

AN ORDINANCE OF THE CITY OF BEND AMENDING THE Bend City Code Sections 7.260 to 7.279 which MITIGATE THE PUBLIC HEALTH AND WELFARE IMPACTS OF FORCED EVICTIONS ASSOCIATED WITH CLOSURE OF MANUFACTURED HOME PARKS

THE CITY OF BEND ORDAINS AS FOLLOWS:

Section 1 The following provisions of Title 7 of the Bend City Code are amended as follows with the ~~struck-through~~ text being deleted and the **highlighted** text being added:

A. Section 7.262. Definitions.

(a) The following words, terms and phrases have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

"Appraisal" means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

"Closure of a manufactured home park" means to stop or cease leasing spaces in a manufactured home park, to terminate manufactured home space rental agreements **for all or a portion of the park spaces**, ~~or to otherwise engage in activity to effect termination of rental agreements or leases or to evict tenants.~~ **for the purpose of ceasing; to use all or a portion of the park as a manufactured home park.** Termination of tenancy under ~~ORS 90.400~~ **for violation of rental agreements or park rules**, actions required by the exercise of eminent domain or by order of State or local agencies shall not constitute closure of a manufactured home park.

"Comparable manufactured home park space" means any space, lot, or parcel of land within **Deschutes County** ~~400 miles of the park~~ that is (1) decent, safe, and sanitary; (2) adequate in size to accommodate the manufactured dwelling; (3) within the financial means of the displaced tenant (the higher of rent not greater than current rent of tenant or a rent, with mortgage on home if applicable, that is not greater than 30% of tenants income) ;

"Manufactured home" means a manufactured home, mobile home or residential trailer as these terms are defined in ORS 446.003(26).

"Manufactured home park" means place where four or more manufactured homes are located in a residential zone, the primary purpose of which is to rent space or keep space for rent to any person for a fee as defined in ORS 449.003(27). Manufactured Home Parks not defined under this section must still complete the closure impact report under Section 4 of this ordinance prior to closing.

"Owner" means a mortgagee in possession and means one or more persons, jointly or severally, in whom is vested all or part of the legal title to a manufactured home park; or all or part of the beneficial ownership and a right to present use and enjoyment of the manufactured home park. Owner includes an authorized representative of the Owner.

"Relocation costs" means and includes actual reasonable expenses in moving the tenant's manufactured dwelling and possessions to a comparable replacement space. Such expenses include:

1. Removal and reinstallation of skirting;
2. Disconnecting utilities;
3. Disconnecting and removing awning(s) and deck(s) from the manufactured dwelling;
4. Trip permit and public inspection fees;
5. Transportation costs;
6. Set up charges;
7. Utility connection expenses and fees;
8. Unit improvements to meet destination facility space standards;
9. Costs for packing and unpacking manufactured dwelling or residential vehicle contents as necessary for unit relocation for elderly and disabled persons, as defined in OAR 813-005-0005 and 813-060-0010, respectively;
10. Temporary housing, relocation consultant costs and meals (**not to exceed City of Bend Meal Reimbursement Rate**) for the tenant and permanent occupants during unit relocation and set up (**Meal Reimbursement does not apply if temporary housing has kitchen facilities**); and
11. Landlord expenses to secure the relocation space acceptable to the tenant from the time of tenant acceptance until the date the relocated manufactured dwelling or residential vehicle is approved for occupancy.
12. Disassembly and sealing of multi-unit manufactured homes.

Notwithstanding the above, relocation costs shall not include, and shall be offset by, relocation assistance received, including, but not limited to financial incentives to move into a new park, from a person or entity other than the owner. **Any assistance paid for by Park Owner shall be reimbursed up to the amount of the State of Oregon Mobile Home Tax Credit received by the tenant.**

"Tenant" means a person who owns and occupies a manufactured dwelling in a manufactured home park. For the purpose of this chapter, a

tenant does not include a tenant who has accepted an earlier termination date or contracted with the landlord as provided in ORS 90.630(6)(a) or (b).

B. Section 7.264 Manufactured Home Park Closure Permit

1. Permit Required. No person may close a manufactured home park unless a manufactured home park closure permit has been obtained. Provided, however, that nothing in this section is intended to limit **or regulate in any manner** a person's ability a) to apply for and obtain a plan amendment, zone change, or other land use decision pursuant to the City's Comprehensive Plan or Zoning Ordinance; b) sell, convey or transfer a manufactured home park; or c) provide notification pursuant to Oregon State Law.

