

ORDINANCE NO. NS - 2390

AN ORDINANCE AMENDING BEND DEVELOPMENT CODE AMENDMENTS TO CHAPTER 1.2, DEFINITIONS, CHAPTER 2.3, MIXED-USE ZONING DISTRICTS AND CHAPTER 3.8, DEVELOPMENT ALTERNATIVES.

Findings:

- A. The application was processed in accordance with Bend Development Code (BDC) 4.1.500. The City provided timely and sufficient notice of the legislative changes pursuant to Section 4.1.515 of the Bend Development Code.
- B. The City submitted a Notice of Proposed Amendment to the Oregon Department of Land Conservation and Development on July 7, 2020.
- C. Notice of the August 24, 2020, Planning Commission public hearing was printed in the Bend Bulletin on August 2, 2020, and was mailed to the neighborhood associations on July 31, 2020. A notice of the October 7, 2020, City Council public hearing was printed in the Bend Bulletin on September 13, 2020, and was mailed to the neighborhood associations on September 11, 2020.
- D. The 2019 legislative session passed HB 3450 to allow a city with population greater than 75,000 not within a metropolitan service district to adopt changes to its comprehensive plan and land use regulations authorizing high density or horizontal or vertical mixed-use housing on lands zoned under a statewide land use planning goal related to economic development for a mix of commercial, service, retail and other employment uses. The BDC amendments implement HB 3450 by allowing up to 40 acres of land to be developed with high density standalone residential uses in CL, CG and ME zoning districts.
- E. HB 3450 requires the City of Bend to consult with the Oregon Department of Transportation (ODOT) prior to adopting these changes. On August 7, 2019, staff met with ODOT Region 4 Principle Planner and Region 4 Planning & Programs Manager, to discuss the requirements of HB 3450 and on June 8, 2020, staff met again to discuss the draft amendments. ODOT reviewed the draft amendments and emailed comments on June 16, 2020, and staff followed up with a response on June 17, 2020. On June 22, 2020, ODOT provided staff with a letter acknowledging ODOT's participation in the HB 3450 consultation process.
- F. On August 10, 2020, the Planning Commission along with members from the Affordable Housing Advisory Committee (AHAC), Neighborhood Leadership Alliance (NLA), and Bend Economic Development Advisory Board (BEDAB) held a work session and discussed the proposed amendments.
- G. On August 24, 2020, the Planning Commission held a public hearing on Project Number PZ 20-0527, and began deliberation. The Planning Commission voted to recommend that the City Council approve the proposed text amendments as amended in Exhibit A.
- H. The City Council held a public hearing on October 7, 2020, to accept evidence, receive public testimony, and consider the Planning Commission's recommendation. The City Council found that the amendments satisfy the criteria for approval contained in Section 4.6.200 of the Bend Development Code and voted to approve the amendments to the Bend Development Code as amended by the City Council on October 7, 2020, to allow micro units as a permitted use as an Urban Dwelling Site in

the CG, CL and ME zoning districts and amending BDC 3.8.800(E), (G), (H), (I) and (J).

I. HB 3450 further provides that the city must submit the proposed changes to its land use regulations adopted under the legislation to the Land Conservation and Development Commission (LCDC) for review. The submission must include alternative means by which the adopted changes to the land use regulations comply with statewide land use planning goals related to housing, transportation, economic development and public facilities and services. This is included in the findings in Exhibit B.

Based on these findings, THE CITY OF BEND ORDAINS AS FOLLOWS:

Section 1. The Bend Development Code is amended as depicted in the attached Exhibit A.

Section 2. In addition to the findings set forth above, the City Council adopts and incorporates the findings in Exhibit B.

Section 3. This ordinance and each section is final on second reading and shall be effective upon review and approval by the Land Conservation and Development Commission as provided in HB 3450, following the procedures set forth in ORS 197.659..

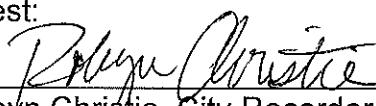
First Reading: October 7, 2020

Second reading and adoption by roll call vote: October 21, 2020

YES:	Sally Russell, Mayor	NO: none
	Bruce Abernethy	
	Barb Campbell	
	Bill Moseley	
	Justin Livingston	
	Gena Goodman-Campbell	
	Chris Piper	


Sally Russell, Mayor

Attest:



Robyn Christie, City Recorder

Approved as to form:



Mary A. Winters, City Attorney

Exhibit A

Development Code Update

Prepared by: Planning Division

October 21, 2020

Note:

Text in underlined typeface is proposed to be added Text

in ~~strikethrough~~ typeface is proposed to be deleted.

***Indicates where text from the existing code has been omitted because it will remain unchanged.

Staff comments are ***bold and italicized***

DRAFT

Chapter 1.2

DEFINITIONS

Urban dwelling site means standalone residential uses in the CL, CG and ME Districts as allowed by House Bill 3450. See BDC 3.8.800.

