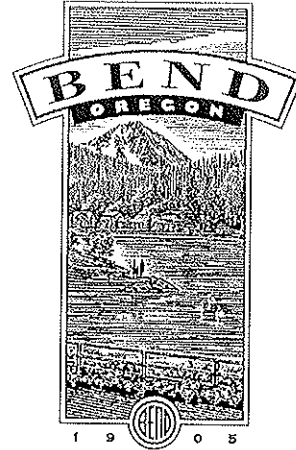


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STAFF RECOMMENDATION TO PLANNING COMMISSION



PROJECT NUMBERS: 06-790

DATE MAILED: December 28, 2006

HEARING DATE: January 8, 2007

APPLICANT: City of Bend

REQUEST: A legislative amendment to Chapter 5 of the Bend Area General Plan text, the Plan map, Chapter 2.7 of the City of Bend Development Code and the Zoning map to add a Manufactured Home Park Redevelopment Overlay designation to existing Manufactured Home Parks.

PROJECT MANAGER: Wendy Robinson, Senior Planner

APPLICABLE CRITERIA:

- (1) Bend Code Chapter 10; City of Bend Development Code, Ordinance NS-2016
 - (a) Chapter 4.1.300; Legislative Procedures
 - (b) Chapter 4.6.200; Legislative Amendments
- (2) Bend Area General Plan

ATTACHMENTS:

- Exhibit A – Staff Recommendation
- Exhibit B – Draft Manufactured Home Park Redevelopment Overlay Text
- Exhibit C – Draft Bend Area General Plan Chapter 5 Text
- Exhibit D – Existing Manufactured Home Parks map
- Exhibit E – Draft General Plan Map Overlay
- Exhibit F – Draft Zoning Map Overlay
- Exhibit G - Manufactured Home Park Closure Ordinance

FINDINGS OF FACT:

1. **LOCATION:** There are 17 Manufactured Home Parks operating within the City limits of Bend that are located within a residential zone. An additional 3 parks are located outside the current city limits, but within the study area

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for the UGB expansion. Some of the parks are in various stages of redevelopment.

2. **ZONING:** The parks are primarily zoned residential including RL, RS and RM. The plan designations for the various parks are also residential RL, RS, RM and RH.

4. **PROPOSAL:** The City Council adopted an interim, non-land use, Manufactured Home Park Closure ordinance in June 2006. Since that time, the City has been working with a citizen task force to modify the ordinance to balance the needs of both the tenants and the park owners. The goal of the modified ordinance is to provide an incentive for developers to construct affordable housing as a component of the redevelopment. In return, the City would provide a means for the park owner to offset the cost of the affordable housing. The updated Manufactured Home Park Closure ordinance, under consideration by Council, refers to a redevelopment overlay as an option for the waiver of the tenant relocation requirement. The proposed overlay will grant a housing density bonus to allow RM density of 21 units per acre for properties with existing zoning of RL and RS. Parks with zoning or Plan designation of RM will be allowed a maximum RH density of 43 units per acre. To assist the park owner in meeting the affordable housing goals, special development standards are being proposed to allow increased building heights. Taller buildings on smaller footprints will also aid in open space and tree preservation. The overlay includes strong compatibility standards to mitigate the foreseeable impacts of increased density on the surrounding properties.

5. **PUBLIC NOTICE AND COMMENTS:** The City of Bend Planning Division sent out a Measure 56 Notice of the request to the Park property owners and to surrounding owners of record as shown on the most recent property tax assessment roll within 250 feet of the subject property. Notices were also sent to City Departments and other affected agencies for their comment.

In addition, the City held a public meeting on December 13th to provide information on the proposal. The meeting was held at Jewel School. There were approximately 35 people in attendance.

