

AGENDA
CITY OF DAYTON
EXECUTIVE SESSION AND SPECIAL SESSION

DATE: TUESDAY, JANUARY 21, 2025
TIME: 6:00 PM
PLACE: DAYTON CITY HALL ANNEX - 408 FERRY STREET, DAYTON, OREGON
VIRTUAL: ZOOM MEETING - ORS 192.670/HB 2560

You may join the Council Meeting online via YouTube: https://youtube.com/live/nrtlGRb_G30?feature=share

Dayton - Rich in History . . . Envisioning Our Future

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>PAGE #</u>
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- A. CALL TO ORDER & PLEDGE OF ALLEGIANCE
- B. ROLL CALL
- C. APPEARANCE OF INTERESTED CITIZENS
- D. EXECUTIVE SESSION (ESTIMATED 15 MINUTES)

Executive Sessions are closed to the public. Representatives of the news media and designated staff may attend Executive Sessions. Representatives of the news media are specifically directed not to report on any of the deliberations during the Executive Session, except to state the general subject of the session as previously announced. No decision will be made in this executive session. At the end of the executive session, we will return to open session and welcome the audience back into the room

- 1. The executive session is being held pursuant to ORS 192.660(2)(e), to conduct deliberations with persons designated by the city to negotiate real property transactions.

The Special Meeting will convene immediately following the Executive Session.

E. ACTION ITEMS

- | | |
|--|-------|
| 1. Approval of "Amendment number 2 to 'Agreement of purchase and sale or real property'" and "Declaration of restrictive covenant for Dayton Village lots 1 through 12" with the Yamhill Community Development Corporation, and to authorize the City Manager to sign. | 1-9 |
| 2. Dayton Events Committee Appointments | 10-11 |

F. CITY COUNCIL COMMENTS/ CONCERNS

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice: City Hall Annex is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to the City Recorder (503) 864-2221 or rvargas@daytonoregon.gov.

G. ADJOURN

Posted: January 17, 2025

By: Rocio Vargas, City Recorder

NEXT MEETINGS

Joint Session, Wednesday, January 29, 2025

Regular Session, Monday, February 3, 2025

Virtually via Zoom and in Person, City Hall Annex, 408 Ferry Street, Dayton, Oregon

The public is encouraged to relay concerns and/or comments to the City Council in one of the following methods:

- a **Email - any time up to 5:00 p.m.** the day of the meeting to rvargas@daytonoregon.gov. The Mayor will read the comments emailed to the City Recorder.
- b **Appear in person** - if you would like to speak during public comment, please sign up on the sign-in sheet located on the table when you enter the Council Chambers.
- c **Appear by Telephone only** - please sign up prior to the meeting by emailing the City Recorder at rvargas@daytonoregon.gov. (The chat function is not available when calling by phone into Zoom.)
- d **Appear virtually via Zoom** - send an email directly to the City Recorder, Rocio Vargas, prior to the meeting to request to speak during public comment. **The City Recorder will need your first and last name, address, and contact information** (email, phone number), **and topic name** you will receive the Zoom Meeting link or information. When it is your turn, the Mayor will announce your name and your microphone will be unmuted.

To: Honorable Mayor and City Councilors

From: Jeremy Caudle, City Manager

Issue: Approval of "Amendment number 2 to the 'Agreement of purchase and sale of real property'" and "Declaration of restrictive covenant for Dayton Village lots 1 through 12" with the Yamhill Community Development Corporation, and to authorize the City Manager to sign.

Date: January 21, 2025

History/Background

On November 30, 2023, the City issued a request for proposals (RFP) for an affordable housing development on surplus City real estate. The development is to occur on lots 1 through 12 of the Dayton Villages property located at 901 Village Place.

Community Home Builders was the sole respondent to the RFP. The City Council reviewed their proposal at the 1/2/23 meeting, in turn agreeing to sell the property to Community Home Builders.

