



DATE: June 13, 2019

TO: W. John Moore, Mayor  
Yachats City Council

FROM: Shannon Beaucaire, City Manager

SUBJECT: USDA Grant Funding Application

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The City of Yachats has applied for the USDA Rural Development Rural Housing Service Community Facility Grant. Based upon the City's Median Household Income (MHI), we are eligible for up to 55% of the total project cost in grant funds but are applying for the maximum grant available of \$50,000.

A public hearing on the application, with the opportunity for the public to comment, is a requirement of the application. A resolution is also required and is attached.

The grant required matching funds and requires that City funds be utilized prior to grants funds. The \$75,000 allocated in the City's 2019-20 CIP plan provided the ability to apply for this grant.



United States Department of Agriculture

Rural Development

Oregon State Office

1220 SW Third Ave  
Suite 1801  
Portland, OR 97204

Voice: (503) 414-3300  
Fax: (866) 824-6181

**USDA RURAL DEVELOPMENT**  
**RURAL HOUSING SERVICE**  
**COMMUNITY FACILITY (CF) GRANTS**

[www.rurdev.usda.gov](http://www.rurdev.usda.gov)

Essential community facilities - such as health care clinics, police and fire stations, schools, and childcare facilities are essential to the quality of life in any rural community. Through its Community Facilities Grant program, the Rural Housing Service (RHS) of USDA Rural Development is striving to ensure that such facilities are readily available to all rural Americans. This USDA commitment is at the core of its mission and promise to help build stronger more vibrant rural communities across the Nation.

**WHO MAY APPLY?** Grants are available to public entities such as municipalities, counties and special purpose districts as well as to nonprofit corporations and tribal governments. In addition, applicants must:

1. Be unable to obtain needed funds from commercial sources at reasonable rates and terms;
2. Have the legal authority necessary for construction, operation, and maintenance of the proposed facility;
3. Propose facilities that are necessary for orderly community development and consistent with Strategic plan;
4. Be located in a rural community having a population of 20,000 or less and serve primarily rural areas with a population of 20,000 or less; and
5. Serve areas where the median household income of the population to be served by the proposed facility below the higher of the poverty line or 90 percent of the State Nonmetropolitan median household income.

**HOW MAY FUNDS BE USED?** Grant funds may be used to assist in the development of essential community facilities. Grant funds can be used to construct, enlarge, or improve community facilities for health care, public safety, and community and public services. This can include the purchase of equipment required for a facility's operation. A grant may be in combination with other community facilities financial assistance such as a direct or guaranteed loan, applicant contribution, or loans and grants from other sources. Examples of essential community facilities include but are not limited to:

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

HEALTH CARE	TELECOMMUNICA- TIONS	PUBLIC SAFETY	PUBLIC SERVICES
Clinic – Nursing Homes	Medical or Educational	Communications Centers	Child Care Centers
Rehabilitation Centers	Telecommunication Links	Police or Fire Stations	Adult Day Care Centers
Ambulatory Care Centers		Fire Trucks - Jails	Airports - Libraries
		Rescue Vehicles	City Halls - Schools

**WHAT IS THE MAXIMUM GRANT?** Grant assistance may be available for a range of 15 to 75 percent of project costs. A scale has been developed to predetermine grant funding limitations based on population and income. Grant assistance may be further limited to the minimum amount sufficient to provide economic feasibility to the proposed project and either \$50,000 or 50 percent of a State annual allocation, whichever is greater.

**WHAT ARE THE FUNDING PRIORITIES?** Projects will be selected based on a priority point system. Projects that will receive priority are those that:

1. Serve small communities with the highest priority going to those with a population of 5000 or less;
2. Serve very low-income communities with the highest priority going to communities with a median household income below the higher of the poverty line or 60 percent of the nonmetropolitan median household income; and
3. Provide health care, public safety services, or services identified as necessary in the State strategic plan.

