

# Housing Implementation Plan

May 2023 **FINAL DRAFT**



City of Yachats



# ACKNOWLEDGMENTS

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## **Table of Contents**

1. Executive Summary.....	4
2. Yachats' Housing Needs .....	6
3. Community Engagement .....	10
4. Strategies to Meet Future Housing Needs.....	12
5. Regulatory Strategies.....	15
6. Financial Incentives .....	23
7. Land Based Strategies .....	26
8. Public Projects & Resources.....	30
9. Overview of Strategies and Actions .....	33

Appendix A: Areas for Potential Upzoning

Appendix B: Model Code for Cottage Clusters and ADUs

Appendix C: Recommended Comprehensive Plan Amendments

# Executive Summary

This document serves as the Housing Implementation Plan (HIP) for the City of Yachats. The HIP was developed in partnership with the community and local stakeholders in 2022-2023. The purpose of the HIP is to provide a framework for city staff, planning commissioners, elected officials and other regional partners to advance solutions to housing challenges in the city. The HIP lays out a set of strategies and actions that will be implemented over the next six-eight years (2023-2030).

The document concludes with a **Strategies and Actions Summary Table** that lists all the strategies and actions included in the HIP along with their level of priority and affordability, housing type, and tenure targets. The remainder of the HIP is organized in three sections:

- **Section 1: Yachats' Housing Needs** provides a summary of Yachats's current and future housing needs and of factors affecting housing production.
- **Section 2: Engagement** includes a summary of stakeholder and community input that was used to develop the strategies and actions included in the HIP as well as some recommendations for future engagement.
- **Section 3: Strategies to Meet Future Housing Needs** contains a list of seventeen (17) specific actions it is recommended that the City undertake to fulfill its commitment to meeting its housing needs.

## Housing Needs

The Housing Needs Analysis report created in 2022 informed selection of the strategies and actions included in the HIP.

### Current Housing Needs

- Yachats needs an increased share of plexes, townhomes, apartments, and accessory dwellings in addition to single-family housing.

- Housing costs are high relative to income levels in Yachats.
- The majority of housing in Yachats is not occupied by full-time residents.

### Future Housing Needs

- Yachats is expected to add around 209 new residents over the next 20 years. To accommodate these new residents, the city will require the addition of 271 new dwelling units:
  - 70% single-family (190 units)
  - 14% townhomes/plexes (38 units)
  - 12% multi-family (32 units)
  - 4% manufactured housing (11 units)
- Demographic changes are driving a shift in housing demand and needs. About one quarter of the future housing need will be a mix of plexes (2-4 units), townhomes and apartments.
- New single-family detached houses will remain an important need, but with more variety demanded in the form of small-lot single-family and cottage units.
- New housing is needed for all income levels in order to create a healthy, well-functioning housing market.

### Factors Affecting Housing Production

- There is enough buildable land zoned for housing overall, but that does not mean that land is available and practical to develop.
- There is a tighter supply of land for high density housing, such as apartments and townhomes, than low or medium density housing.
- Market factors outside the City's control—such as job and population growth, construction costs, the developer pool, availability of financing, and market pressures related to seasonal housing and short-term rentals—will continue to impact how much and what type of housing is produced.

## Engagement

Input from housing stakeholders, the Project Management Team, and public shaped the HIP. The general themes of this input included:

- There is broad support for encouraging smaller and more affordable housing options such as duplexes, cottage homes and townhomes.
- There is broad support for increasing the supply of land where higher density housing types (townhomes, plexes and cottage clusters) are allowed.
- There is broad support for more flexible zoning requirements and allowance for a wider range of housing types.
- There is support for financial incentives such as tax abatements or fee waivers or reductions to help facilitate housing development.
- There is a widely supported desire for more action to support low-income households and local workers, particularly those experiencing homelessness or in otherwise unstable housing situations.
- Many community members have concerns about the impacts of short-term rentals and seasonal housing on the availability and affordability of housing.

## Strategies and Actions

The strategies and actions included in this document were initially identified by the project consulting team based on experience with similar policies in similar jurisdictions, an audit of the City's existing zoning and land use code and housing policies, best practices research, and a list of potential strategies published by Department of Land Conservation and Development (DLCD).

Working collaboratively with staff and based on input from stakeholders and the community, the consulting team refined the strategies and actions to best fit Yachats's housing needs and the City's capacity for implementation over time.

The actions in this document fall into four strategic categories:

- (1) Land Use and Zoning Changes
- (2) Financial Incentives
- (3) Land-Based Strategies
- (4) Public Projects and Partnerships

Recommended land use and zoning changes have been detailed for each zone. Within the other three categories there is a one-page summary devoted to each action, which includes a description of the action, steps to implement it, implementation considerations, an implementation timeline, prioritization of the action, an implementation lead, and potential partners.

Once the plan is adopted, it is assumed that these actions will continue to impact the production of needed housing over time. A full list of the actions and targets can be viewed in the table found on page 2.

## Appendices

- **Appendix A** areas for potential upzoning.
- **Appendix B** model code for Cottage Clusters, ADUs and Tiny Homes on Wheels.
- **Appendix C** recommended amendments to Comprehensive Plan Policies
- **Appendix D** project management team correspondence and Cascadia Partners responses from February 2023.

## 2. Yachats' Housing Needs

Yachats completed a Housing Needs Analysis (HNA) in 2022. The HNA provides a basis for the City to anticipate future land and housing needs and to develop strategies to meet those needs using data and projections related to buildable lands, population growth, and employment trends. Key information about Yachats' current and future housing needs is summarized in this section.

### Current Housing Needs

**Yachats needs an increased share of plexes, townhomes, and apartments in addition to single-family housing.**

Most current residents in Yachats live in detached, single-family houses or manufactured homes (Figure 3). While existing homeowners are less likely to be cost-burdened than renters, there are few options on the market for first-time homebuyers and local workers.

In addition, residents are older and household sizes in Yachats are smaller than state and county averages. With 81 percent of the housing stock consisting of single-family homes the city lacks housing options, particularly smaller units and long-term rentals.

**Housing costs are high relative to income levels.**

Median home values in Yachats are increasing rapidly and are higher than state and county averages (Figure 2). Current rents and sales prices are out of reach for many lower income households in Yachats, where the median family income is \$55,800. Moreover, more than 1 in 4 renter households in Yachats is severely cost burdened, spending more than half of their income on rent.

As home values in Yachats and surrounding areas continue to increase, housing will remain out of reach for many residents unless the supply of housing targeting gaps in the market is increased.

Figure 1. Existing Housing Occupancy, Yachats, 2020



Source: U.S. Census ACS 5-Year 2016-2020 (Table B25032)

**The majority of housing in Yachats is not occupied by full-time residents.**

In 2020, there were 783 housing units in the City of Yachats. Of these, roughly 42 percent were classified as occupied and 58 percent were classified as seasonal, vacant or for-sale and not occupied by full-time residents (Figure 1). Given that the city's existing housing stock is largely not affordable to local renters and workers, competing pressures of seasonal housing and short-term rentals are a concern for many residents. Over 9 in 10 jobs in Yachats are filled by workers living outside of the city. The inability of local workers to find housing that is affordable in Yachats is an economic development and housing challenge.

Figure 2. Lincoln County Home Values, 2022

	HOME VALUE	% CHANGE 2020 - 2022
YACHATS	\$492,000	21%
WALDPORT	\$444,000	22%
NEWPORT	\$458,000	18%
LINCOLN CITY	\$474,000	22%
FLORENCE	\$399,000	18%
LINC. COUNTY	\$460,000	20%
OREGON	\$487,000	14%

Source: Zillow Home Value Price Index, 2020-2022

## Future Housing Needs

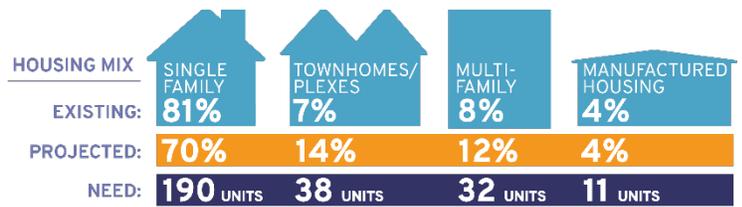
**Yachats will continue to grow at a steady rate and a significant amount of new housing is needed to accommodate that growth.**

Yachats is expected to add around 209 new residents over the next 20 years. To accommodate these new residents, the city will require the addition of 271 new dwelling units:

- 70% single-family (190 units)
- 14% townhomes/plexes (38 units)
- 12% multi-family (32 units)
- 4% manufactured housing (11 units)

Of these new dwellings, roughly 55 percent of the need is for owner-occupied housing and the remainder is for rental housing. Based on direction received from the Yachats City Council and Planning Commission, the housing needs projection includes an increased share of townhomes, plexes and multi-family units in the city over the next 20 years to meet these needs. This projection assumes that the current average household size and vacancy rate of 58 percent remain constant (Figure 4).

Figure 3. Current and Projected Housing Mix and Need, Yachats, 2022-2042



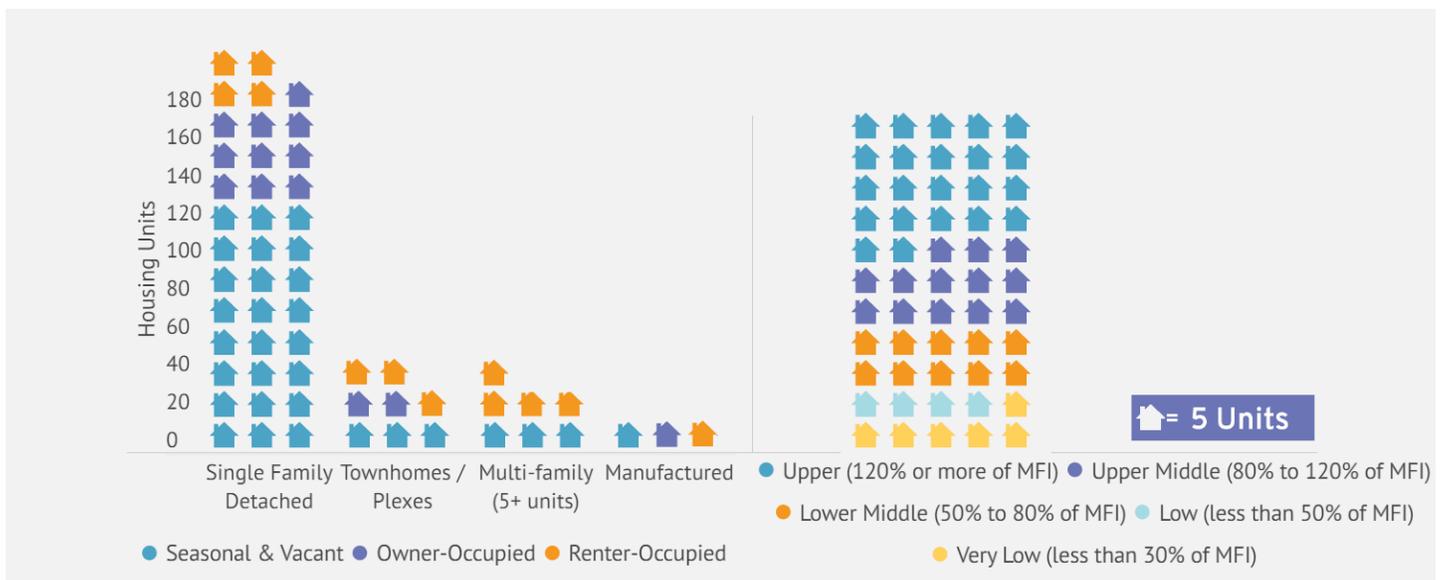
Source: Yachats Housing Needs Analysis, 2022

### Demographic changes are driving a shift in housing needs.

The City’s current housing is predominantly single-family detached houses. However, young households are starting families later and renting for longer than previous generations. Older households are downsizing from single-family homes.

