot sizes would allow land to be used more efficiently and would increase the capacity for townhomes, plexes and multi-family housing in the areas where this strategy is applied.

## 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

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# Additional 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.

1. Define and Allow a Wider Range of Housing Types
2. Identify and Remove Unnecessary Regulatory Barriers
3. Reduce Minimum Parking Requirements
4. Bring Code into Compliance with Requirements for Manufactured Housing

# DEFINE AND ALLOW A WIDER RANGE OF HOUSING TYPES

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## Background

Nearly every residential zone in Yachats excludes some housing types which may otherwise be appropriate and compatible in the district. Unnecessary restrictions on housing types can worsen housing shortages and affordability challenges. Increasing the supply of land where higher density housing types are allowed removes a major barrier to developing lower cost housing.

## Strategy

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



# Housing Types

	R-1 Single Family Residential	R-2 Single Family & Duplex	R-3 Single Family, Duplex, & Multi-Family	R-4 Single Family, Duplex, Multi-Family & Motel	
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

# IDENTIFY AND REMOVE UNNECESSARY REGULATORY BARRIERS

## Background

Many communities set their maximum lot size, lot coverage, building height, setback, landscaping and open space regulations more or less arbitrarily and require discretionary review for certain housing types. This can create regulatory barriers.

## Strategy

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

**R5 ZONE** 12-UNIT MULTIPLEX

**Due to the minimum lot size requirement, 66% of the lot is underutilized.**

This land area is worth about \$172,000.

A developer may choose to increase the size of units (and use more of the lot), but that will only result in more expensive homes.



# Parking Regulations - Reduce Parking Requirements

## Strategy

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

Housing Type	Current Requirement	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 <sup>1</sup>	1.5/unit
ADU	–	None
Cottage Cluster	–	1.5/unit
Affordable Housing Project		0.75/unit

<sup>1</sup>Rounded up to the nearest whole number

# BRING CODE INTO COMPLIANCE WITH STATE REQUIREMENTS FOR MANUFACTURED HOUSING

Many of the city's current standards for manufactured housing are out of compliance with state statute (ORS 197.314)

- ~~The manufactured home shall be multi-sectional and enclose a space of not less than one thousand (1,000) square feet. A manufactured home shall not be considered multi-sectional (double-wide or larger) by virtue of having a tip-out section.~~
- ~~The manufactured home shall be placed on an excavated and backfilled foundation, enclosed at the perimeter with a skirting of concrete, concrete block, or masonry. Where the building site has a sloped grade, no more than twelve (12) inches of the enclosing material shall be exposed on the uphill side of the home. If the manufactured home is placed on a basement or a garage, the twelve (12) inch limitation will not apply.~~
- The manufactured home shall be certified by the manufacturer to have an exterior thermal envelope meeting performance standards which reduce levels equivalent to the performance standards required by single-family dwellings constructed under the state building code as defined in ORS 455.010.
- ~~The manufactured home shall bear an insignia, issued not earlier than three (3) years prior to the date of application for a placement permit, showing compliance with Department of Housing and Urban Development standards.~~
- ~~If the manufactured home has a garage or carport, it shall be constructed of like materials.~~
- Manufactured homes shall be subject to all of the restrictions in the residential zone where situated related to signs, lot sizes, yards, height of buildings, lot coverage and other applicable restrictions under the City's zoning and other ordinances.
- ~~The manufactured home shall have a pitched roof not less than a nominal three (3) feet in height for each twelve (12) feet in width.~~



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# Additional Strategies and Tools

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

1. Financial Incentives
2. Land-Based Strategies
3. Investments and Funding

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# Financial Incentives

1. Calibrate and Reform System Development Charges
2. Offer a Property Tax Exemption for Key Housing Needs
3. Consider a Vacant Housing Tax

# CALIBRATE AND REFORM SYSTEM DEVELOPMENT CHARGES

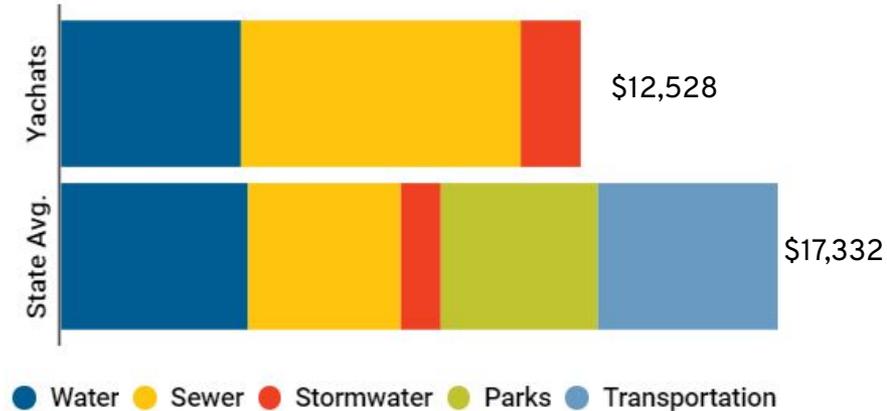
## Background

The impact of system development charges (SDCs) on development costs can be lessened by providing reductions, waivers, and financing options. Fees can be scaled by the square footage of the unit or the number of bedrooms. Scaled fees can incentivize development of smaller units, which are usually more affordable than larger units.