At the 6/17/24 meeting, the City Council voted to extend to closing date to 12/31/24. On 7/23/24, staff signed a purchase and sale agreement with Community Home Builders. Staff signed an extension of that purchase and sale agreement on 12/30/24, which extends the closing date to 2/1/25. The reason for the second extension was to work out details on an affordable housing covenant.

Certain procedures must be followed prior to selling City real estate. One procedure is to declare a property to be surplus real estate, advertise a public hearing, then hold a public hearing prior to a vote to sell the property to a specified buyer (ORS 221.725). Another procedure is to sell city-owned real property to develop affordable housing (ORS 221.729). Under this procedure, the property sold must be subject to an affordable housing covenant. Since the City's intent, as advertised in the RFP, was to develop the property for affordable housing, staff pursued this option with Community Home Builders. Regardless, prior to the sale, one of the two procedures must be followed.

The documents in the packet will ensure compliance with ORS 221.729 related to property sales for affordable housing developments. The first document is an amendment to the purchase and sale agreement, which states that the buyer will record the affordable housing covenant.

Following that is the covenant itself. This covenant, once recorded, would run with the land, meaning that it would apply from owner to owner. Under the proposed covenant,

two lots, to be determined at a future date, would be subject to the affordability covenant for five years. Eight lots would be subject to the affordability covenant for 20 years. Lots 1 and 2 will be dedicated to parking.

The affordability covenants ensure that the sale or rental of the lots is affordable for someone at or below a moderate-income level, which is defined as 120% or lower of the area median income. According to the US Department of Housing and Urban Development, the 120% AMI for a family of two for our area is \$113,300. So, according to these covenants, for a two-person family to be eligible to rent or buy one of the homes, their annual income could not exceed \$113,300. In addition, their home expenses could not exceed 30%.

Lastly, since the City is the covenant holder, the City would be responsible for enforcing the covenants.

City Manager Recommendation: I recommend approval as presented.

Potential Motion to Approve: I move to approve "Amendment number 2 to the 'Agreement of purchase and sale of real property'" and "Declaration of restrictive covenant for Dayton Village lots 1 through 12" with the Yamhill Community Development Corporation, and to authorize the City Manager to sign.

Council Options:

- 1 - Approve the amendment and affordable housing covenant.
- 2 - Sell the property using the surplus real estate procedure under ORS 221.725. This will require extending the closing date, advertising a public hearing, and holding a public hearing at a later meeting.
- 3 - Take some other action, likely requiring a third extension of the closing date.

**AMENDMENT NUMBER 2 TO AGREEMENT OF
PURCHASE AND SALE OF REAL PROPERTY**

This Amendment to the Agreement of Purchase and Sale of Real Property (the "Amendment") is made and entered into as of _____, between Yamhill Community Development Corporation (the "Buyer") and the City of Dayton (the "Seller"). Buyer and Seller may be referred to individually as a "Party" and collectively as the "Parties."

RECITALS:

A. Buyer and Seller entered into a Purchase and Sale Agreement dated July 23, 2024 (the "Agreement") for the sale of Lots 1-12 of the Village Plat located at 901-925 Village Place in the City of Dayton, Yamhill County, Oregon (the "Property"); and

B. The City of Dayton is conveying the Property to the Buyer on the condition that a restrictive covenant be recorded against the Property to ensure its use for affordable housing; and

C. The Parties desire to amend the Agreement to incorporate the restrictive covenant as set forth below. .

NOW, THEREFORE, the Parties agree as follows:

1. Section 6.2 of the Agreement is amended to add the following Section 6.2(A):

"Section 6.2 (A) In addition to the obligations listed in this Section 6.2, Buyer agrees to enter into an affordability covenant attached as Exhibit B which will be recorded against the Property at Closing."

2. The Agreement is amended to add the attached Exhibit B.
3. All other terms and conditions of the Agreement, as amended, shall remain in full force and effect. In the event of any conflict between the terms of this Amendment and the Agreement, the terms of this Amendment shall control.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first above written.