Due to these demographic and generational changes, only 70 percent of the future housing stock will consist of single-family detached houses. About 26 percent of the future housing stock will be a mix of plexes, townhomes and apartments, and 4 percent will consist of manufactured housing and other housing types (Figure 3).

Figure 4. Yachats 20-Year Housing Forecast: Units Needed by Type, Tenure and Income Level



Source: Yachats Housing Needs Analysis, 2022

**The City will need to shift the types of housing produced to respond to evolving needs.**

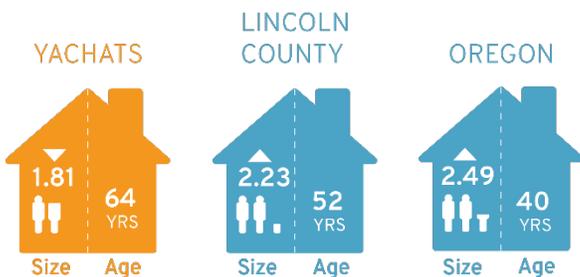
If the City’s historical average housing production rate of about 14 units per year continues, then it will likely satisfy the overall forecasted housing need for about 209 units over the next 20 years.

However, multi-family units, townhomes and plexes need to account for around one quarter of the net new housing production over the next 20 years, yet these housing types have only made up 14 percent of housing production in Yachats since 2000.

**New single-family detached houses will remain an important need, but with more variety demanded.**

It is important to note that this shift does not diminish the need to continue to produce single-family detached houses. The city will need to continue to produce a significant number of single-family detached houses (about 10 per year), which is roughly equivalent to the amount that has been produced historically. With an increasing number of singles living alone and seniors looking to “age in place,” though, there may be a desire for more variety in the form of small-lot single-family and cottage units that typically have lower purchase prices than traditional single-family dwellings.

Figure 5. Median Age and Household Size



Source: Yachats Housing Needs Analysis, 2022

**New housing is needed for all income levels in order to create a healthy, well-functioning housing market.**

Slightly under 40 percent of the net new housing need is for affordable housing (housing affordable to people earning 80% of the median household income and below), and around 63 percent new housing need is for workforce and market-rate units. Due to the costs of development, new, privately developed housing units are unlikely to be affordable to lower-income households.

While market forces drive market-rate housing production, subsidies and other targeted incentives are often required to close funding gaps and spur the development of affordable housing.

Still, if higher income households occupy newer units, this opens up older, less expensive units for middle to lower income households. For this reason, it is important for the City to facilitate development of new housing that is affordable to lower, middle-, and upper-income households and to continue limiting the overall share of housing that is available as short-term rentals.

**Factors Affecting Housing Production**

In addition to being informed by current and future housing needs, the strategies and actions of the HIP are informed by an understanding of some of the key factors that are affecting housing production in Yachats. These include the following factors:

**There is enough buildable land zoned for housing overall, but that does not mean that land is available and practical to develop.**

An inventory of the city’s buildable residential land found a sufficient supply of land to meet expected housing needs overall. An expansion of the Urban Growth Boundary (UGB) is not necessary. Some land may not be in an attractive location for housing, be encumbered with environmental constraints not considered by the buildable land inventory or be costly to serve with infrastructure.

**There is a tighter supply of land for high density housing, such as apartments and townhomes, than low or medium density housing.**

There is a surplus of land available for low density housing in Yachats over the next 20 years.

However, there is a projected deficit of land for townhomes, plexes and multi-family housing. And although townhomes, plexes and multi-family housing types are allowed in most zones, very few have been built in Yachats since 2000.

If these development trends continue it is likely that the residential land supply will be used predominantly for single-family detached housing and result in a shortage of land available for townhomes, plexes, and multi-family housing. There are several strategies and measures available to the City to address this deficit that are detailed in the Housing Strategies included in this report starting on Page 15.

**Market factors outside the City’s control will continue to impact how much and what type of housing is produced.**

Most of the city’s housing stock is supplied by the private market. The rate of housing production and the mix of housing types that are produced is primarily driven by economic conditions and the dynamics of the real estate market. These factors include:

- *Population and Job Growth.* Yachats has seen slower population and job growth than some other regions of the state and the northwest. Developers are more likely to invest in high growth areas and may overlook places with more modest growth rates.
- *Construction Costs.* Local incomes are not keeping up with the costs of development. Construction costs are at an all-time high across the country, and they may be even higher in small towns such as Yachats due to a lack of construction laborers and higher costs to transport materials.

Figure 6. Yachats 20-Year Housing Need and Capacity

251	190	61
Capacity	Need	Surplus
TOWNHOMES/PLEXES		
15	38	(-23)
Capacity	Need	Deficit
MULTI-FAMILY (5+ UNITS)		
28	32	(-4)
Capacity	Need	Deficit
MANUFACTURED HOUSING		
32	11	21
Capacity	Need	Surplus

- *Developer Pool.* Due to the factors noted above, there may be relatively few developers or home builders who are interested in building in Yachats. This is likely to change over time if local market conditions improve and developers perceive there is a strong demand in Yachats for new housing.
- *Financing Options.* Even if a developer is interested in building in Yachats, they likely still need to obtain financing from a bank or other lender. Lenders may be unwilling to fund a project unless there are comparable projects in the same area that have shown to be successful.
- *Seasonal Housing and Short-Term Rental Market.* Given the appeal of Yachats as a vacation and retirement community, there are strong forces in place that continue to produce housing for this market, which is typically more profitable and higher-priced than housing options targeted at year-round residents and the local workforce.

### 3. Community Engagement

Implementation of the HIP will impact many existing and future residents of Yachats. The HIP was developed with input from a variety of community members and stakeholders. This engagement process included three meetings with a Project Management Team (PMT), a virtual public meeting with community members and three work sessions with the Planning Commission and City Council.

#### Project Management Team

The HIP Project Management Team consisted of city staff, elected officials, planning commissioners, a local employer, and local housing developers. The Team represented the following roles:

1. Katherine Guenther, Yachats City Planner
2. Jacqueline Danos and John Theilacker, Yachats Planning Commission
3. Mary Ellen O'Shaughnessey, Yachats City Council
4. Drew Roslund, Local Employer
5. Bob Barrett, Faith Based Community
6. Layne Morrill, Local Housing Developer

Three meetings were held with the PMT. They were focused on providing an overview of the Housing Implementation Plan, discussing and receiving feedback on the draft strategies and actions proposed for inclusion in the plan, and providing feedback on the draft and final plan contents.

The Project Management Team's input was important in shaping the strategies that were included in the HIP.

#### Public Meeting

One virtual public meeting was held during the project to receive feedback from the community on the draft housing implementation strategies.

[XXX] community members attended the public meeting. A recap of the public meeting and a record of polling results from the meeting are summarized below:

- *Here are some key takeaways from the public meeting. Here are some key takeaways from the public meeting.*
- *Here are some key takeaways from the public meeting.*
- *Here are some key takeaways from the public meeting.*
- *Here are some key takeaways from the public meeting polling.*
- *Here are some key takeaways from the public meeting polling.*
- *Here are some key takeaways from the public meeting polling.*

#### Responding to Community Feedback

Input from housing stakeholders, the Project Management Team, and public shaped the HIP in [XXX] ways. At the outset of the project, feedback from the Housing Needs Analysis work helped the consultant team to focus on the types of strategies that might be most effective in meeting Yachats's housing needs and would be supported by the community. The general themes of this initial input included:

- Broad support for encouraging smaller and more affordable housing options such as duplexes, cottage homes and townhomes.
- Broad support for increasing the supply of land where higher density housing types (townhomes, plexes and cottage clusters) are allowed.
- Broad support for more flexible zoning requirements and allowance for a wider range of housing types. The consultant team conducted a more in-depth audit of the City's zoning and land use to identify a range of

potential barriers to housing, some more minor or others more significant.

- Support for financial incentives such as tax abatements or fee waivers or reductions to help facilitate housing development. These types of incentives do not always require a new source of funding for their support and so were seen as more feasible to implement for a smaller community such as Yachats.
- A widely supported desire for more action to support low-income households and local workers, particularly those experiencing homelessness or in otherwise unstable housing situations. This input led the consulting team to continue to focus on strategies that could benefit both low-income affordable housing and new market rate housing.
- Concerns about the impacts of short-term rentals and seasonal housing on the availability and affordability of housing in Yachats.

Once the draft set of strategies was prepared, input from engagement efforts also shaped the final set of strategies that is included in the HIP. The feedback from the community and stakeholders on the draft strategies was summarized and presented at a joint meeting of the Planning Commission and City Council. Based on this input, as well as direction from the Planning Commission and City Council, some strategies were modified or removed, including:

- XXX
- XXX

## Recommendations for Future Engagement

The following recommendations are provided for consideration in future updates to the HIP and

during implementation of any of the actions in the HIP.

- Consider forming a housing committee made up of different interest groups/stakeholders, including both consumers and producers of housing—such as people experiencing homelessness, people living in low-income housing, local homebuilders, real estate professionals, local employers and non-profit affordable housing providers—in order to provide more opportunities for review and input on strategies included in the HIP as they are implemented over time.
- Provide for more rounds of feedback from stakeholders, the public, and City staff on proposed regulatory strategies. Time permitting, a more iterative process of developing strategies, starting from the recommendations and prioritization included in the HIP, may result in more refined approaches that are better tailored to unique conditions in Yachats.
- Use a variety of approaches to build awareness of the project among the general public and to encourage participation. This may include communicating through trusted leaders in the community, additional media outreach, and offering incentives for participation.
- Provide multiple formats and times for public engagement meetings. The COVID-19 pandemic introduced new possibilities for meetings, including virtual, in-person and hybrid options as well as the ability to record meetings for community members to watch and/or listen to at their convenience.