**LIMITATIONS ON GRANT FUNDS.** Grant funds cannot be used to:

1. Pay any annual recurring costs, including purchase or rentals that are generally considered to be operating and maintenance expenses;
2. Construct or repair electric generating plants, electric transmission lines, or gas distribution lines to provide services for commercial sale;
3. Refinance existing indebtedness, pay interest, or loan/grant finder's fees;
4. Pay costs to construct facilities to be used for commercial rental where the applicant has no control over tenants and services offered.
5. Construct facilities primarily for the purpose of housing State, Federal, or quasi-Federal agencies.
6. Finance recreation facilities or community antenna television services or facilities.

**HOW ARE APPLICATIONS PROCESSED?** The application process is a two-stage procedure. An applicant must submit documentation to support its eligibility status and available funding before making a formal application. RD Instruction 3570-B explains the application procedure in greater detail. After determining the order of funding priorities, the RHS will tentatively determine eligibility and ask applicants to assemble and submit a formal application. See "What Are the Funding Priorities?"

**GRANT CLOSINGS AND DISBURSEMENT OF FUNDS.** If grants are authorized in combination with the CF direct and guaranteed loan programs, loans and grants will be closed simultaneously after determining applicable administrative actions and work required of the applicant have been completed. All borrower funds and other CF financial assistance (direct or guaranteed funds) must be expended before grant funds are made available. Grant funds will not be disbursed from the Treasury until they are actually needed by the applicant.

**WHERE IS APPLICATION MADE?** Detailed information and applications are available through local USDA Rural Development State and Area Offices or from the National Office: Community Programs Division, USDA, Rural Housing Service, South Building, 1400 Independence Avenue, SE, Mail Stop 3222, Washington, D.C. 20250. The National Office telephone number is (202) 720-1490; FAX (202) 690-0471.

## CF GRANT THRESHOLDS OREGON

<b>SNMHI GRANT \$52,855</b>		<b>COMMUNITY POPULATION</b>		<b>MAXIMUM CF (% of Dev. Cost)</b>
\$0-\$31,712 < 60% SNMHI	and	5,000 or less	=	75 percent
\$31,713-\$36,998 < 70% SNMHI	and	12,000 or less	=	55 percent
\$45,283-\$36,999 < 80% SNMHI	and	20,000 or less	=	35 percent
\$45,284-\$47,569 < 90% SNMHI	and	20,000 or less	=	15 percent

### Partial List of Examples:

1. Community with a population of 412 has \$29,050 MHI. The maximum federal grant is 75 percent.
2. Community with a population of 750 has \$32,100 MHI. The maximum CF Grant is 55 percent
3. Community with a population of 3,350 has \$38,825 MHI. The maximum CF Grant is 35 percent
4. Community with a population of 18,000 has \$46,500 MH. The maximum CF Grant is 15 percent.
5. Town of 22,100 has \$30,000 MHI. The maximum CF grant is 0 percent.

The State non-metro median household income (SNMHI) for Oregon is derived from the 2006-2010 American Community Survey, as adjusted by RD for eligible communities within metropolitan statistical area counties. The community population is based on the 2010 Census data.

The maximum CF grant is also limited to the greater of one-half of State allocation or \$50,000 and by availability of funds. Annual allocations for Oregon range from \$100,000 to \$250,000. Funds are targeted toward the smallest and poorest communities. The maximum total federal grant participation in a project is limited to 75% with limited exceptions.

**City of Yachats**  
**CF Grant-City Hall Renovation Project**  
**Simplified Preliminary Architectural Report (PAR)**

**1. Current Situation & Need for Project**

The City of Yachats' current City Hall is located at 441 Hwy 101 North. The building was originally built in the 1930s as a schoolhouse and was used primarily as a school until the 1980s. The City purchased the building in the 1990s to serve as a City Hall and a community center. Currently, the building is referred to as "Yachats Commons" and houses City Hall, an afterschool/daycare center, the council chambers, and space for community activities and private rentals. The City Hall space in the building no longer serves the needs of the City or its staff. The reception area is small and inefficient, there's no designated office space for the city manager, and other staffers share small and cramped working spaces. Work spaces for contract and part-time employees is limited and there's no more workspaces should the City need to hire additional staff.

**2. Feasible Alternatives**

**a. Alternative 1- Renovate Existing City Hall.**

The first alternative to consider is renovating the existing city hall facility. This is possible and would likely cost less than renovating another building.