## Strategy

Conduct an SDC rate study to evaluate potential changes to the methodology. Refer to OHCS Oregon SDC Study (2022) as a reference.

Typical SDCs for Single Family Dwelling



# OFFER A PROPERTY TAX EXEMPTION FOR KEY HOUSING NEEDS

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## Background

Property tax exemptions can be structured to incentivize development of specific needed housing types in specific locations, such as affordable housing, conversions of existing structures, and homes targeting first-time homebuyers. Cities can control which projects are eligible and cap the total amount of tax abatement annually.

## Strategy

**Consider creating a property tax exemption for housing projects that provide certain benefits and may otherwise not be economically feasible, such as income restricted and workforce housing.**



Examples of cities that offer property tax exemptions for affordable or market rate housing:

- Beaverton
- Bend
- Eugene
- Florence
- Gresham
- Hillsboro
- Milwaukie
- Newport
- Portland
- Redmond
- Salem

# VACANT PROPERTY TAX

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## Background

Vacant property taxes, when implemented, allow jurisdictions to incentivize development on vacant lots and activate empty unused structures. 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. Additionally, this type of tax comes with several exceptions such as not being applied to nonprofit organizations, vacant land in the midst of construction, or if the owner is considered very low-income.

## Strategy

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



Examples of cities that have implemented a vacant property tax:

- Oakland, CA
- Vancouver, BC

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# Land-Based Strategies

1. Utilize Excess Public Land for Housing
2. Assist with Land Acquisition and Banking
3. Form Partnerships with Land Trusts
4. Form Partnerships with Institutional Land Owners

# UTILIZE EXCESS PUBLIC LAND FOR HOUSING

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## Background

By prioritizing the use of surplus land to meet housing needs, public entities can directly support a reduction of development costs in the form of land and/or low cost lease.

## Strategy

**Adopt a land disposition policy that states the City will prioritize selling or dedicating any surplus publicly-owned land to meet housing needs. The policy could specifically prioritize surplus land to be used to meet high priority housing needs and/or state that the City will offer the right of first refusal to a land bank, land trust, or non-profit affordable housing developer. The policy could be adopted jointly in partnership with the County, school district, or other public agencies, in order to broaden its impact to include other surplus lands.**



# ASSIST WITH LAND ACQUISITION AND BANKING

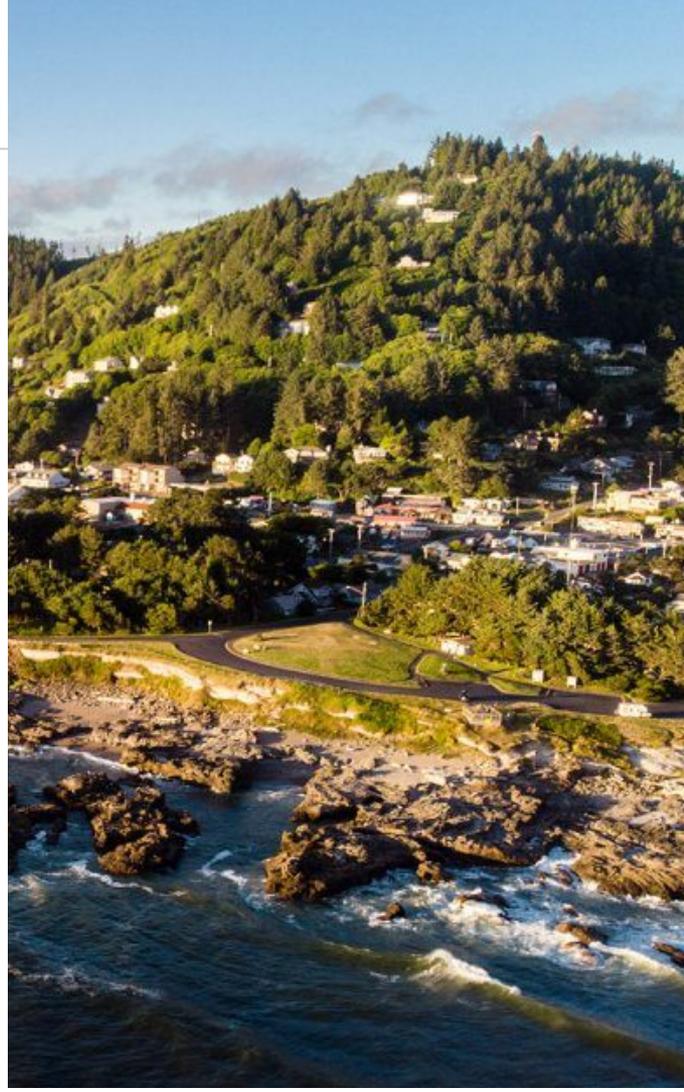
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## Background