## 4. Strategies to Meet Future Housing Needs

The strategies included in this document were identified by the project consulting team based on experience with policies in similar jurisdictions, an audit of the city’s land use and zoning code and policies, best practices research, and a list of potential strategies published by Oregon Department of Land Conservation and Development (DLCD). Working collaboratively with staff and based on input from stakeholders and the community, the consulting team refined the strategies to best fit Yachats’ housing needs and the city’s capacity for implementation over time.

### Format

The strategies in this document to meet permanent housing need fall into four categories:

1. Land Use and Zoning Changes
2. Financial Incentives
3. Land Based Strategies
4. Public Projects and Resources

Recommended land use and zoning changes have been detailed for each zone. Within the other three categories there is a one-page summary devoted to each action, which includes a description of the action, steps to implement it, implementation considerations, an adoption timeline, an implementation timeline, prioritization of the action, an implementation lead, and potential partners.

### Housing Need Targets

The HIP considers the impact of each action on targeted housing needs in three areas:

■ **Affordability Targets:** This section evaluates the degree to which an action will help to produce housing affordable to various income levels. This is based on the housing types that are most likely to be produced and the extent to which a jurisdiction can target the action to

meet housing for certain income levels. The following table summarizes the affordability targets used for this report.

Affordability Target	Percent of Median Family Income (MFI)	Monthly Housing Cost Range
Subsidized	Less than 30%	\$404 or less
Affordable	30% to 80%	\$405 to \$1,078
Workforce	80% to 120%	\$1,079 to \$1,617
Market Rate	Over 120%	\$1,618 or more

Source: Oregon Housing and Community Services 2022, 1 Bdrm Income & Rent Limits

- **Housing Type Targets:** This section evaluates the degree to which an action will help to produce single-family, middle housing and multi-family housing. Middle housing includes Accessory Dwelling Units, duplexes, triplexes, quadplexes, townhomes, and cottage clusters.
- **Tenure Targets:** This section evaluates the degree to which an action will help to produce housing that is either for-sale or for-rent.

The impact of each action on a housing need has been assessed as follows:

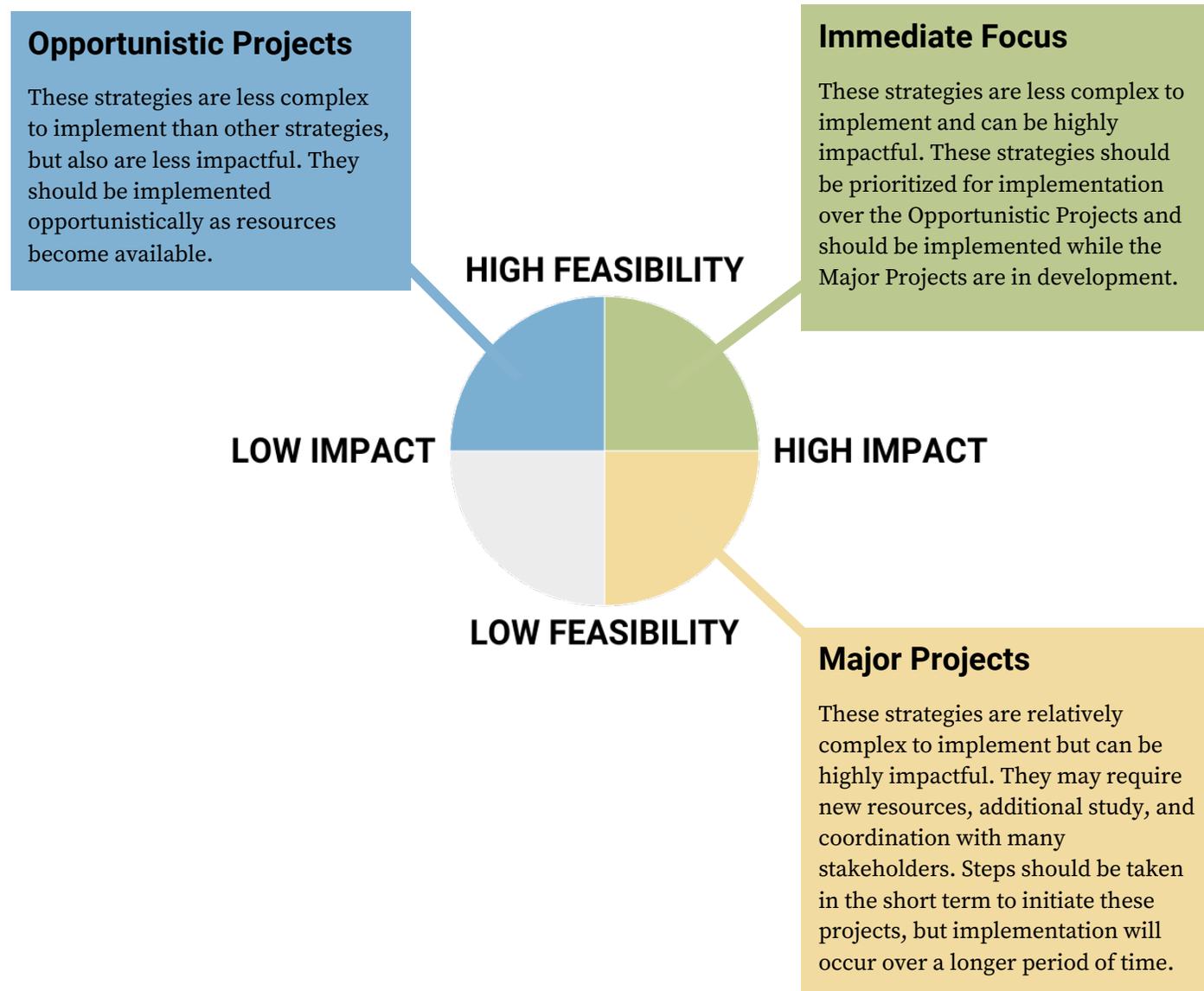
- **Low or no impact:** This indicates that the action is very unlikely to help meet the relevant housing need either because the action would not lead to production of a housing type that would benefit that need or population or because there are limitations in how that housing type can be targeted to specifically meet that need.
- ◐ **Moderate or potential impact:** This indicates that the action either (1) may have a moderate impact on meeting the relevant housing need or (2) the implementation of the action could potentially be designed to target that need.
- **High impact:** This indicates that the action may directly benefit a certain housing need and is likely to be most effective at meeting that need relative to other needs.

## Prioritization

Some strategies are more impactful than others, yet some strategies are more complex to implement or require new funding streams that are unavailable today. Each strategy has been evaluated in terms of its overall impact on

addressing housing needs and the feasibility of implementation.

The HIP then classifies the strategies into three categories. These categories can be used to prioritize implementation efforts. The three categories are summarized below.



# **Strategies to Meet Future Housing Needs**

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Regulatory Strategies

## Overview of Recommended Zoning Changes

A zoning code audit was conducted to understand potential barriers to development of needed housing. This audit is intended to lay out a set of recommended zoning changes to facilitate development of needed housing. The recommended zoning changes should be refined after further input from local officials and residents and additional study of local context.

Seven recommendations have been identified related to zoning changes. They are described in more detail in the following section.

### Strategy 1.1: Housing Types

#### **Update allowed uses to allow for broader housing types.**

##### **Priority Category: Immediate Focus**

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. Further, some housing types, such as cottage cluster housing and accessory dwelling units, are not defined in code and it is unclear if they would be permitted.



Specific recommendations for additional housing types to be permitted in each residential zone district are provided in Figure 10.

#### **Update allowances for manufactured housing to comply with state law.**

Under ORS 197.314, local governments are required to allow the siting of manufactured homes and prefabricated structures on land within an urban growth boundary zoned to allow the development of single-family dwellings. HB 4064 and other statewide legislation has introduced the

requirement that standards for manufactured housing must be clear and objective. Requirements such as that manufactured dwellings must be multi-sectional, of a minimum size, and with specific roof pitch are no longer enforceable and should be removed from local codes. According to ORS 197.480, manufactured dwelling parks must be allowed as an outright use in any residential zone that has a density range of 6-12 units per acre.

Specific recommendations are provided in Figure 10. Further, manufactured dwelling parks cannot be required to be on a lot larger than one acre. The City should make changes to its code to comply.

#### **Remove barriers to ADUs by providing more flexibility on certain standards.**

Accessory dwelling units (ADUs) are a proven and viable option for increasing housing supply in existing neighborhoods. In addition to allowing accessory dwellings as an outright use in residential zones, the city should allow more flexibility for building ADUs by not instituting barriers such as design standards and owner occupancy requirements, including:

- Allowing ADUs as interior/attached or detached units
- Not requiring the ADU to match the design of the primary house
- Not requiring additional setbacks beyond the base zone standards
- Allowing for smaller rear setbacks of 5-10 feet
- Not requiring an additional parking space for an ADU, and
- Not requiring the owner to occupy either the main house or ADU

## Strategy 1.2: Minimum Lot Sizes

**Reduce minimum lot sizes and eliminate maximum density for key housing types.**

### Priority Category: Immediate Focus



Minimum lot sizes can make infill projects infeasible on existing lots and discourage compact housing types and development. Reducing

minimum lot sizes enables land to be used more efficiently and increases the capacity for needed housing. In areas with high construction and land costs, the most important determinant of the feasibility or affordability of a housing type is allowable density achieved through minimum lot sizes. Minimum lot sizes should be aligned with existing lot sizes in order to encourage infill and redevelopment. Specific recommendations for modifications to minimum lot size requirements are provided in Figures 8 and 9.

## Strategy 1.3: Identify and Remove Unnecessary Regulatory Barriers

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

### Priority Category: Immediate Focus

Some changes are recommended to side setbacks and lot coverage for multiple-unit dwellings in the R-3 and R-4 zones. These are detailed in Figure 11. Though the C-1 zone allows any use which would be permitted outright in any residential zone, it should also allow mixed use (commercial and residential) as an outright use. The City could also consider making some or all types of residential uses conditional in the C-1 zone.

## Strategy 1.4: Maintain Limits on Short-Term Rentals

### Priority Category: Major Project

Yachats has a cap in place limiting short-term rentals (STRs) to a total of 125 citywide and prohibiting single-owners and interests from obtaining licenses on multiple properties. Limiting the overall share of STRs helps achieve a balance between tourist, occasional and long-term residential uses of the city's housing supply; limits on STRs should be maintained.