2. Scope of Permit Requirement, Construction. These provisions shall apply to all closures commenced after March 7, 2006 by the notice provided for in Oregon State Law. These provisions shall be construed as not to conflict with state law, and shall be applied in a manner such that the provisions and state law operate concurrently.

3. Application Filing. Applications for closure permits shall include the following but not limited to additional relevant information as may be required by this chapter and the City Manager or City Manager's designee:

(a) A detailed narrative description of and timetable for the proposed closure.

(b) A report on the impact of the closure of the manufactured home park on its residents pursuant to Section 4.

(c) The Relocation Plan pursuant to Section 5.

(d) Notice pursuant to Section 6.

(e) The application filing fee in an amount established by the City Council.

4. Application processing. Upon receipt of a complete application, the City Manager or Designee shall review the application and forward a recommendation on the permit to City Council for final action. The Council will conduct a public hearing prior to acting on the application **and if all criteria are met shall approve the application**. This hearing will be conducted within 45 days after the submission of a complete application by the owner. **A decision of the Council may be appealed and the owner may request a hearing with the Council.** ~~However the appeal must have merit.~~

C. Section 7.266 -- Closure Impact Report

1. Any person filing an application for a Closure Permit shall file a Closure Impact Report on the impact of the closure, change of use, or cessation of use upon the residents of the manufactured home park. At a minimum, the Closure Impact Report shall include the following, as well as any other information deemed necessary and appropriate by the City Manager or Designee.

(a) A detailed description of the manufactured home spaces within the manufactured home park, including but not limited to

i) The total number of manufactured home spaces in the park and the number of spaces occupied,

ii) The length of time each space has been occupied by the present resident(s) thereof,

iii) The age, size, and type of manufactured home occupying each space,

iv) The monthly rent currently charged for each space, including any utilities or other costs paid by the present resident(s) thereof,

v) Name and mailing address of the primary resident(s) and owner if different than occupant of each manufactured home within the manufactured home park. **Tenant shall provide this information at request of park owner. Any refusal of cooperation by tenant for this information will negate any benefits for tenant.**

(b) **The City of Bend will assist the Park Owner by providing a list of all comparable manufactured home parks spaces within the City of Bend and in Deschutes County.** This list shall include the age of the manufactured home park and the manufactured homes therein, a schedule of rents for each park listed, a listing of the vacancies in the parks and the criteria of the management of each park for acceptance of new tenants and used manufactured homes.

(c) A detailed analysis of the economic impact of the relocation on the tenants including comparisons of current rents paid and rents to be paid at comparable manufactured home parks **in Deschutes County** the estimated costs of moving a manufactured home and personal property and any direct or indirect costs associated with relocation to another manufactured home park.

(d) A list of the names, addresses and telephone numbers of one or more housing specialists, with an explanation of the services the specialists will perform ~~at the applicant's expense for the residents to be displaced.~~ These services shall include but not be limited to assistance in locating a suitable replacement manufactured home park, coordination of moving the manufactured home and personal property, and any other

tasks necessary to facilitate the relocation to another comparable manufactured home park.

D. Section 7.268 -- Relocation Plan

1. A Relocation Plan for tenants of the manufactured home park shall be submitted for review and approval as part of the application for a Closure Permit. The Relocation Plan shall provide, at a minimum, for the following:

(a) Units to be Relocated -- The Relocation Plan for units that can be relocated shall provide for the owner to pay all reasonable relocation costs to relocate tenant to a comparable manufactured home park space within Bend or within Deschutes County for tenants who relocates from the park after City approval of the closure Permit. Tenants shall be required to solicit a minimum of two bids from a licensed, bonded manufactured home moving company for moving of their unit and shall be required to take the lower of: two bids received by tenant or bid received from the Park Owner for moving of unit. However, tenants being moved must apply for the State of Oregon Mobile Home Tax Credit and shall enter into an agreement with the owner to reimburse owner for full amount of moving costs up to the \$10,000 amount of State of Oregon Mobile Home Tax Credit. When any tenant has given notice of their intent to move prior to City approval of the Use Permit, eligibility to receive moving expenses shall be forfeited.