[THIS SECTION LEFT INTENTIONALL BLANK. SIGNATURE PAGE TO FOLLOW.]

SELLER:
The City of Dayton, Oregon

BUYER:
Yamhill Community Development
Corporation

Signature: _____

Signature: _____

Printed name: _____

Printed name: _____

Title: _____

Title: _____

EXHIBIT B

After Recording Return to:
The City of Dayton
PO Box 339
Dayton, OR 97114

DECLARATION OF RESTRICTIVE COVENANT

Dayton Village Lots 1 through 12

RECITALS

Whereas, Yamhill Community Development Corporation (Declarant) is the record owner of certain real property described as Lots 1-12 on the Dayton Village Plat recorded in the Yamhill County Deed Records No. _____ (Property).

Whereas, the City of Dayton has conveyed the Property to the Declarant on the condition that this restrictive covenant be recorded against the Property to ensure it will be used for affordable housing.

Now therefore, the following restrictions and declarations will apply to the Property (hereinafter described).

DECLARATIONS

The following covenants and restrictions shall run with the Property and be binding on all parties having any right, title, and interest in the Property, their heirs, successors, and assigns, and shall inure to the benefit of said parties and each of them.

1. Intent. Declarant through this Covenant intends to create Affordability Covenants as defined in and authorized by ORS 456.270 *et seq.*
2. Covenant Holder. The City of Dayton, an eligible Covenant Holder under ORS 456.270(3)(a), has conveyed the Property to the Declarant under favorable terms and conditions with the intent that the Property be used for providing affordable housing for low to moderate income households. The City and its successors and assigns shall be the covenant holder of the obligations set forth in this Covenant.

3. Covenants.

- a. Designation of Parking Lots. Lots 1 and 2 shall be dedicated solely for parking use for a term of 20 years.
- b. Affordability Covenant for 5-Year Term. Two (2) Lots shall be designated by the Declarant within six (6) months of the date of this Declaration as Lots that are subject to a covenant requiring affordability for households earning no more than 120% of the area median income (AMI) for a period of five (5) years from the date of recording of a deed for the Property from Declarant to an Eligible Buyer (5-Year Lot).
- c. Affordability Covenant for 20-Year Term. Eight (8) Lots shall be designated by the Declarant within six (6) months of the date of this Declaration as Lots that are subject to a covenant requiring affordability for households earning no more than 120% of the area median income (AMI) for a period of twenty (20) years from the date of recording of a deed for the Property from the Declarant to an Eligible Buyer (20-Year Lot).
- d. Flexibility of Lot Assignment. The Declarant shall notify the Covenant Holder in writing of the specific Lots designated as the 5-Year Lots and the 20-Year Lots prior to the first sale of any Lot. Until such designation is made, all Lots shall be deemed 20-Year Lots. Upon all Lots being assigned, Declarant agrees to record an amendment to this Covenant noting which Lots are subject to a 5-year term and which are subject to a 20-year term.
- e. Area Median Income. Area Median Income or (“AMI”) means the median gross for Dayton, Yamhill County, OR, calculated in a manner consistent with the determination of median gross income under Section 8 of the United States Housing Act of 1937, as amended (or, if such a program is terminated, under such program in effect immediately before such termination).
- f. Termination of Covenants. Upon the expiration of the applicable term (either five or twenty years), the affordability covenant for the respective Lots shall have no further force or effect and shall cease to be enforceable.
- g. Affordable Rental. During the applicable affordability term (either 5 years or 20 years), dwellings on any Lot may be rented only to households with incomes at or below 120% of AMI as defined in ORS 456.270(2) (Eligible Tenant). Rental rates

shall not exceed the amount which at the commencement of the term of the lease would cause the Eligible Tenant's total housing cost for the rented residence to equal 30% of household income. Annual re-certification of income eligibility is required to be obtained by Lot owners for each Tenant in order to continue renting. If the Eligible Tenant's income has increased on re-certification, but still qualifies, the rent may be increased appropriately. Total housing cost under this Section 3(f) includes rent and electric utility charges.