The City should periodically assess appropriate parameters for the STR cap as population and housing inventory grow. If there are concerns about the impacts of STRs and the efficacy of the current regulations, the City should conduct a short-term rental study to evaluate tools available to mitigate the impacts of short-term rentals on the local housing market .

## Strategy 1.5: Strategic Parking Reductions

**Adjust minimum parking requirements to be consistent for all types of multiple-unit housing.**

### Priority Category: Major Project

Providing on-site parking is a major component of the cost of construction, especially for multi-unit housing. If minimum parking requirements result in excess parking beyond market demand, this excess cost must be offset by the cost of rent or sales prices. Excess parking spaces also preclude site area from being used for housing, further adding to the cost of development, and requiring higher per-unit prices or rents for the remaining units.

Minimum parking requirements should be adjusted to reduce barriers to and lower the cost of multi-unit housing development with recommendations for doing so detailed in Figure 12.

Further reductions or elimination of minimum parking requirements should be considered in areas where higher densities are prioritized and/or for projects that provide income-restricted affordable units.

### Strategy 1.6: Establish a Minimum Density in R-3, R-4 and C-1 Zones

#### Priority Category: Major Project

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. Setting a minimum density standard of between 6-8 dwelling units per acre in R-3, R-4, and C-1 zones is recommended to 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 as an additional means of meeting minimum density requirements.

As an alternative to establishing a minimum density in some or all of higher-density zones, the city could choose to prohibit single-family detached dwellings in one or more of them. A significant amount of engagement will need to be done with the community and Planning Commission to determine the preferred way to regulate minimum density in the city's higher-density zones.

### Strategy 1.7: Rezone Land in the R-1 Zone to a Higher Density Zone

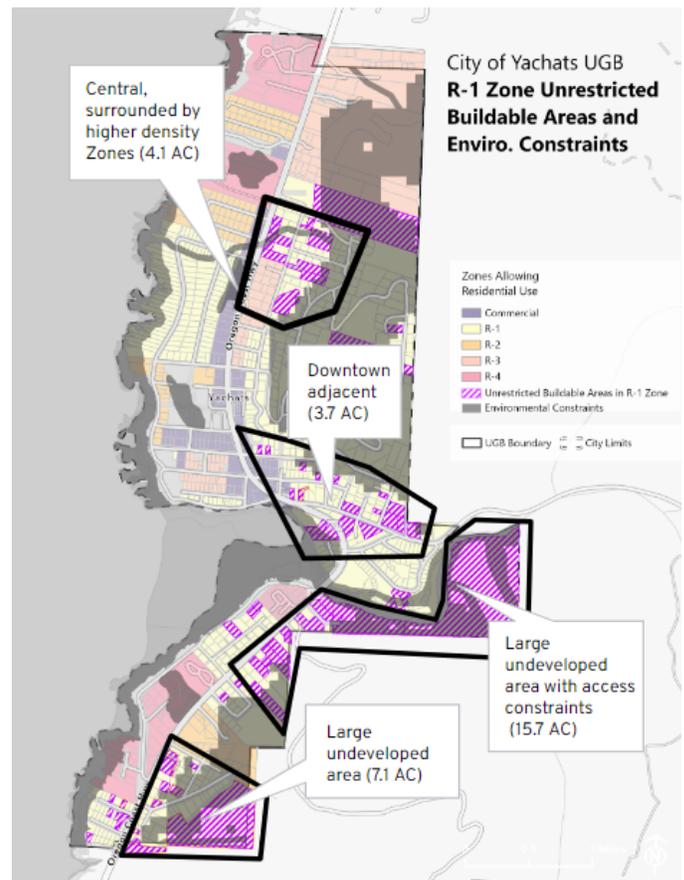
#### Priority Category: Major Project

The majority of the city's buildable residential land (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.

Many areas within the R-1 zone are impacted by Covenants, Conditions and Restrictions (CC&Rs) that would not allow development of multiple-unit housing even if the underlying zoning was changed. Because of this the project team conducted an analysis that considered CC&Rs, buildable land and environmental constraints in the R-1 zone to identify areas for potential rezoning (Figure 7 and Appendix A).

Figure 7. R-1 Areas for Potential Upzoning



The RLNA projects a deficit of 23 townhome/plex units and 4 multi-family units. If minimum lot sizes are reduced, approximately 1 acre will be needed to be rezoned to address the deficiency. If minimum lot sizes remain as they are today, around 3.4 acres will be needed. Additional community outreach and evaluation will be

needed to determine the area(s) that are most suitable for upzoning. Surrounding zones, area context, and availability of infrastructure should be taken into account as part of this process.

## Overview of Recommended Regulatory Strategies

The following seven regulatory strategies are recommended. They are targeted to key housing needs that are not being fulfilled by recent development.

### 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

Figure 8. Minimum Lot Size and Max Density Recommendations

	<b>R-1</b>		<b>R-2</b>		Recommended change to minimum lot size
	Existing (sf)	Recommended (sf)	Existing (sf)	Recommended (sf)	
Single Family or Manufactured Dwelling	7,500	7,000	6,000	6,000	
Cottage cluster	–	15,000	–	15,000	
Duplex	–	7,000	7,500	6,000	
Triplex	–	–	–	7,500	
Quadplex	–	–	–	–	
Townhouses	–	3,500/unit (max 2 units)	–	2,500/unit (max 3 units)	
Multifamily (5+ Units)	–	–	–	–	

Figure 9. Minimum Lot Size and Max Density Recommendations, Continued

	<b>R-3</b>		<b>R-4</b>		<b>C</b>	
	Existing (sf)	Recommended (sf)	Existing (sf)	Recommended (sf)	Existing (sf)	Recommended (sf)
Single Family or Manufactured Dwelling	6,000	3,000	6,000	3,000	6,000	3,000
Cottage cluster	–	15,000	–	15,000	–	15,000
Duplex	7,500	5,000	7,500	5,000	5,000	5,000
Triplex	6,000+ 2,500/du	6,000	5,000+ 2,500/du	6,000	7,500	6,000
Quadplex	6,000+ 2,500/du	7,000	5,000+ 2,500/du	7,000	2,500/du	7,000
Townhouses	–	1,500/unit	–	1,500/unit	–	1,500/unit
Multifamily (5+ Units)	6,000+ 2,500/du	1,000/unit	5,000+ 2,500/du	1,000/unit	2,500/du	1,000/unit
Maximum Density	12 du/ac	None	12 du/ac	None	–	–

Figure 10. Housing Type Recommendations

	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					Recommended to be Permitted
Duplex / 2-Unit Townhouses					Currently permitted
Triplex / 3-Unit Townhouses					Currently permitted
Quadplex / 4-Unit Townhouses					Currently permitted
Multifamily (5+ Units)					Currently permitted
Manufactured Dwelling					Currently permitted
Manufactured Dwelling Park					Required to be Permitted per state law

\*Commercial zone allows all uses allowed in residential zones

Figure 11. Recommended Changes to Setbacks and Lot Coverage

	R-1		R-2		R-3		R-4	
	Existing	Recomm.	Existing	Recomm.	Existing	Recomm.	Existing	Recomm.
Front/Street Setback	20'	<b>20'</b>	20'	<b>20'</b>	20'	<b>20'</b>	20'	<b>20'</b>
Side Setback	5'-10'	<b>5-10'</b>	5'-10'	<b>5-10'</b>	5'-10'	<b>2+ units: 5'</b>	5'-10'	<b>2+ units: 5'</b>
Rear Setback	5'-10'	<b>5-10'</b>	5'-10'	<b>5-10'</b>	5'-10'	<b>5-10'</b>	5'-10'	<b>5-10'</b>
Lot coverage	30%	<b>30%</b>	35%	<b>35% TH<sup>1</sup>: 60%</b>	40%	<b>SF: 40% 2+ units: 50% TH<sup>1</sup>: 70%</b>	45%	<b>SF: 45% 2+ units: 50% TH<sup>1</sup>: 70%</b>
Height	30'	<b>30'</b>	30'	<b>30'</b>	30'	<b>30'</b>	30'	<b>30'</b>

<sup>1</sup>Townhomes require higher lot coverage and smaller setbacks because of the small lots and attached units

Figure 12. Recommended Parking Standards

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

# **Strategies to Meet Future Housing Needs**

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Financial Incentives

# Strategy 2.1: Calibrate and Reform System Development Charges

Financial Incentives

<b>Description</b>	Conduct an SDC rate study to evaluate potential changes to the City’s SDC methodology. Yachats currently charges a rate of \$12,528 per dwelling unit
<b>Rationale</b>	SDCs are a significant upfront cost of development. A partial reduction or full exemption of SDCs is a compelling incentive to develop certain housing types and can help to make projects feasible that would not be otherwise.
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>• Conduct an SDC rate study to evaluate potential changes to SDC rates and allowances for deferrals, financing, scaling, reductions, or exemptions.</li> <li>• Refer to OHCS Oregon SDC Study (2022) as a reference.</li> <li>• Adopt any recommended changes of the study that are fiscally feasible.</li> </ul>
<b>Considerations</b>	<ul style="list-style-type: none"> <li>• The City should consider scaling SDCs based on square footage or number of bedrooms. Scaling fees ensures they are proportionate to the impact of a housing unit on public services and does not discourage development of smaller dwelling units.</li> <li>• The City should consider offering financing of SDCs, typically achieved through an installment loan that is repaid over 10 years.</li> <li>• The City could also allow for deferral of the SDC payment to when the Certificate of Occupancy is issued, rather than when the building permit is issued. SDC deferral may be more appealing to developers looking to avoid a lien and may require less administrative time to approve and track than financing.</li> <li>• In addition to considering deferral or financing of SDC payments, the City is encouraged to provide a reduction or complete exemption for certain developments in order to incentivize production of needed housing types such as income-restricted units and ADUs.</li> </ul>

<b>Implementation Timeline</b>	<input type="radio"/> 1-3 <input checked="" type="radio"/> 3-5 <input type="radio"/> 5-8 yrs	<b>Priority Category</b>	
<b>Implementation Lead</b>	City	Opportunistic Project	

### Partners

<b>Affordability Targets</b>	<input checked="" type="radio"/> Subsidized	<input checked="" type="radio"/> Workforce
	<input checked="" type="radio"/> Affordable	<input type="radio"/> Market Rate
<b>Housing Type Targets</b>	<input type="radio"/> Single-Family	<input checked="" type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
<b>Tenure Targets</b>	<input checked="" type="radio"/> For Rent	<input checked="" type="radio"/> For Sale

## Strategy 2.2: Offer a Property Tax Exemption for Key Housing Needs

Financial Incentives

**Description** 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.

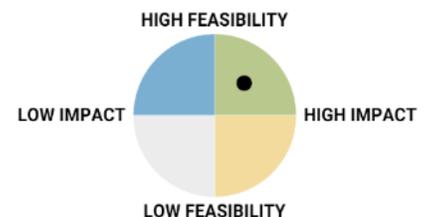
**Rationale** Property taxes are a significant operating cost for new housing development across the state. Property tax exemptions can stimulate development of critically needed housing types, while being designed to only be available to projects that would otherwise not be feasible.