(b) Units that cannot be relocated -- The relocation plan shall identify those manufactured homes that cannot be relocated to a comparable manufactured home park space in Deschutes County. The owner shall be required to offer to purchase any manufactured home that cannot be relocated in conformance with this chapter. The offer to purchase the manufactured home will be made at the real market value, per Deschutes County Property Records, of the home as reported on the most recent property tax assessment roll. Either the owner of the manufactured home park or tenant owner of a manufactured home in the park may challenge the Deschutes County Property Records Real Market Value and, at the challenging party's expense, have an independent appraisal of the home to determine value. The opposing party or their designated representative shall be given an opportunity to accompany the appraiser during the inspection of the property. If the opposing party desires they may, at their expense, have a second independent appraisal of the home to determine value. If both parties then cannot agree on a value a review appraiser shall evaluate the appraisals and the Deschutes County Property Records Real Market Value and determine a value. The cost for the review appraisal shall be divided between the two parties.

(c) Individual Negotiated Agreements -- In order to facilitate a proposed closure, the tenants and owners may agree to mutually satisfactory conditions. To be valid, however, such an agreement shall be in writing, shall include a provision stating that the tenant is aware of the provisions of this ordinance, shall include a copy of this ordinance as an attachment, shall include a provision in at least twelve-point type which clearly informs the tenants that they have the right to seek the advice of an attorney of their choice prior to signing the agreement with regard to their rights under such agreement and shall be drafted in the form and content otherwise required by applicable state law.

~~(d) In the event that no comparable mobile home park spaces are available for relocation in the City of Bend but are available within the 100-mile relocation zone, each tenant may decide to have his or her mobile home purchased pursuant to subparagraph (2). The tenant must exercise this discretion within 30 days of receiving notice from the owner that spaces are not available in Bend but are available within the relocation zone.~~

E Section 7.270 -- Required Notifications

Required Notifications

~~(1) In the event the owner intends to sell the mobile home park, the owner shall notify, in writing, the tenants or the tenants' association and the City of Bend within 10 days of receipt of any written offer received by the owner or agent of the owner to purchase the park which the owner intends to consider or any listing agreement entered into by the owner to effect the sale of the mobile home park.~~

~~(a) The notice shall contain the name, address and phone number of the owner and the owner's representative, if any, who is authorized to negotiate the sale of the mobile home park.~~

~~(b) Within 90 days of the delivery by or on behalf of the owner of the notice required herein, a tenant may notify the owner by certified mail or personal service at the address disclosed in the notice that the tenant, a tenant's association or a tenant supported nonprofit organization is interested in purchasing the mobile home park.~~

~~(c) Upon delivery of the notice required herein, the owner shall negotiate in good faith with the tenant or tenant's association or organization and provide the tenant or organization an opportunity to purchase the facility as the owner would any bona fide third party potential purchaser.~~

~~(d) The section does not apply to those sales and transfers described in ORS 90.820(4) or to any offer or listing agreement made before this section was adopted.~~

~~In the event the owner intends to sell the manufactured home park, the owner shall comply with Oregon Administrative Rules 813-008-0015 and~~

~~Oregon Revised Statutes 90.630 and specifically ORS 90.630 (5), (6), (7) and (8) as follows:~~

1. Any written notice by the landlord of termination of a rental agreement because of facility closure and the land or leasehold being converted to a different use shall conform with the requirements of ORS 90.630 and provide at least the following information:

(a) The landlord's or representative agent's address for contact and communications;

(b) The firm date set for the closure of the facility or of the relevant portion of the facility;

(c) The actions and activities the landlord plans to take in the facility closure that may affect the facility tenants;

(d) The landlord's obligations under ORS 90.630(5), (6), (7) and (8);

(e) The tenant's rights under ORS 90.630(4) for a 365-day closure notice or 180-day closure notice, as applicable, including the right, if any, for payment of moving expenses under OAR 813-008-0030 and the eligible moving expenses defined under OAR 813-008-0025;

(f) The voluntary benefits, if any, to be provided to the tenant by the landlord or contracted between the parties, together with any shortened period between notice and termination of the rental agreement arising therefrom;

(g) A copy of the statute ORS 90.630 and of OAR Chapter 813, Division 008;

(h) Any definitions referenced within these rules applicable to the tenant's rights under these rules; and

(i) A description of any city or county regulations, laws, or ordinances that apply to tenant interests in facility closures.