**Cost:** \$0. The initial cost may be \$0, but the Commons building is 85 years old, and due to its age, may require more frequent repairs than a newer facility.

**b. Alternative 2- Renovate Adjacent Bank Building**

The City purchased a building adjacent to the current city hall with the intention of renovating and using the building as new city hall. The building was previously a bank and is in good condition but needs some renovations to make it suitable for use as a city hall including adding a reception area, council chambers, space for a sheriff's deputy, etc.

**Cost:** \$125,000. The building is already owned by the City. \$125,000 is the estimated cost for renovations.

**c. Alternative 3- Purchase Another Building.**

**Cost:** N/A

**3. Evaluate and Compare Alternatives**

**A. Alternative 1- Renovate Existing Building**

Renovating the facility may improve some of the work spaces, but it won't add much needed additional space. The community spaces within the building are used frequently and cannot be converted to office spaces. The building is also a historic structure with local significance so major renovations is not ideal. Alternative 1 is not the preferred alternative.

**B. Alternative 2- Renovate Adjacent Bank Building**

The adjacent building is considered ideal for the new City Hall. It has adequate space, is ADA accessible, and has plenty of parking for public meeting. It's also adjacent to the existing city hall facility and community center, which is useful for creating a center "public services" area within the City. Previously a bank, the building is also attractive and has the appearance of a municipal building. This is the preferred alternative.

**C. Alternative 3- Purchase Another Building**

There are no other facilities within the city that could serve as a city hall facility. Yachats is a small community and has limited commercial buildings. The bank building purchased was the only option, and no other alternatives are available. Alternative 3 is not the preferred alternative.

**4. Selected Alternative**

The adjacent building is the preferred alternative for the New City Hall. It has adequate space for existing staff, as well as the needed space for staffing positions to be filled. The appearance of a municipal building is already there, the renovations just need to be done on the interior, for the space to be used by the City's staff efficiently. Renovation will be, building Council chambers, a half wall to separate staff from the public, stations/offices for staff. The building has an open floor plan as of now. See attached Conceptual plan.

**Proposed Funding Sources**

\$ 50,000- USDA Community Facility Grant

\$ 75,000- City Contribution

\$125,000- Total project cost

\*Based on the City's MHI, we're eligible for up to 55% of the total project cost in grant funds, but are applying for the maximum grant available of \$50,000.