- Implementation Steps**
- Review tax exemption program structures in other small cities such as Cottage Grove, Newport, and Florence.
  - Determine policy objectives and eligibility criteria for the program, such as targeted locations, minimum unit number, tenure target (for rent or for sale), required green building or design standards, minimum percentage of dedicated affordable or workforce housing units, allowable commercial property tax exemption, etc.
  - Meet with overlapping taxing districts to garner support.
  - Determine if grant funding or consultant support is needed to implement.
  - Consider requiring a third-party pro-forma reviewer to verify that projects would not otherwise be feasible. The application fee can help to cover the cost of the reviewer.
  - Draft code amendments and application materials and bring through a public hearing process for adoption.

- Considerations**
- The City can control which projects are eligible and cap the total amount of tax abatement annually.
  - The City can charge application fees that fund program administration and third-party financial review.
  - Can be designed to incentivize housing that would not otherwise be built, so it can have a net positive impact on the tax base over time.
  - Must be approved by a majority of overlapping tax districts.

**Implementation Timeline** ● 1-3 ○ 3-5 ○ 5-8 yrs

**Priority Category**



**Implementation Lead** City

Immediate Focus

**Partners** County

- |                              |                  |                |
|------------------------------|------------------|----------------|
| <b>Affordability Targets</b> | ● Subsidized     | ◐ Workforce    |
|                              | ● Affordable     | ○ Market Rate  |
| <b>Housing Type Targets</b>  | ○ Single-Family  | ● Multi-Family |
|                              | ◐ Middle Housing |                |
| <b>Tenure Targets</b>        | ● For Rent       | ◐ For Sale     |

## Strategy 2.3: Explore the Feasibility of a Vacant Property Tax

Financial Incentives

<b>Description</b>	Explore the feasibility of implementing a vacant property tax in Yachats.
<b>Rationale</b>	Vacant property taxes, when implemented, allow jurisdictions to incentivize development on vacant lots, activate empty unused structures, and discourage absentee property ownership.
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>Review vacant property tax program structures in other cities such as Oakland, CA and Vancouver, BC.</li> <li>Conduct a study to evaluate the legal and administrative feasibility of implementing the vacant property tax.</li> <li>Implement any tax programs that are determined to be politically, administratively and fiscally feasible.</li> </ul>
<b>Considerations</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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 midst of construction, or if the owner is considered very low-income.</li> <li>Although not currently used by any jurisdictions in Oregon, the City could also study and consider implementing a Land Value Tax.</li> </ul>

<b>Implementation Timeline</b>	<input type="radio"/> 1-3 <input type="radio"/> 3-5 <input checked="" type="radio"/> 5-8 yrs	<b>Priority Category</b>	
<b>Implementation Lead</b>	City	Major Project	

<b>Partners</b>	County
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<b>Affordability Targets</b>	<input checked="" type="radio"/> Subsidized <input checked="" type="radio"/> Workforce <input checked="" type="radio"/> Affordable <input checked="" type="radio"/> Market Rate
<b>Housing Type Targets</b>	<input checked="" type="radio"/> Single-Family <input checked="" type="radio"/> Multi-Family <input checked="" type="radio"/> Middle Housing
<b>Tenure Targets</b>	<input checked="" type="radio"/> For Rent <input checked="" type="radio"/> For Sale

## Strategy 3.1: Utilize Excess Public Land for Housing

Land Based Strategies

**Description** Adopt a land disposition policy that states the City will prioritize selling or dedicating any surplus publicly-owned land to meet housing needs.

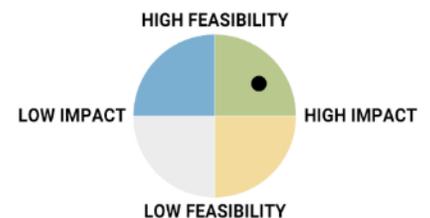
**Rationale** The City, County or other public agencies may own or may come into ownership of land which they do not need for other public facilities or uses. Control over land that can be used for housing can provide opportunities for public-private partnerships or other actions. Owning land provides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

- Implementation Steps**
- Determine if grant funding or consultant support is needed.
  - Determine if this action should be packaged or sequenced with others.
  - Bring through a public hearing process for adoption.

- Considerations**
- 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.
  - 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.

**Implementation Timeline** ● 1-3 ○ 3-5 ○ 5-8 yrs

**Priority Category**



**Implementation Lead** City

Immediate Focus

**Partners** County

<b>Affordability Targets</b>	● Subsidized	◐ Workforce
	● Affordable	○ Market Rate
<b>Housing Type Targets</b>	○ Single-Family	● Multi-Family
	◐ Middle Housing	
<b>Tenure Targets</b>	● For Rent	◐ For Sale

## Strategy 3.2: Assist with Land Acquisition and Banking

Land Based Strategies

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

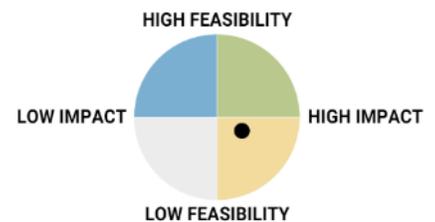
**Rationale** One of the most common barriers to building more affordable housing is acquiring land. Non-profit developers and housing authorities often struggle to compete with the resources of private developers in an open market bid for land. Further, the timing of land availability and funding availability for affordable housing development does not often align. Land banks are effective because they hold land over time, controlling costs associated with appreciation, and create a ready pool of sites that allow affordable housing developers to respond quickly to funding opportunities.

- Implementation Steps**
- Determine if grant funding or consultant support is needed.
  - Determine if this action should be packaged or sequenced with others.
  - Support the work of local and regional housing partners by helping to convene or otherwise support organizations, charities, foundations, or other stakeholders that may be interested in founding a local land bank.
  - Use input from local partners to help inform and evaluate ways to support local land acquisition and banking.

- Considerations**
- The City may manage its own land bank or partner with non-profits to do so. The City may also donate, sell, or lease publicly owned land for development even without a formal land bank.
  - Lands acquired are often vacant, blighted, or environmentally contaminated. Land banks may also acquire lands with title defects or on which dilapidated structures sit. Lands are eventually transferred to a new owner for reuse and redevelopment.
  - The City can assist a land bank by selling or donating land to the bank and assisting with startup costs.

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

**Priority Category**



**Implementation Lead** City

Major Project

**Partners** Community Partners

<b>Affordability Targets</b>	<input checked="" type="radio"/> Subsidized	<input type="radio"/> Workforce
	<input checked="" type="radio"/> Affordable	<input type="radio"/> Market Rate
<b>Housing Type Targets</b>	<input type="radio"/> Single-Family	<input checked="" type="radio"/> Multi-Family
	<input type="radio"/> Middle Housing	
<b>Tenure Targets</b>	<input checked="" type="radio"/> For Rent	<input type="radio"/> For Sale

## Strategy 3.3: Form Partnerships with Land Trusts

Land Based Strategies

**Description** 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.

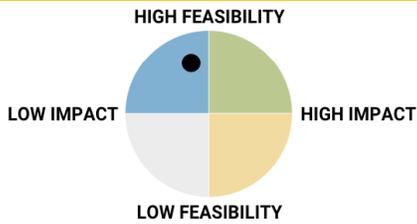
**Rationale** Community land trusts are nonprofit, community-based organizations designed to ensure community stewardship of land. They can be used to ensure long-term affordability of for-sale housing units.

**Implementation Steps**

- Determine if this action should be packaged or sequenced with others.
- One way the City could support a land trust is to assist with creating an inventory of suitable sites for housing development. The inventory should identify properties most suitable for development in the short-term, based on infrastructure conditions, location, entitlements, and other factors. A separate inventory may also be created for older, distressed properties that may be targeted for acquisition by a non-profit affordable housing operator.

**Considerations**

- Community land trusts support affordable housing development by reducing or eliminating land costs. They can take several forms. Most are administered by a non-profit or nongovernmental entity with a mission of managing a portfolio of properties to support affordable housing development over many years.
- Jurisdictions can play a support role in the development of a community land trust by helping to convene local housing organizations, charities, foundations, or other stakeholders on a periodic basis.

<b>Implementation Timeline</b>	<input type="radio"/> 1-3 <input checked="" type="radio"/> 3-5 <input type="radio"/> 5-8 yrs	<b>Priority Category</b>	
<b>Implementation Lead</b>	Community Partners	Opportunistic Project	

**Partners** City

<b>Affordability Targets</b>	<input checked="" type="radio"/> Subsidized	<input checked="" type="radio"/> Workforce
	<input checked="" type="radio"/> Affordable	<input type="radio"/> Market Rate
<b>Housing Type Targets</b>	<input checked="" type="radio"/> Single-Family	<input type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
<b>Tenure Targets</b>	<input checked="" type="radio"/> For Rent	<input checked="" type="radio"/> For Sale

## Strategy 3.4: Form Partnerships with Institutional Landowners

Land Based Strategies

<b>Description</b>	Engage with leadership of local non-profits and faith-based organizations (FBO) that may have surplus land that could be sold or donated to be developed for high priority housing needs, including affordable housing allowed under ORS 227.500 and SB 8 (2021) and projects benefiting homeless and very low-income populations.
<b>Rationale</b>	Many institutional landowners own land that may be in excess of their long-term needs. Institutional landowners often perceive affordable housing development and work benefiting homeless and very low-income populations to be consistent with their mission and are interested in partnerships to support housing.
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>• Determine if grant funding or consultant support is needed.</li> <li>• Determine if this action should be packaged or sequenced with others.</li> <li>• Offer technical support to help institutional landowners understand housing-related zoning and infrastructure issues.</li> <li>• Facilitate connections with local developers that may be interested in partnering to build on institution-owned sites.</li> </ul>
<b>Considerations</b>	<ul style="list-style-type: none"> <li>• The City could engage with FBOs to understand long-term plans for their sites and encourage partnerships to explore housing development opportunities.</li> <li>• Property owned by institutions may be eligible for property tax exemptions. 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.</li> </ul>