2. Notices required by ORS 90.630 or by these rules shall be delivered personally or by first class mail to each affected tenant. If served by mail, the minimum period before facility closure shall be extended by three days, and the notice shall recite the fact and extent of the extension. The notice shall be delivered to the tenant at the address specified in the lease or rental agreement between the tenant and the landlord. In any sublet unit, the notice shall be delivered to the tenant at his or her current address and to the subtenant in possession. If the tenant's address is unknown and not

reasonably discoverable, his or her copy shall be delivered to the subtenant with written instructions to forward it to the tenant. Failure of the subtenant to deliver such copy to the tenant shall not limit the landlord's right to terminate the rental agreement because of facility closure.

3. For 365-day closure notices as provided in ORS 90.630(5)(a), the provisions of OAR 813-008-0020 through 813-008-0030 do not apply.

4. For 180-day closure notices as provided in ORS 90.630(5)(b), the landlord shall comply with the provisions of OAR 813-008-0020 through 813-008-0030.

F. Section 7.272 -- Required Findings

1. In approving a Permit for a manufactured home park closure, the City Manager or Designee shall find that the proposed closure meets the following requirements in addition to the other requirements of this Chapter.

(a) That the tenants or tenant's association of the manufactured home park have been adequately notified of the proposed closure, including information pertaining to the anticipated timing of the proposed closure.

(b) That the age, type size, and style of manufactured homes to be displaced as a result of the closure will be able to be relocated into other comparable manufactured home parks within Deschutes County, or that the owner has agreed to purchase any manufactured home that cannot be relocated as described in **Section 7.268**.

(c) That any manufactured home tenants displaced as a result of the closure shall be compensated by the owner for all reasonable relocation costs, excluding the value of tax credits owing the tenant under state law and as stated in **Section 7.268**.

(d) That if the owner files a tentative plat or plan for a land division to be created from the closure of a rental manufactured home park, the owner provides tenants such offers and other information required by law.

G. 7.274 -- Conditions of Approval

City Manager or Designee may impose necessary and appropriate conditions of approval to satisfy and implement the intent, purpose, and content of this Chapter. In addition, any other necessary and appropriate conditions of approval to protect the health, safety and welfare of the residents of the City of Bend may be imposed. The City Manager or Designee shall not deny, but **must** ~~may~~ approve or conditionally approve, the permit involving the closure of the park or cessation of the use of the land as a manufactured home park, provided the applicant has properly complied with the requirements of this ordinance and there is no evidence that the applicant or prior owners have attempted to evict or otherwise

cause the removal of residents for the purpose of avoiding the requirements of this Chapter.

I Section 7.278 Enforcement

1. Violations. Any person who closes a manufactured home park without a permit, who fails to comply with the requirements of this chapter or the conditions of the permit, or who willfully makes an untrue or misleading statement of material fact or willfully omits to provide required information in the process of application or whose actions, through the raising of rent or otherwise, objectively manifests a intent or effort to avoid the requirements to this Chapter, shall be guilty of a violation. Notwithstanding any other provision of this code, the penalty for any such violation shall be not greater than \$1,000. Each day of non compliance shall constitute a separate violation.

~~(2) Private Right of Action. Except with respect to relief granted by the City Council under the provisions of Tenants-Owner Agreements in Section 5 or Owners Relief in Section 8 any tenant of a mobile home park, or any owner of a mobile home in a park subject to closure shall have a right of action in a court of competent jurisdiction for such equitable and legal remedies as the court may grant, and shall be entitled to recover reasonable attorney fees, expenses, costs and other disbursements reasonably incurred.~~

~~(3) Cumulative Remedies. The foregoing is in addition to any other remedies that may exist at law or in equity.~~

Section Two. The following provisions are added to Title 7 of the Bend City Code:

A. Sectopm 7.279 -- Waiver of Relocation Requirements Option

1. Owner will not be subject to the requirements of Sections 3 through 5 of this Ordinance if the Owner satisfies one of the following provisions:

(a) Enters into a development agreement for increased density in exchange for the tenant protection provisions of this section; or

(b) Enters into an alternative program for the protection of tenants including the protective provisions of this section. Such alternative programs may include but not be limited to the exchange of real estate.

(c) Enters into a sales agreement with the tenants of the park to be purchased as a tenant owned cooperative.