Land banks are public authorities or non-profit organizations created to acquire, hold, manage, and sometimes redevelop property in order to return properties to productive use and/or meet community goals, such as increasing supply of affordable housing or stabilizing property values. Land banking can greatly lower project development costs and is a powerful building block that can be paired strategically with other tools to make priority projects pencil. Jurisdictions may manage their own land banks or partner with non-profits to do so. Jurisdictions may also donate, sell, or lease publicly owned land for development even without a formal land bank organization.

## Strategy

**Explore opportunities for partnering with non-profits(s) to establish a local land bank .**



# FORM PARTNERSHIPS WITH LAND TRUSTS

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## Background

Community land trusts are nonprofit, community-based organizations designed to ensure community stewardship of land. They can be used for many types of development (including commercial and retail) but are primarily used to ensure long-term housing affordability. By separating the ownership of land from housing, this approach prevents market factors from causing prices to rise significantly, and hence guarantees that housing will remain affordable for future generations.

## Strategy

Support a land trust by helping to convene local housing organizations, charities, foundations, or other stakeholders that may be interested in founding a local land trust or expanding an existing land trust to Yachats. The City can additionally support a land trust by creating an inventory of suitable sites for housing development. A separate inventory may also be created for older, distressed properties that may be targeted for acquisition by a non-profit affordable housing operator.



# FORM PARTNERSHIPS WITH INSTITUTIONAL LAND OWNERS

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## Background

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. These organizations may also be eligible for specialized funding sources and fundraising mechanisms to build housing that could target homeless and very low-income populations.

## Strategy

**Engage with local FBOs to understand long-term plans for their sites and encourage partnerships to explore housing development opportunities.**



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# Investments and Funding

1. Target Infrastructure Improvements to Support Housing
2. Target Urban Renewal Investments to Support Housing
3. Establish a Construction Excise Tax (CET)

# TARGET INFRASTRUCTURE IMPROVEMENTS TO SUPPORT HOUSING

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## Background

Strategic infrastructure improvements can reduce costs of housing development and enable development on sites that would otherwise not be viable.



## Strategy

Whenever planning for capital improvements, consider how the improvements will affect housing development opportunities in the area and, where feasible, modify project designs or prioritization to better improve conditions for housing development.



# TARGET URBAN RENEWAL INVESTMENTS TO SUPPORT HOUSING

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## Background

Urban Renewal (UR) funds can be invested in projects and programs that support housing development, including financial incentives, infrastructure improvements, land acquisition.



## Strategy

The City of Yachats Urban Renewal Plan includes a general project for development and redevelopment, which includes below market interest rate loans, financial incentives, write down of land acquisition costs and assistance in providing utilities and infrastructure. The City should explore allocating funds to targeted housing development and redevelopment projects and/or offsetting the costs of housing development incentives with UR funds.

# ESTABLISH A CONSTRUCTION EXCISE TAX (CET)

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## Background

Oregon cities have the option to adopt a construction excise tax levied on the value of residential, commercial, and industrial improvements. A local jurisdiction can levy a CET of up to 1 percent of the permit value on residential construction. There is no cap to the tax rate for commercial and industrial construction. Funds from CET are tied to required allocations under state statute, primarily benefiting housing development incentives.

## Strategy

**Explore the feasibility of implementing a CET in Yachats.**

Examples of jurisdictions that have adopted CETs to fund affordable housing programs

- Portland (1%)
- Milwaukie (1%)
- Bend (0.3%)
- Eugene (0.33-0.50%)
- Hood River (1%)
- Hood River County (1%)
- Tillamook County (1%)
- Cannon Beach (1%)
- Newport (1%)
- Corvallis (1-1.5%)
- Medford (.033%)

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# Discussion, Q&A, Polling

## POLL QUESTION

Which set of strategies would you like to focus a future worksession on? Choose 1.

1. Regulatory Strategies
2. Financial Incentives
3. Land-Based Strategies
4. Investments and Funding Tools

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## Next Steps

# Next Steps

Contact [rachel@cascadia-partners.com](mailto:rachel@cascadia-partners.com) with questions or comments