<b>Implementation Timeline</b>	<input checked="" type="radio"/> 1-3 <input type="radio"/> 3-5 <input type="radio"/> 5-8 yrs	<b>Priority Category</b>	
<b>Implementation Lead</b>	Community Partners	Opportunistic Project	
<b>Partners</b>	City		
<b>Affordability Targets</b>	<input checked="" type="radio"/> Subsidized <input type="radio"/> Workforce <input checked="" type="radio"/> Affordable <input type="radio"/> Market Rate		
<b>Housing Type Targets</b>	<input type="radio"/> Single-Family <input checked="" type="radio"/> Multi-Family <input checked="" type="radio"/> Middle Housing		
<b>Tenure Targets</b>	<input checked="" type="radio"/> For Rent <input type="radio"/> For Sale		

# Strategy 4.1: Target Infrastructure Improvements to Support Housing

Public Projects & Resources

<b>Description</b>	Whenever planning for 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.
<b>Rationale</b>	Infrastructure investments can reduce costs of housing development and enable development on sites that would otherwise not be viable. By adopting a policy emphasizing the importance of targeting infrastructure improvements to support housing, the City is most likely to identify opportunities to reprioritize or modify project designs to best support housing development.
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>Determine if grant funding or consultant support is needed.</li> <li>Determine if this action should be packaged or sequenced with others.</li> </ul>
<b>Considerations</b>	<ul style="list-style-type: none"> <li>This action should be incorporated into citywide, long-term master planning efforts (such as a wastewater master plan or a transportation system plan) and Capital Improvement Program (CIP) planning.</li> <li>If a high priority housing project is proposed, the City may consider either (1) accelerating implementation of previously planned improvements that would benefit the project or (2) funding off-site improvements (such as street intersection improvements) triggered by the development that would otherwise be borne by the private developer. The City may choose to limit this option to new affordable or workforce housing projects.</li> </ul>

<b>Implementation Timeline</b>	<input type="radio"/> 1-3 <input type="radio"/> 3-5 <input checked="" type="radio"/> 5-8 yrs	<b>Priority Category</b>	
<b>Implementation Lead</b>	City	Opportunistic Project	

**Partners** County, State

<b>Affordability Targets</b>	<input type="radio"/> Subsidized	<input checked="" type="radio"/> Workforce
	<input type="radio"/> Affordable	<input checked="" type="radio"/> Market Rate
<b>Housing Type Targets</b>	<input checked="" type="radio"/> Single-Family	<input checked="" type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
<b>Tenure Targets</b>	<input checked="" type="radio"/> For Rent	<input checked="" type="radio"/> For Sale

## Strategy 4.2: Target Urban Renewal Investments to Support Housing

### Public Projects & Resources

<b>Description</b>	Explore allocating funds to targeted housing development and redevelopment projects and/or offsetting the costs of housing development incentives with UR funds in the City's Urban Renewal Area.
<b>Rationale</b>	The City of Yachats Urban Renewal Plan contains 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 as potential uses of UR funds.
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>• Determine if grant funding or consultant support is needed.</li> <li>• Determine if this action should be packaged or sequenced with others.</li> <li>• Review the Urban Renewal Plan and identify actions that directly support development of housing that meets key needs, such as income-restricted affordable housing and workforce housing.</li> <li>• Conduct a study to determine the level of funding that could be dedicated to housing programs while continuing to meet the needs of other infrastructure improvements that are identified in the UR plan.</li> <li>• If needed, revise the UR plan to identify specific housing programs that will be funded by the district.</li> </ul>
<b>Considerations</b>	<ul style="list-style-type: none"> <li>• Urban renewal funds can be invested in projects and programs that support housing development in a wide variety of ways, including financial incentives, infrastructure improvements, and land acquisition.</li> <li>• If surplus public-owned land is available within the District, a UR project could include partnering with a land trust as to utilize excess public land for housing.</li> </ul>

<b>Implementation Timeline</b>	<input type="radio"/> 1-3 <input checked="" type="radio"/> 3-5 <input type="radio"/> 5-8 yrs	<b>Priority Category</b>	
<b>Implementation Lead</b>	City	Major Project	
<b>Partners</b>	Urban Renewal Agency		
<b>Affordability Targets</b>	<input checked="" type="radio"/> Subsidized <input checked="" type="radio"/> Affordable	<input checked="" type="radio"/> Workforce <input checked="" type="radio"/> Market Rate	
<b>Housing Type Targets</b>	<input checked="" type="radio"/> Single-Family <input checked="" type="radio"/> Middle Housing	<input checked="" type="radio"/> Multi-Family	
<b>Tenure Targets</b>	<input checked="" type="radio"/> For Rent	<input checked="" type="radio"/> For Sale	

## Strategy 4.3: Evaluate the Feasibility of Implementing a Construction Excise Tax

<b>Description</b>	Explore the feasibility of implementing a Construction Excise Tax. Jurisdictions 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.
<b>Rationale</b>	A CET can provide a dedicated source of revenue for housing programs. It also provides the option to create a linkage between new development and investment in housing.
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>• Determine if grant funding or consultant support is needed.</li> <li>• Determine if this action should be packaged or sequenced with others.</li> <li>• Study the potential revenue that could be generated by the CET.</li> <li>• Consider the costs that a CET would impose on new development and identify ways to offset these costs by taking other actions to improve financial feasibility, such as zoning changes.</li> <li>• If determined to be feasible bring through a public hearing process for adoption.</li> </ul>
<b>Considerations</b>	<ul style="list-style-type: none"> <li>• Other cities that have adopted a CET include Portland, Milwaukie, Corvallis, Tillamook County, Cannon Beach, Hood River County, Hood River City, and Newport.</li> <li>• Potential annual revenue can be estimated from building permit data to approximate revenue potential of the program.</li> <li>• The state has set out rules for how CET funding can be used. The City can reserve 4% for administrative costs. Of the remainder, 50% must be used on developer incentives, 35% on affordable housing programs, and 15% must flow to Oregon Housing and Community Services for homeownership programs.</li> <li>• Developer feedback is needed to gauge the degree to which increases to development costs would disincentivize new development.</li> </ul>

<b>Implementation Timeline</b>	<input checked="" type="radio"/> 1-3 <input type="radio"/> 3-5 <input type="radio"/> 5-8 yrs	<b>Priority Category</b>	
<b>Implementation Lead</b>	City	Immediate Focus	

<b>Partners</b>	County
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<b>Affordability Targets</b>	<input checked="" type="radio"/> Subsidized	<input checked="" type="radio"/> Workforce
	<input checked="" type="radio"/> Affordable	<input type="radio"/> Market Rate
<b>Housing Type Targets</b>	<input type="radio"/> Single-Family	<input checked="" type="radio"/> Multi-Family
	<input type="radio"/> Middle Housing	
<b>Tenure Targets</b>	<input checked="" type="radio"/> For Rent	<input type="radio"/> For Sale

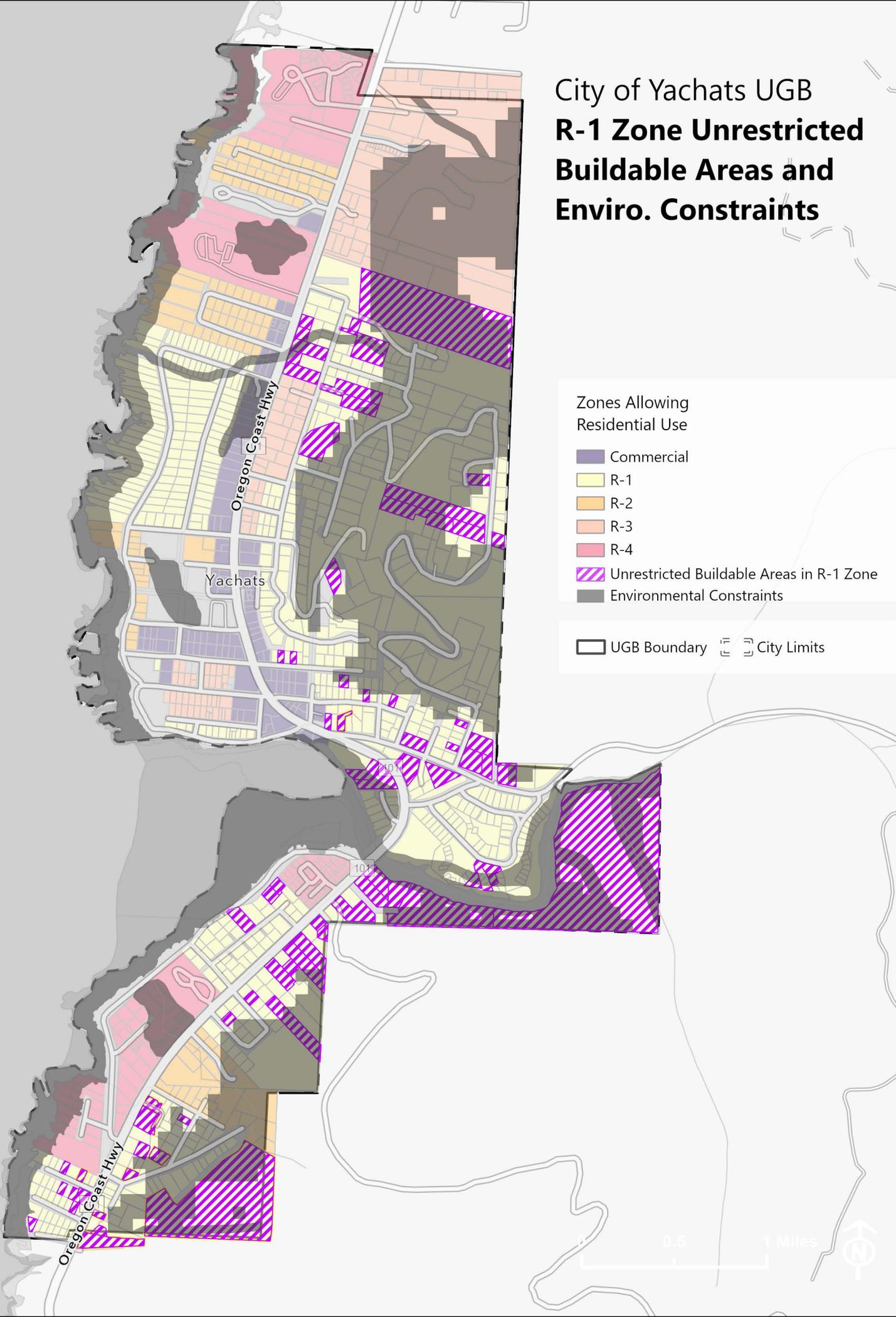
Overview of Strategies and Actions		AFFORDABILITY TARGETS				HOUSING TYPE TARGETS			TENURE TARGETS		PRIORITIZATION		
		Publicly Subsidized (< 30% AMI)	Affordable (30-80% AMI)	Workforce (80-120% AMI)	Market Rate (> 120% AMI)	Single-Family	Middle Housing	Multi-Family	For Rent	For Sale	Immediate Focus	Major 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	●	●	●	○	◐	◐	●	●	◐	■		

# **Appendix A**

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## Areas for Potential Upzoning

# City of Yachats UGB R-1 Zone Unrestricted Buildable Areas and Enviro. Constraints



## **Appendix B**

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### Model Code for Cottage Clusters and ADUs

## Cottage Cluster Definitions

“Common courtyard” means a common area for use by residents of a cottage cluster. A common courtyard may function as a community yard. Hard and soft landscape features may be included in a common courtyard, such as pedestrian paths, lawn, groundcover, trees, shrubs, patios, benches, or gazebos.