- h. In the event the recertification demonstrates that any Eligible Tenant's household income exceeds 120% of the income at which such household would qualify, Owner will notify the tenant that they are no longer an Eligible Tenant. Owner may revise the existing lease with tenants who, upon recertification, are no longer Eligible Tenants, to allow such tenants to continue to occupy their unit. Such lease may be at market rate rent for comparable units in comparable projects, but may not require cash payments of any additional deposits or fees. In no event may a tenant who is no longer an Eligible Tenant be evicted or have a duty to pay higher rent, unless Owner complies in full with Oregon landlord-tenant law and any applicable City requirements.
4. Affordable Sale.
- a. Principal Residence. During the applicable affordability term (either 5 years or 20 years), Lots subject to affordability covenants shall be used and sold only as the Eligible Buyer's principal residence.
 - b. Eligible Buyer. All lots subject to affordability covenants shall be sold only to Eligible Buyers, defined as households with incomes at or below 120% of AMI, as defined in ORS 456.270(2).
 - c. Sale Price on Initial Sale. The net sale price of the first sale of a residence by Declarant to an Eligible Buyer shall not exceed the price that permits the Eligible Buyer's total housing cost (as defined below) to equal 30% of the Eligible Buyer's income at the date of the sale contract.
 - d. Sale Price on Resale. During the applicable affordability term (either 5 years or 20 years), the resale price of a residence shall not exceed an amount that, considering any down payment assistance for which the Eligible Buyer qualifies, permits the Eligible Buyer's total housing cost to equal 30% of their income at the time of resale. After the expiration of the affordability term, this restriction shall no longer apply.
 - e. Definition of Total Housing Cost. Total housing cost includes principal and interest payments on a loan secured by the residence; casualty and liability insurance;

Exhibit "A"

Real Property in the County of Yamhill, State of Oregon described as follows:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, DAYTON VILLAGE in the City of Dayton, Yamhill County, Oregon. TOGETHER WITH undivided interests in the Common Area as set forth in the Declaration of Covenants recorded September 15, 1999, Instrument No. 1999918909, Records of Yamhill County, Oregon.

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To: Honorable Mayor and City Councilors
From: Jeremy Caudle, City Manager
Issue: Appointment of Dayton Community Events Committee Members
Date: January 21, 2025

History/Background

At the December 2, 2024, City Council meeting, the council approved Resolution 24/25-09 establishing the Dayton Events Committee. At the January 6, 2025, the council approved Resolution 24/25-10 altering the number of members.

Per resolution, this committee will have 9 voting members (Chair, Co-Chair, Secretary, and six other voting members). These voting members are to be appointed by the mayor with council approval and serve 3-year terms. Four of the 9 voting members can live outside of Dayton city limits.

Mayor Frank would like to appoint the following to 9 of the 9 voting positions for three-year terms ending on December 31, 2028, and the following non-voting members:

Voting:

1. Mike Billings
2. Colton Bowers
3. Emma Gentry
4. Kim Lattig (outside city limits)
5. Miley Smith
6. Wendy Stec
7. Colt Wilkins
8. Rachel Williams
9. Beth Wytoski (outside city limits)

Non-Voting

1. Kit Johnson
2. Chris Teichroew

City Manager Recommendation: n/a

Potential Motions to Approve:

"I move to approve appointing, Mike Billings, Colton Bowers, Emma Gentry, Kimberly Lattig, Miley Smith, Wendy Stec, Colt Wilkins, Rachel Williams and Beth

Wytoski to the Dayton Community Events Committee as voting members with terms ending December 31, 2028.”

Council Options:

- 1 - Approve as recommended.
- 2 - Approve with amendments.
- 3 - Take no action and direct staff to do further research or provide additional options.