2. **Increased Density Alternative.** The City intends to adopt amendments to the City's Zoning Ordinance that will create a Manufactured Home Park Overlay Zone at locations where existing manufactured home parks are located. Utilization of that Overlay Zone will permit increased density within the manufactured home park but require that the Park Owner enter into a development agreement protecting manufactured home park tenants and expanding affordable housing opportunities. The required provisions include the following:

(a) Owners must agree to pay the relocation costs for those units that can be moved pursuant to **Section 5 (1)(a)**. This requirement, however, only applies if tenants being moved agree to apply for the Mobile Home Tax Credit and enter into an agreement to reimburse the owner for the full amount of moving costs up to the \$10,000 amount of the State of Oregon Mobile Home Tax Credit.

(b) Of the new units developed utilizing the increased density bonus, at a minimum, a number equal to the spaces removed from the park being redeveloped, not to include spaces for units that can be relocated, must be affordable and offered, either for rent or purchase, to tenants who are being displaced and whose units cannot be moved. Tenants new mortgage/rent shall not be greater than the higher of:

(1) Amount of current space rent and mortgage on home;

(2) The new mortgage or rent does not exceed 30 percent of the family's adjusted income per Department of Housing and Urban Development (HUD) standards; or

(3) a rent or mortgage that does not exceed 30 percent of the income for a family at 50% of median income. This will be based upon most recent HUD Income Limits for the Bend Metropolitan Statistical Area (Bend MSA) and family size shall correspond to unit size as follows: For one bedroom units the income shall be based upon a family of two. For two bedroom units the income shall be based upon a family of three; for three bedroom units the income shall be based upon a family of four; and for four bedroom units the income shall be based upon a family of six.

(4) In addition, up to 10% of the newly created affordable units as stated in Section 12 2 (b) shall have a rent or mortgage that is affordable for a family at or below 30% of Median Income. The number of units that will be required to meet this threshold shall be based upon the income surveys of existing tenants. Income surveys of all existing tenants shall be initiated by the owner and tenants shall be required to provide verification information to the owner as condition of receiving benefits/housing under this section. Units created as part of this section must be offered to existing tenants whose incomes are at or below 30% of median income.

(c) The Park Owners shall ensure that the tenant owners who are displaced shall not be held responsible for any demolition costs if their unit cannot be moved.

(d) The Fair Market Value, per Deschutes County Property Records, of the tenant owner's property (Manufactured Home) will be credited towards the purchase or rent of the new unit. Either the owner of the manufactured home park or tenant owner of a manufactured home in the park may challenge the Deschutes County Property Records Real Market Value and, at the challenging party's expense, have an independent appraisal of the home to determine value. The opposing party or their designated representative shall be given an opportunity to accompany the appraiser during the inspection of the property. If the opposing party desires they may, at their expense, have a second independent appraisal of the home to determine value. If both parties then cannot agree on a value a review appraiser shall evaluate the appraisals and the Deschutes County Property Records Real Market Value and determine a value. The cost for the review appraisal shall be divided between the two parties.

(e) Any displaced tenant owner shall be assured of affordable transitional housing and the payment of any necessary and reasonable moving expenses to relocate from their existing unit to a transitional unit and from the transitional unit to the permanent housing in the new unit. Tenant shall be required to solicit a minimum of two bids from licensed moving companies and shall be required to take the lower of these bids. The allowable transitional relocation expenses shall not exceed:

(i) Actual reasonable expenses in moving family or other personal property;

(ii) Actual direct losses of tangible personal property as a result of moving but not to exceed an amount equal to the reasonable expenses that would have been required to relocate such property, as determined by the City Manager or designee;

(iii) An amount not to exceed \$4,000, (adjusted annually by the increase, if any, in the Consumer Price Index (CPI) based on the index published by the US Department of Labor, Bureau of Labor Statistics, using the index US City Average, All Items, All Urban Consumers, Not Seasonally Adjusted (1982-84 = 100)), in total for relocation to transitional housing and from transitional housing to permanent housing. However, during the period of transition, tenant will still be required to pay, for rent, the amount stated above in Section 12 Paragraph 2 (b)(1) and comply with lease agreement and applicable Landlord Tenant Law. Any significant violations of lease will negate tenant rights under this ordinance.

(iv) Park owner's may elect to contract for moving of tenant or may move tenants utilizing other resources, provided that all bonding and insurance is satisfied for the moving of the belongings.

(v) Park owner's may provide transitional housing, either on site or off site to meet the requirements of this section.

(vi) Tenant owners who cannot qualify for the new permanent unit due to rental history issues, credit worthiness or other factors shall not be eligible for relocation benefits under this section but shall receive compensation for their units as stated in Section 5(b). Income alone cannot be a factor in excluding someone from receiving benefits under this section.