“Cottage” means an individual dwelling unit that is part of a cottage cluster.

“Cottage cluster” means a grouping of no fewer than four detached dwelling units per acre, each with a footprint of less than 900 square feet, located on a single lot or parcel that includes a common courtyard. Cottage cluster may also be known as “cluster housing,” “cottage housing,” “bungalow court,” “cottage court,” or “pocket neighborhood.”

“Cottage cluster project” means a development site with one or more cottage clusters. Each cottage cluster as part of a cottage cluster project must have its own common courtyard.

“Sufficient Infrastructure” means the following level of public services to serve new Cottage Cluster development:

- Connection to a public sewer system capable of meeting established service levels.
- Connection to a public water system capable of meeting established service levels.
- Access via public or private streets meeting adopted emergency vehicle access standards to a city’s public street system.
- Storm drainage facilities capable of meeting established service levels for storm drainage.

## Chapter XX. Cottage Clusters

### Sections:

- A. Permitted Uses and Approval Process**
- B. Development Standards**
- C. Design Standards**

### A. Permitted Uses and Approval Process

1. Permitted Use. Cottage cluster projects are permitted outright wherever they are allowed as provided in [*relevant permitted uses sections*].
2. Approval Process. Cottage cluster projects are subject to the same approval process as that for detached single family dwellings in the same zone and are subject only to clear and objective standards, approval criteria, conditions, and procedures. Alternatively, an applicant may choose to submit an application for a cottage cluster project subject to discretionary standards and criteria adopted in accordance with ORS 197.307(6), if such a process is available.
3. Sufficient Infrastructure. Applicants must demonstrate that Sufficient Infrastructure is provided, or will be provided, upon submittal of a cottage cluster development application.

### B. Development Standards

1. Applicability.
  - a. Cottage clusters shall meet the standards in subsections (2) through (7) of this section (B).
  - b. The following standards are invalid and do not apply to cottage clusters allowed by this code, except as specified in this section (B):

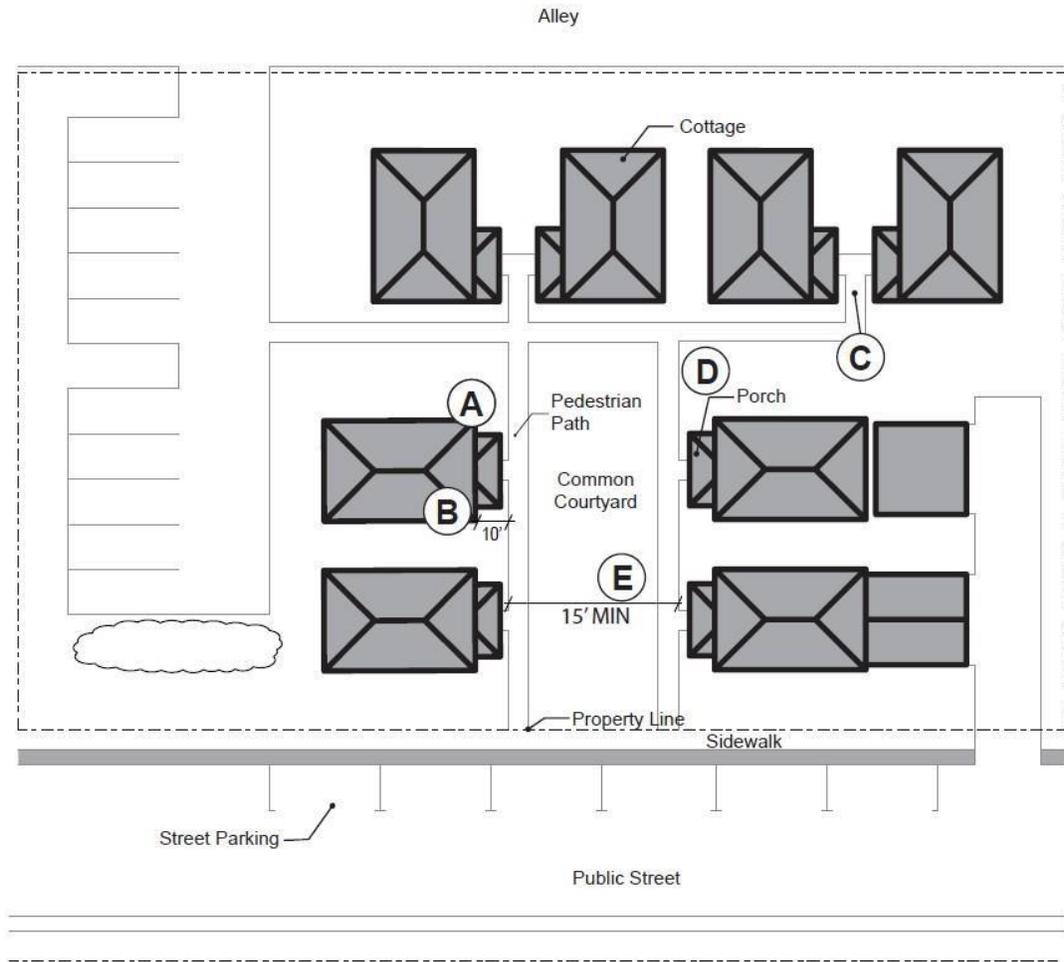
- Additional development standards of the applicable base zone related to the standards addressed under subsections (2) through (7) of this section (B).
  - Development standards of the applicable base zone related to lot dimensions, lot coverage, floor area ratio, landscape or open space area, or the siting or design of dwellings.
  - The jurisdiction's other development standards that apply only to cottage clusters and that conflict with provisions of this code.
2. Minimum Lot Size and Dimensions. Cottage clusters shall require a minimum lot size of 15,000 sf. and meet the width and depth standards that apply to detached single family dwellings in the same zone.
  3. Maximum Density. The jurisdiction's pre-existing density maximums do not apply.
  4. Setbacks and Building Separation.
    - a. Setbacks. Cottage clusters shall meet the minimum and maximum setback standards that apply to detached single family dwellings in the same zone, except that minimum setbacks for dwellings in excess of the following are invalid:
      - Front setbacks: 10 feet
      - Side setbacks: 5 feet
      - Rear setbacks: 10 feet
    - b. Building Separation. Cottages shall be separated by a minimum distance of six (6) feet. The minimum distance between all other structures, including accessory structures, shall be in accordance with building code requirements.
  5. Average Unit Size. The maximum average floor area for a cottage cluster is 1,400 square feet per dwelling unit. Community buildings shall be included in the average floor area calculation for a cottage cluster.
  6. Building Height. The maximum building height for all structures is 25 feet or two (2) stories, whichever is greater.
  7. Off-Street Parking.
    - a. Required Off-Street Parking. The minimum number of required off-street parking spaces for a cottage cluster project is zero (0) spaces per unit with a floor area less than 1,000 square feet and one (1) space per unit with a floor area of 1,000 square feet or more. Spaces may be provided for individual cottages or in shared parking clusters. A credit for on-street parking shall be granted for some or all of the required off-street parking as provided in subsection (b).
    - b. On-Street Credit. If on-street parking spaces meet all the standards in subsections (i)-(iv) below, they shall be counted toward the minimum off-street parking requirement.
      - i. The space must be abutting the subject site;
      - ii. The space must be in a location where on-street parking is allowed by the jurisdiction;
      - iii. The space must be a minimum of 22 feet long; and
      - iv. The space must not obstruct a required sight distance area.

## C. Design Standards

Cottage clusters shall meet the design standards in subsections (1) through (8) of this section (C). No other design standards shall apply to cottage clusters unless noted in this section. Mandates for construction of a garage or carport and any other design standards are invalid, except as specified in this Section (C).

1. Cottage Orientation. Cottages must be clustered around a common courtyard, meaning they abut the associated common courtyard or are directly connected to it by a pedestrian path, and must meet the following standards (see Figure 1):
  - a. Each cottage within a cluster must either abut the common courtyard or must be directly connected to it by a pedestrian path.
  - b. A minimum of 50 percent of cottages within a cluster must be oriented to the common courtyard and must:
    - i. Have a main entrance facing the common courtyard;
    - ii. Be within 10 feet from the common courtyard, measured from the façade of the cottage to the nearest edge of the common courtyard; and
    - iii. Be connected to the common courtyard by a pedestrian path.
  - c. Cottages within 20 feet of a street property line may have their entrances facing the street.
  - d. Cottages not facing the common courtyard or the street must have their main entrances facing a pedestrian path that is directly connected to the common courtyard.
2. Common Courtyard Design Standards. Each cottage cluster must share a common courtyard in order to provide a sense of openness and community of residents. Common courtyards must meet the following standards (see Figure 1):
  - a. The common courtyard must be a single, contiguous piece.
  - b. Cottages must abut the common courtyard on at least two sides of the courtyard.
  - c. The common courtyard must contain a minimum of 150 square feet per cottage within the associated cluster (as defined in subsection (1) of this section (C)).
  - d. The common courtyard must be a minimum of 15 feet wide at its narrowest dimension.
  - e. The common courtyard shall be developed with a mix of landscaping, lawn area, pedestrian paths, and/or paved courtyard area, and may also include recreational amenities. Impervious elements of the common courtyard shall not exceed 75 percent of the total common courtyard area.
  - f. Pedestrian paths must be included in a common courtyard. Paths that are contiguous to a courtyard shall count toward the courtyard's minimum dimension and area. Parking areas, required setbacks, and driveways do not qualify as part of a common courtyard.

Figure 1. Cottage Cluster Orientation and Common Courtyard Standards



- (A)** A minimum of 50% of cottages must be oriented to the common courtyard.
- (B)** Cottages oriented to the common courtyard must be within 10 feet of the courtyard.
- (C)** Cottages must be connected to the common courtyard by a pedestrian path.
- (D)** Cottages must abut the courtyard on at least two sides of the courtyard.
- (E)** The common courtyard must be at least 15 feet wide at its narrowest width.