**5. Proposed Project Budget**

\$80,000 - Construction

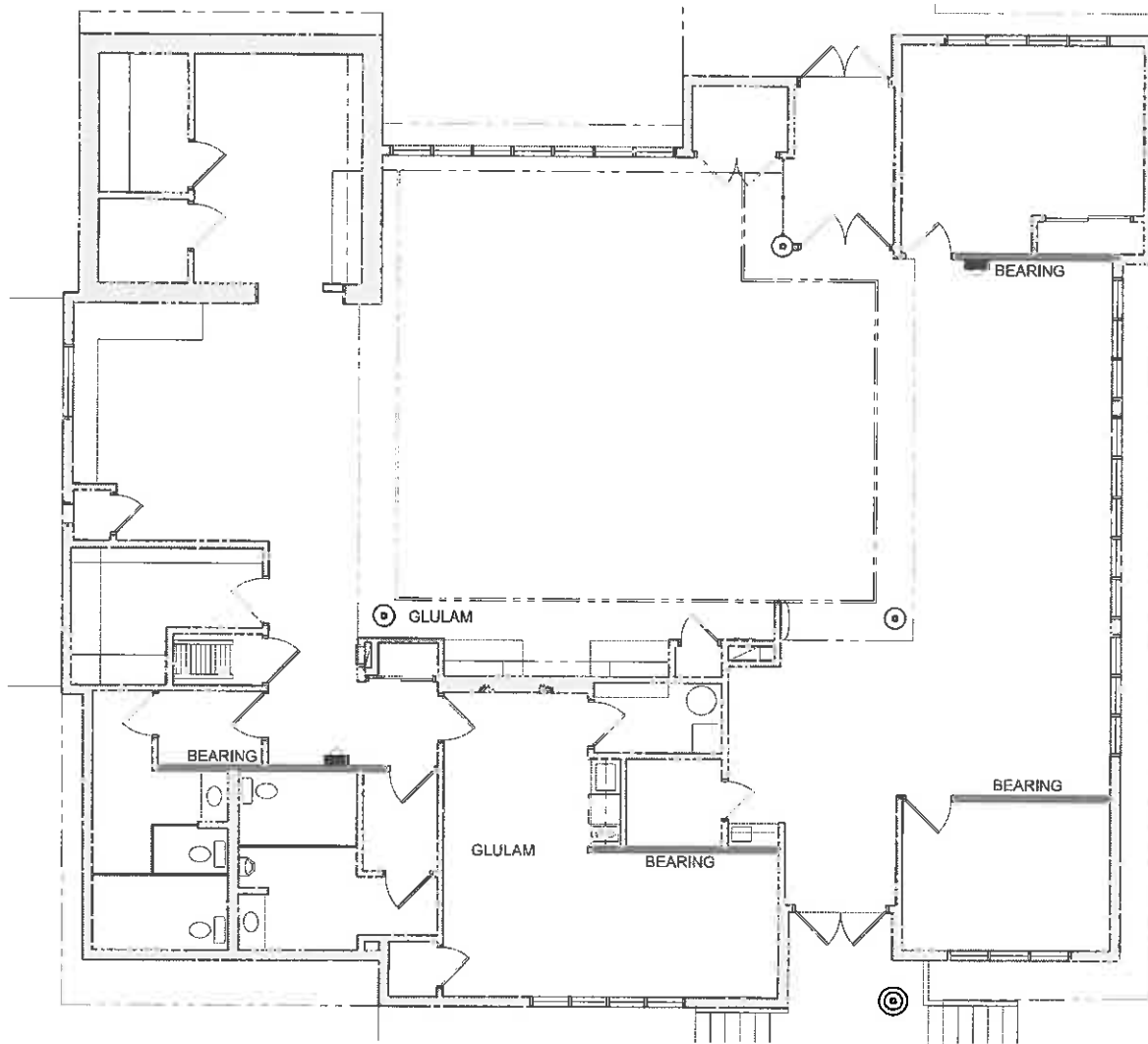
\$30,000 – IT/Equipment

\$15,000 - Contingency

\$125,000- Total project cost

Signature \_\_\_\_\_ Date \_\_\_\_\_

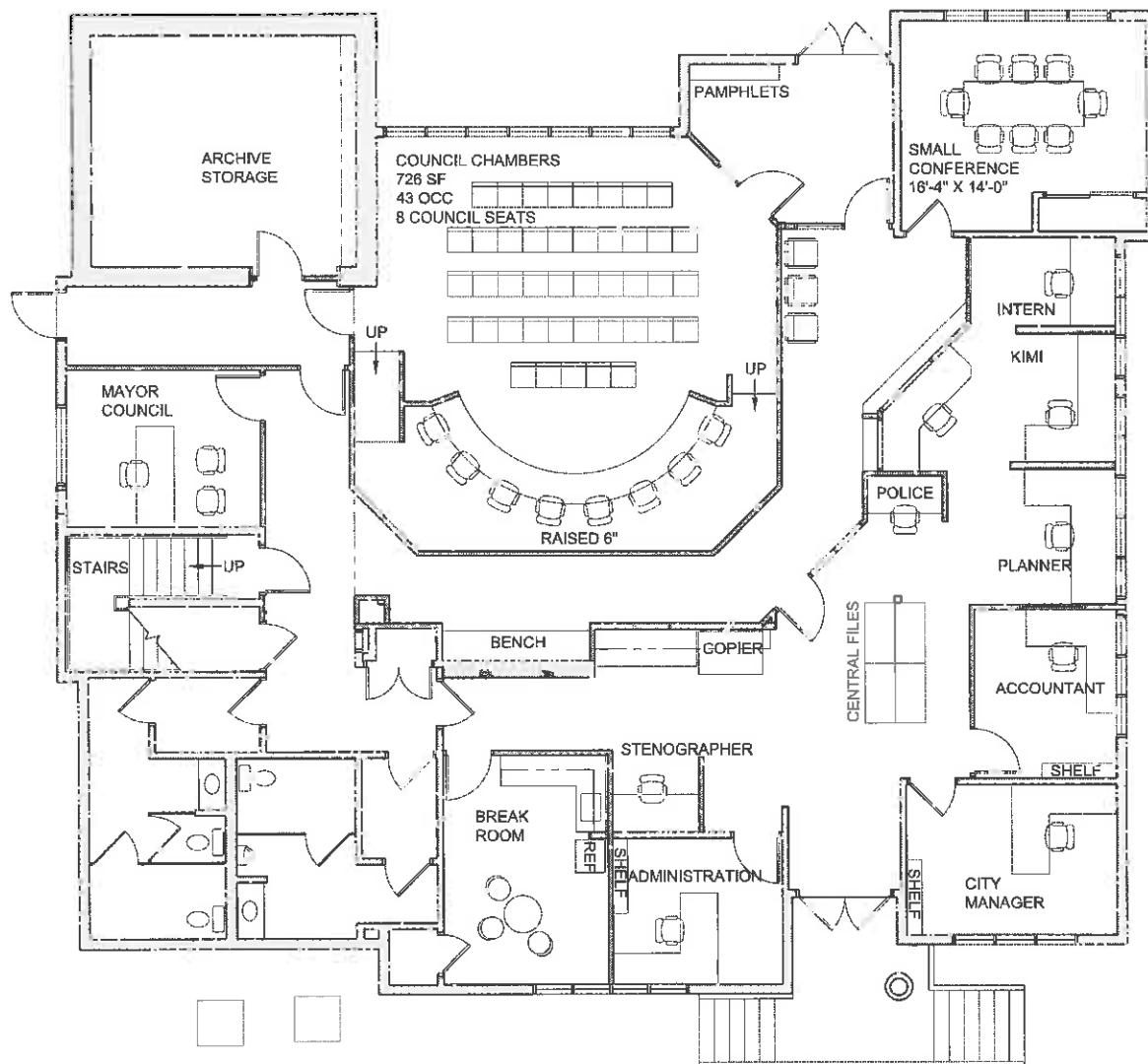
Report Prepared by: \_\_\_\_\_  
(Name) (Title)



# **YACHATS CITY HALL BANK EXISTING**

*Conceptual Design*

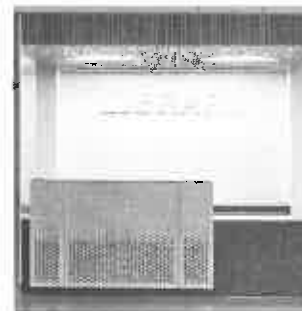
February 19, 2019



## DESIGN INSPIRATION



Conference room



Reception design



Stadium Seating in Council Chambers



Council Chambers Dais

## YACHATS CITY HALL OPTION 1

*Conceptual Design*

February 19, 2019





USDA  
Form RD 1942-47  
(Rev. 12-97)

**LOAN RESOLUTION**  
**(Public Bodies)**

FORM APPROVED  
OMB NO. 0575-0015

A RESOLUTION OF THE

City Council

OF THE

City of Yachats

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

City Hall Renovation

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the

City of Yachats

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

\$0 (no loan funds, grant funds only)

pursuant to the provisions of

ORS 221

; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established and maintained, disbursements from that account may be used when necessary for payments due on the bond if sufficient funds are not otherwise available. With the prior written approval of the Government, funds may be withdrawn for:
  - (a) Paying the cost of repairing or replacing any damage to the facility caused by catastrophe.
  - (b) Repairing or replacing short-lived assets.
  - (c) Making extensions or improvements to the facility.Any time funds are disbursed from the reserve account, additional deposits will be required until the reserve account has reached the required funded level.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain the Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 70,000

under the terms offered by the Government; that the City Manager  
and Council of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee

The vote was: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Absent \_\_\_\_\_.

IN WITNESS WHEREOF, the City Council of the  
City of Yachats has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

(SEAL)

Attest:

By \_\_\_\_\_

Title Mayor

Council President  
Title