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CONCLUSIONARY FINDINGS:

4.6.200 Legislative Amendments.

A. Applicability, Procedure and Authority. Legislative amendments generally involve broad public policy decisions that apply to other than an individual property owner. These include, without limitation, amendments to the text of the comprehensive plan and map, Development Code and changes in the zoning map not directed at a small number of properties. They are reviewed using the Type IV procedure in accordance with Chapter 4.1, Land Use Review and Procedures and shall conform to Section 4.6.600, Transportation Planning Rule Compliance.

FINDING: As stated earlier in this report, the proposed overlay involves 17 existing manufactured home park properties located through out the city and 3 properties located north of the city limits within the UGB Expansion Study area. The proposal if adopted, will amend the text of the General Plan to include policies that provide incentives for the development of affordable housing, an amendment to both the General Plan map and Zoning map to add a designation for the overlay and an amendment to the Development Code to add text that implements the overlay. Although the proposal does not rezone the manufactured home park properties, if a developer chooses to apply the overlay to an existing manufactured home park, the resulting redevelopment will have the same effect as a rezone.

OAR 660-015-0000(10)- Statewide Planning Goal 10: Housing – To provide for the housing needs of citizens of the state

The proposed redevelopment overlay will further this goal by providing an increase in housing opportunities within the Bend Urban Area. The proposed Redevelopment Overlay for Manufactured Home Parks in conjunction with the Manufactured Home Park Closure Ordinance will guarantee a percentage of the new housing units will be affordable to the citizens of Bend. Developers will be able to create a variety of housing types to fulfill a variety of housing needs.

CONFORMANCE WITH ORS 197.307(3)(a), (b) and 197.307(6)

The ORS requires the city to provide adequate land for needed housing and provide clear and objective approval standards and conditions for residential development that will not cause the denial of an application or reduce the proposed housing density.

The proposed Manufactured Home Park Overlay will provide additional opportunities to develop needed housing at higher densities. The redevelopment

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is subject to the provision of the City of Bend Development Code for access, circulation, uses, site development standards and compatibility. Additional criteria have been developed to allow additional height and setback bonuses. These criteria are quantifiable and meet the test for clear and objective.

B. Criteria for Legislative Amendments. A recommendation or a decision to approve or to deny an application for a Legislative Amendment shall be based on all of the following criteria:

1. The request is consistent with the applicable State land use law;

FINDING: The State of Oregon Revised Statutes provides an opportunity for local governments to adopt refinement plans within the community. The proposed Manufactured Home Park overlay is a type of refinement plan for the redevelopment of manufactured home parks. The proposal is consistent with the provisions of ORS 197.200 in that the overlay is applied to a specific planning area and establishes efficient density ranges for residential uses, establishes specific site coverage requirements for both residential and non-residential development, and includes land use regulation for implementing the plan.

2. The request is consistent with the applicable Bend Area General Plan goals and policies;

FINDING: In the Bend Area General Plan, Chapter 5; Housing and Residential Lands, there is a section that discusses housing affordability as stated below:

(Pages 5-15 and 5-16)

In Bend there are two main obstacles to achieving broad-based affordable housing. First, the relatively high rent levels make it difficult for persons in the very low income levels to find affordable housing. Second, the dramatic rise in housing costs in the 1990s made it more difficult for first-time home buyers and lower income families to buy a home. To overcome these obstacles the community needs to address the supply of affordable rental housing for low income households, and to provide opportunities for home ownership for low and moderate income families.

The city and county have provided low-cost or free land, grants, and other assistance to local housing groups to help meet the housing needs of the community. Between 1990 and 1996 local housing advocacy groups built more than 350 housing units — about 5 percent of all new UGB housing units — to provide affordable housing for low and very low income households.