3. **Community Buildings.** Cottage cluster projects may include community buildings for the shared use of residents that provide space for accessory uses such as community meeting rooms, guest housing, exercise rooms, day care, or community eating areas. Community buildings must meet the following standards:
  - a. Each cottage cluster is permitted one community building, which shall count towards the maximum average floor area, pursuant to subsection (B)(5).
  - b. A community building that meets the development code's definition of a dwelling unit must meet the maximum 900 square foot footprint limitation that applies to cottages, unless a covenant is recorded

against the property stating that the structure is not a legal dwelling unit and will not be used as a primary dwelling.

4. Pedestrian Access.

- a. An accessible pedestrian path must be provided that connects the main entrance of each cottage to the following:
  - i. The common courtyard; ii. Shared parking areas; iii. Community buildings; and
  - iv. Sidewalks in public rights-of-way abutting the site or rights-of-way if there are no sidewalks.
- b. The pedestrian path must be hard-surfaced and a minimum of four (4) feet wide.

5. Windows. Cottages within 20 feet of a street property line must meet any window coverage requirement that applies to detached single family dwellings in the same zone.

6. Parking Design (see Figure 2).

- a. Clustered parking. Off-street parking may be arranged in clusters, subject to the following standards:
  - i. Cottage cluster projects with fewer than 16 cottages are permitted parking clusters of not more than five (5) contiguous spaces. ii. Cottage cluster projects with 16 cottages or more are permitted parking clusters of not more than eight (8) contiguous spaces.
  - iii. Parking clusters must be separated from other spaces by at least four (4) feet of landscaping.
  - iv. Clustered parking areas may be covered.

b. Parking location and access.

- i. Off-street parking spaces and vehicle maneuvering areas shall not be located:
  - Within of 20 feet from any street property line, except alley property lines;
  - Between a street property line and the front façade of cottages located closest to the street property line. This standard does not apply to alleys.
- ii. Off-street parking spaces shall not be located within 10 feet of any other property line, except alley property lines. Driveways and drive aisles are permitted within 10 feet of other property lines.

c. Screening. Landscaping, fencing, or walls at least three feet tall shall separate clustered parking areas and parking structures from common courtyards and public streets. d. Garages and carports.

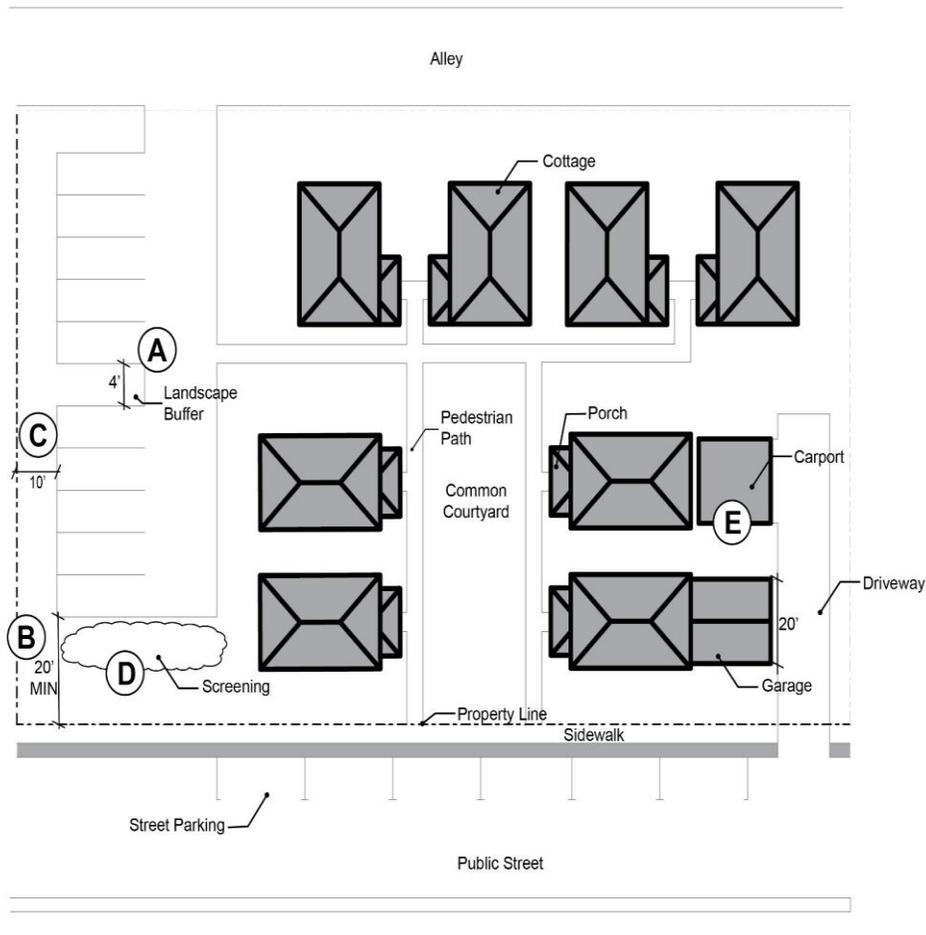
- i. Garages and carports (whether shared or individual) must not abut common courtyards.
- ii. Individual attached garages up to 200 square feet shall be exempted from the calculation of maximum building footprint for cottages.
- iii. Individual detached garages must not exceed 400 square feet in floor area.
  - iii. Garage doors for attached and detached individual garages must not exceed 20 feet in width.

7. Accessory Structures. Accessory structures must not exceed 400 square feet in floor area.

8. Existing Structures. On a lot or parcel to be used for a cottage cluster project, an existing detached single family dwelling on the same lot at the time of proposed development of the cottage cluster may remain within the cottage cluster project area under the following conditions:

- i. The existing dwelling may be nonconforming with respect to the requirements of this code.
- ii. The existing dwelling may be expanded up to the maximum height in subsection (B)(4); however, existing dwellings that exceed the maximum height and/or footprint of this code may not be expanded.
- iii. The floor area of the existing dwelling shall not count towards the maximum average floor area of a cottage cluster.
- iv. The existing dwelling shall be excluded from the calculation of orientation toward the common courtyard, per subsection (1)(a) of this section (C).

*Figure 2. Cottage Cluster Parking Design Standards*



- A** Parking allowed in clusters of up to 5 spaces. Clusters separated by minimum 4 feet of landscaping.
- B** No parking or vehicle area within 20 feet from street property line (except alley).
- C** No parking within 10 feet from other property lines (except alley). Driveways and drive aisles permitted within 10 feet.
- D** Screening required between clustered parking areas or parking structures and public streets or common courtyards.
- E** Garages and carports must not abut common courtyards. Garage doors for individual garages must not exceed 20 feet in width.

## Accessory Dwellings (model code)

**Note:** ORS 197.312 requires that at least one accessory dwelling be allowed per detached single-family dwelling in every zone within an urban growth boundary that allows detached single-family dwellings. The statute does not allow local jurisdictions to include off-street parking nor owner-occupancy requirements. Accessory dwellings are an economical way to provide additional housing choices, particularly in communities with high land prices or a lack of investment in affordable housing. They provide an opportunity to increase housing supply in developed neighborhoods and can blend in well with single-family detached dwellings. Requirements that accessory dwellings have separate connections to and pay system development charges for water and sewer services can pose barriers to development. Concerns about neighborhood compatibility and other factors should be considered and balanced against the need to address Oregon's housing shortage by removing barriers to development.

The model development code language below provides recommended language for accessory dwellings. The italicized sections in brackets indicate options to be selected or suggested numerical standards that communities can adjust to meet their needs. Local housing providers should be consulted when drafting standards for accessory dwellings, and the following standards should be tailored to fit the needs of your community.

Accessory dwellings, where allowed, are subject to review and approval through a Type I procedure[, pursuant to Section \_\_\_\_\_.] and shall conform to all of the following standards:

**[A. One Unit.** *A maximum of one Accessory Dwelling is allowed per legal single-family dwelling. The unit may be a detached building, in a portion of a detached accessory building (e.g., above a garage or workshop), or a unit attached or interior to the primary dwelling (e.g., an addition or the conversion of an existing floor).*

/

**A. Two Units.** *A maximum of two Accessory Dwellings are allowed per legal single-family dwelling. One unit must be a detached Accessory Dwelling, or in a portion of a detached accessory building (e.g., above a garage or workshop), and one unit must be attached or interior to the primary dwelling (e.g., an addition or the conversion of an existing floor).]*

### **B. Floor Area.**

1. A detached Accessory Dwelling shall not exceed [800-900] square feet of floor area, or [75-85] percent of the primary dwelling's floor area, whichever is smaller.
2. An attached or interior Accessory Dwelling shall not exceed [800-900] square feet of floor area, or [75-85] percent of the primary dwelling's floor area, whichever is smaller. However, Accessory Dwellings that result from the conversion of a level or floor (e.g., basement, attic, or second story) of the primary dwelling may occupy the entire level or floor, even if the floor area of the Accessory Dwelling would be more than [800-900] square feet.

**C. Other Development Standards.** Accessory Dwellings shall meet all other development standards (e.g., height, setbacks, lot coverage, etc.) for buildings in the zoning district, except that:

1. Conversion of an existing legal non-conforming structure to an Accessory Dwelling is allowed, provided that the conversion does not increase the non-conformity;

2. No off-street parking is required for an Accessory Dwelling;
3. Properties with two Accessory Dwellings are allowed [10-20%] greater lot coverage than that allowed by the zone in which they are located; and
4. Accessory dwellings are not included in density calculations.

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**Definition** (This should be included in the “definitions” section of the zoning ordinance. It matches the definition for Accessory Dwelling found in ORS 197.312)

**Accessory Dwelling** – An interior, attached, or detached residential structure that is used in connection with, or that is accessory to, a single-family dwelling.

## **Appendix C**

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### **Recommended Comp. Plan Amendments**

1. The City shall ensure that sufficient vacant and redevelopable buildable land shall be designated for residential uses to accommodate the projected increases in year-round and part-time populations and to provide a choice of housing location, type and price, to meet the needs of the community identified in the Housing Needs Analysis.
2. The City shall encourage development of small vacant and partially vacant parcels with policies that support development of infill housing types, especially in areas with existing urban services.
3. The City shall encourage new and innovative housing types that meet the evolving needs of Yachats households and expand housing choices in all neighborhoods. These housing types include but are not limited to single-family dwelling units; duplexes; multi-family dwelling units; accessory dwelling units; small units; prefabricated homes such as manufactured, modular, and mobile homes; and cottage cluster housing.
4. The City shall monitor and regulate short-term rentals to mitigate their impact on availability and long-term affordability of housing.