



December 28, 2011

Via Email & US Mail

Mayor Ron Brean
Members of the City Council
City of Yachats
441 Hwy 101 N.
P. O. Box 345
Yachats, OR 97498-0345

Re: Goal J: Meeting Housing Needs

Dear Mayor Brean and Councilors:

We are a public charity dedicated to relief of the poor, distressed, and disadvantaged in the greater Yachats area, with a primary emphasis on housing. We have also provided significant support to the YYFAP pre-school, the Yachats Food Pantry, Seashore Family Literacy, Lincoln Community Land Trust, and other projects.

Pursuant to Goal J of the City of Yachats Comprehensive Land Use Plan (the "Comprehensive Plan") I write to solicit the City's financial support for system development charges ("SDCs") for our Aqua Vista Square project that will serve individuals and families earning between 50% and 100% of area median income ("AMI").

On October 18, the Planning Commission approved our application for the AVS Townhouse PUD, which includes seven residential units with two or three bedrooms from 800 to 1,200 square feet (the "Townhouses") as well as related open space and common areas known as Aqua Vista Square ("AVS"). The PUD application describing AVS is on the City website.

The townhouses at AVS will be available either for rent or for sale. Our target demographic is working families who cannot qualify for housing at the Fisterra Gardens Apartments, which serves those earning less than 50% of AMI. An affordable housing covenant included in the CCRs will guarantee that the Townhouses are rented only to income qualifying persons. The land under Townhouses that are sold to eligible persons will be held by OCV (or donated to a community land trust) and ground leased to the Townhouse buyers at a nominal rate assuring that the Townhouses remain permanently affordable. We have been engaged in a dialogue with the Board



of Directors of Lincoln Community Land Trust (“LCLT”) to take over ownership of the Lots and stewardship of the Townhouses that are sold; and we are hopeful a Memorandum of Understanding between OCV and LCLT will be concluded within the next month. The structures will be sold to eligible buyers at direct construction costs less any subsidy required (up to 20% of the direct construction costs) necessary for the mortgage payment to be affordable for the buyer.

The final plan for AVS has been submitted to the Planning Commission for approval. Our construction drawings are now being completed. We expect to be requesting building permits in late January or early February. SDCs, due prior to issuance of a building permit, are currently \$10,333.03 per lot. With total hard construction costs estimated at about \$90,000 per Townhouse, the SDCs account for about 10% of the total construction cost of these affordable Townhouses.

Goal J of the Comprehensive Plan, entitled “Meeting Housing Needs,” provides that the City “encourages a variety of housing choices in appropriate locations to accommodate a range of needs and incomes.” Further, “The City finds that providing opportunities for affordable housing to meet the needs of people of all income levels as [sic: is] a necessary and desirable goal.” The Planning Commission has advanced this goal by approving the AVS Townhouse PUD with the requested density and relaxed other zoning standards, as noted in the minutes, “to allow for the development of affordable housing.”

Two of the policies implementing Goal J are directly applicable. Policy 4 states that “The City shall actively encourage opportunities to create affordable housing.” In Policy 5, the City recognizes that “the private sector, as well as the public sector, contributes to and shares in the responsibility of providing adequate housing opportunities for all segments of the population.” AVS will be funded entirely by a private sector charity with no state or federal funding. Financial assistance with SDCs is a good way the public sector can “contribute to and share in the responsibility of” providing affordable workforce housing for a demographic not currently served in Yachats.

Based upon conversations with the Public Works Director and the City Recorder, the SDCs for AVS will be \$61,992.18 (six 3/4" meters; one meter serves two stacked flats) less a credit of \$5,553.13 for an earlier payment of one sewer SDC, for a net amount of \$56,439.05. We request the City’s assistance on the payment of SDCs as follows:

1. OCV pays \$6,439.05 toward the SDCs prior to issuance of building permits.
2. The City donates \$10,000 or more to be applied to payment of those SDCs.
3. In order to mitigate up-front costs, OCV pays the balance due for SDCs (after items 1 and 2 above) in five equal annual installments without interest payable on each anniversary of the making of the payment under item 1 above until paid in full.

We are also reaching out to the greater Yachats community for contributions to OCV that would help OCV pay the SDCs. Any such contributions received by OCV prior to issuance of building permits would be paid over to the City when building permits are issued, thereby reducing the deferred portion of the total SDC charges and the annual installment amount. Contributions from the community after building permits are issued would be used to make the annual installment payments.

If you have any questions about AVS or about this request, we would be happy to address them with you.

Sincerely,

OUR COASTAL VILLAGE, INC.

By 
K. Layne Morrill
President

KLM:dlm

cc: Marje Takei, Director
Dennis Snyder, Director
Nancy Batchelder, Director
Elizabeth R. Morrill, Director