To provide for the long-term self-sufficiency of low and moderate income households in Bend the issue of affordable housing must be addressed in a comprehensive manner. The city and county must continue to rely on housing groups and the local housing market to assure that affordable housing is available throughout the urban area. The

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General Plan and implementing codes encourage the market to provide affordable housing by:

- allowing smaller single family lots which may lower prices and spread development costs out over more dwellings;*
- reducing street widths in residential areas;*
- allowing accessory dwellings in new single family subdivisions;*
- creating more flexible and easier to administer development standards;*
- creating a new zoning district that permits attached housing, detached housing and manufactured home parks at a density between the existing standard residential and multifamily residential zones;*
- increasing the percentage of multifamily housing in the future housing mix; and*
- reducing the minimum lot size in the multifamily zones to allow smaller homes on lots as small as 2,500 square feet.*

It is evident by this excerpt from the Bend Area General plan that the City has been and will continue to be an active participant in the effort to provide affordable housing to Bend's citizens. The dramatic increase in land cost has far outpaced the income levels of the work force. In the past two years, Bend has witnessed the closing of several manufactured home parks to make way for new housing. Unfortunately, the new housing does not meet the affordability threshold for the City.

To further emphasize the need to provide affordable housing within the City of Bend, the following highlighted text is recommended to be added to Chapter 5.

(Page 5-15)

To provide for the long-term self-sufficiency of low and moderate income households in Bend the issue of affordable housing must be addressed in a comprehensive manner. The City will provide incentives to the manufactured home park owners to encourage the parks to remain a residential park or incorporate affordable housing into the redevelopment plans as replacement housing. In addition, the city and county must continue to rely on housing groups and the local housing market to assure that affordable housing is available throughout the urban area. The General Plan and implementing codes encourage the market to provide affordable housing by:

- allowing smaller single family lots which may lower prices and spread development costs out over more dwellings;*
- reducing street widths in residential areas;*
- allowing accessory dwellings in new single family subdivisions;*
- creating more flexible and easier to administer development standards;*
- creating a new zoning district that permits attached housing, detached housing and manufactured home parks at a density between the existing standard residential and multifamily residential zones;*
- providing special overlay standards for existing Manufactured Home Parks as an incentive to develop affordable housing.*

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- *increasing the percentage of multifamily housing in the future housing mix; and*
- *reducing the minimum lot size in the multifamily zones to allow smaller homes on lots as small as 2,500 square feet.*

The Bend Area General Plan sets forth general goals and policies to help guide future growth. The proposed overlay incorporates many of the goals in Chapter 5. The following plan goals and policies are applicable to this proposal:

(Pages 5-26 and 5-27)

Housing density and affordability

- 23. *The city shall rezone residential lands to the designated General Plan densities when sewer service is available to the area.***

FINDING: The existing manufactured home parks are located in different areas throughout the city. Many of the properties are zoned and plan designated for low to standard density housing. These plan designations were assigned over 20 years ago, before the city expanded their capability to provide sewer service to much of the urban area. The city is finalizing an updated sewer and water master plan that shows all areas of the community can be served once the infrastructure is complete. This will enable greater areas of the city to increase density over time.

The existing manufactured home parks can be up-zoned for redevelopment only if sewer service is available and the developer/park owner can mitigate the impacts of such a rezone. The overlay is applied in a similar manner. The incentive to develop at higher densities is available to an existing manufactured home parks provided the impacts of the increased density are addressed. Such impacts will include sewer, water, street infrastructure and compatibility with surrounding developments.

- 25. *The city and county will work with public and non-profit organizations that provide affordable housing within the urban area.***

FINDING: A citizens committee, consisting of council members, mobile home park owners, affordable housing providers and mobile home park tenants has been meeting regularly to come up with an amendment to the existing Manufactured Home Park Closure ordinance which was passed last June by City Council. This is a collaborative process that provides accommodations for tenants of parks that are being redeveloped while also allowing for the park owner the ability to utilize his property. The citizens committee has also provided valuable input on the overlay component of the ordinance to assure that both the park owner and tenant goals are addressed.

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To further emphasize the city's commitment to providing affordable housing, the following plan policies are proposed to be added to the Bend Area General Plan.