(f) The development agreement shall ensure that the tenant owners who can move their units and who have assured spaces of comparable affordability to their present site shall not be liable for any moving expenses above those allowed by State of Oregon Mobile Home Tax Credit.

(g) All tenant property in a park under closure notice shall remain secure and all services in rental agreements shall be provided to tenants remaining in park until closure.

(h) New rental units developed under the density bonus program shall meet the affordability requirements for not less than 20 years, beginning after project completion and must be offered first to existing tenants in the park. The affordability requirements for the rental units apply without regard to the term of any loan or mortgage or the transfer of ownership. The requirements must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by the City of Bend, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The City of Bend, the owner, or other entity having property rights in project may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

(i) Subsequent rents for units vacated during affordability period: Units that are vacated by original tenants during the period of affordability shall remain available and rented to low-income tenants. Rents for these units shall not exceed 30% of income for tenants at 80% of median per HUD Income Limits for Bend MSA and family size will be based upon unit size as stated in Section 12 Paragraph 2(b)(3). Owners of rental properties shall be required to submit an annual rent schedule for all units to the City of Bend.

(1) Rent Increases: Any increase in rents for assisted units is subject to the provisions of outstanding leases, and in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.

(2) Over-income tenants: Units continue to qualify as affordable housing despite a temporary noncompliance caused by increases in the incomes of existing tenants if actions satisfactory to City of Bend are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected.

(j) New affordable ownership units developed under the MHP Overlay Zone shall be acquired by an existing tenant or homebuyer whose family qualifies as a low-income family and the housing must be the principal residence of the family throughout the period of affordability. Units shall be first offered to tenants being displaced.

(1) Mortgage Amounts: Mortgage for new unit shall be as stated in Section 12 (2)(b).

(2) Periods of affordability. The newly created/assisted ownership unit must remain affordable for a period of eight years. However, a portion of the gained equity shall be recaptured for a period of 20 years as stated in Section 12 Paragraph 2(j)(3)(v) below.

(3) Resale and recapture. To ensure affordability, the property owner/developer must impose either resale or recapture requirements, at its option and upon agreement with the City of Bend. The resale or recapture requirements shall comply with the following standards:

(i) Resale. Resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability, that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family (80% of Median Income per HUD Income Limits for the Bend MSA) and will use the property as its principal residence. The resale requirement must also ensure that the price at resale provides the original -assisted owner a fair return on investment (including the homeowner's initial investment (downpayment) and any capital improvement) and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers.

(ii) Deed restrictions, covenants running with the land, or other similar mechanisms must be used as the mechanism to impose the resale requirements. The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The owner/developer of the property, with approval of the City of Bend, may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

(iii) Recapture. Recapture provisions must ensure that the Market Value of the assistance to the homebuyers (real market value of property minus total cost to purchaser at time of initial sale/occupancy), if the housing

does not continue to be the principal residence of the family for the duration of the period of affordability is recouped. Deed requirements shall ensure that this recaptured amount of funding is deposited with NeighborImpact (or designated successor) and shall be utilized, minus administrative costs, to assist a future purchaser of the property. NeighborImpact will market the property to eligible purchasers as stated in Section 12 (j). Trust Deeds, Mortgages or other instruments of property transfer executed at time of sale shall ensure compliance with the above section.

(iv) Reduction during affordability period. The Market Value amount to be recaptured shall be reduced on a prorata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period. This shall be at a rate of 50% per year beginning in year six and accelerating to 100% per year beginning in year eight.

(v) Shared net proceeds. Upon recapture of Market Value of assistance 10% of the amount of seller's net proceeds shall be deposited in the City of Bend Affordable Housing Fee Fund to be utilized for affordable housing projects. This requirement shall expire 20 years after project completion.

(vi) Uses of recaptured proceeds. All funding recaptured upon sale of any unit during period of affordability shall be utilized to assist a qualifying low-income homebuyer to purchase the unit. Portion of seller's net proceeds recaptured shall be utilized as stated in Section 12 Paragraph 2 (j)(v) above.

(k) The Park Owner dismisses all litigation against the City related to the legality and application of the City's Manufactured Home Park Ordinance.

Section Three -- Severability.

If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section Four. Repeal of Sunset Provision.

By adoption of this ordinance the sunset provision in Ordinance NS- 2028 is hereby repealed.

YES

NO

DATED and signed by the Mayor this _____ day of _____, 200__.