29. *The city shall provide special redevelopment standards for manufactured home parks as an incentive to develop affordable housing.*

30. *Density bonuses may be considered as an incentive to providing affordable housing.*

(Page 5-27)

26. *The city shall evaluate the community's housing mix and density levels every five years beginning in 2000.*

FINDING: The City recently completed a housing needs analysis in preparation for the UGB expansion. The recent rapid housing boom has tipped the housing mix heavily toward single family inventory. With the increased cost of land, the city is seeing more attached housing being proposed although very little product has been constructed and placed on the market. The 2005 housing needs analysis also found a need for more rental housing as well as more housing of all types this is affordable to workforce households.

The redevelopment of manufactured home parks will help balance the mix of housing by providing more attached housing. It will also assist in the production of affordable housing. However, the timing of Manufactured Home Park redevelopment is uncertain. It will be impossible to predict when the housing densities within the manufactured home parks will change. Redevelopment is dependent upon the availability of needed community services (ie; sewer, water and streets)

27. *When new commercial centers are created in developing residential areas, the city and county may allow up to 20 acres of medium-density residential housing within one-eighth of a mile of the commercial center.*

28. *Existing low-density residential areas that are adjacent to commercial or mixed use development at the south or north ends of the commercial corridor may be re-designated for medium-density development.*

FINDING: Many of the manufactured home parks are located in areas where the location of goods and services is miles away. These Manufactured Home Park sites may be eligible for development of a neighborhood commercial node under the current code. The overlay also provides incentives for the development of mixed use buildings at intersections of arterial or collector streets and provides a tool for implementing this plan policy. The development of commercial nodes is supported by the increased density proposed by the overlay.

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3. The applicant can demonstrate a public need or benefit for the proposed amendment.

FINDING: The rising value of land in the Bend area has increasingly resulted in the sale, closure and conversion of manufactured home parks for alternative uses. The closure of the manufactured home parks results in the forced eviction and displacement of park tenants. The ability for the displaced residents to find affordable replacement housing is nearly impossible within the City.

The creation of the Manufactured Home Park Overlay as an alternative to the relocation requirements of the Manufactured Home Park Closure Ordinance NS-2036 will place affordable units into the housing market and provide an affordable option for Bend's lower income residents.

In general, incentives for redevelopment may accelerate the construction of city infrastructure for sewer, water and streets enabling greater opportunities for increased density within the current city limits, lessening the need to expand into the urban area reserve lands.

Chapter 4.6.600 Transportation Planning Rule Compliance

When a development application includes a proposed comprehensive plan amendment or land use district change, or both, the proposal shall be reviewed to determine whether it significantly affects a transportation facility, in accordance with Oregon Administrative Rule (OAR) 660-012-0060.

FINDING: The proposed Manufactured Home Park Overlay, by itself, does not affect the zoning or plan designation. It is merely a development option which can be entered into through a development agreement with the city to provide a certain percentage of affordable housing units in exchange for increased density. The development agreement does not absolve the developer from mitigating the impacts of the proposed development. The overlay and the development agreement impose a condition requiring the property owner to provide adequate community services and mitigate any impacts which might result from the development.

The ultimate build-out of property in association with the overlay provisions will have the same end result as a zone change. For this reason, language in the draft overlay text requires the developer to initiate "Intent to Rezone" and address the applicable criteria for a zone change based on a specific project. Compliance with the development provisions of the overlay at the time of redevelopment will address the Transportation Planning Rule and therefore satisfy this criterion.

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RECOMMENDATION: The proposed amendments are consistent with the City's goals and policies with regard to affordable housing. Furthermore, the proposal is consistent with the Statewide Goal 10 by providing additional lands within the city limits for increased residential density. Staff is recommending that the Planning Commission consider the Overlay text and forward the draft Development Code, the draft General Plan policies and map amendments to the City Council for consideration.