Chapter 2.3

MIXED-USE ZONING DISTRICTS (ME, MR, PO, MU, and MN)

2.3.200 Permitted and Conditional Uses.

DRAFT 1 ^{NP} page

C. Limitations. The following limitations apply to those uses identified as "L" in Table 2.3.200:

1. New Residential Uses. In order to ensure that the ME and PO Zones retain a focus on employment uses, new residential uses in the ME and PO Zones are limited as follows:
 - a. Residential uses that are part of a mixed-use development in which nonresidential uses occupy at least the floor area equivalent to the entire ground-floor area of the development are permitted.
 - b. Residential uses that are part of a mixed-use development in which nonresidential uses occupy less than the floor area equivalent to the entire ground-floor area of the development are conditional.
 - c. Residential uses that are not part of a mixed-use development are prohibited.
 - d. Exception: Urban Dwelling Sites. See BDC 3.8.800.

Chapter 3.8

DEVELOPMENT ALTERNATIVES

(Chapter 3.8 is being created with PZ 20-0526)

3.8.800 Urban Dwelling Sites.

A. Applicability. Urban Dwelling Sites are permitted in the CL, CG and ME Zoning Districts. There must be no more than a total of 40 cumulative acres developed as Urban Dwelling Sites within the city limits. Where the regulations of this section are not specific, the standards of the relevant zoning district prevail.

B. Review Process

Step 1. The approval of a development application in conformance with BDC Chapter 4.2, Minimum Development Standards Review, Site Plan Review and Design Review. (Type II process)

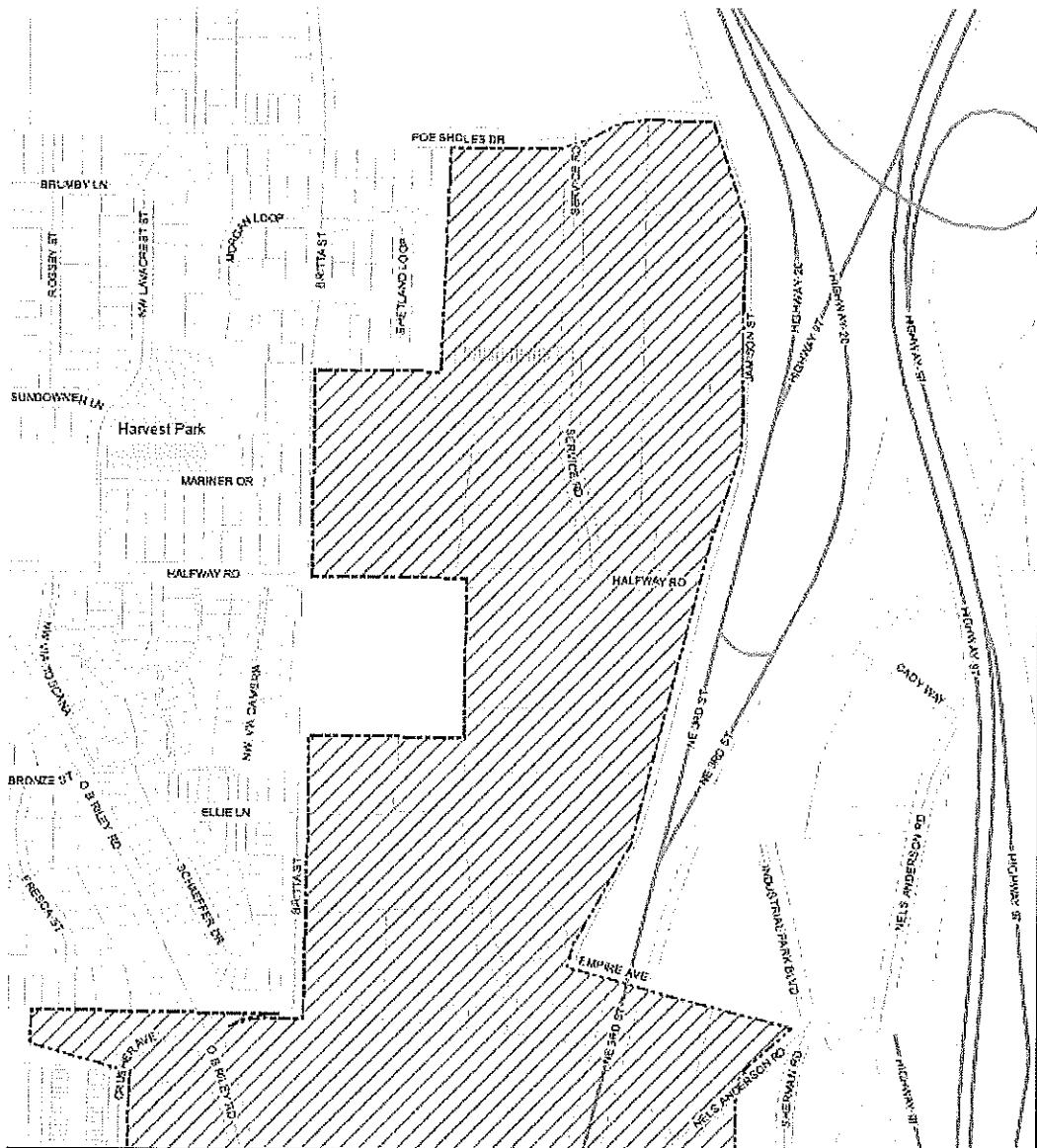
Step 2. The development site will be shown on the Zoning Map as an Urban Dwelling Site. The denotation on the Zoning Map may be added or removed administratively by staff upon approval, withdrawal or expiration of the development application.

C. Duration of Approval. The development approval is void one year after the date the decision becomes final if building permits have not been issued. A one-year extension may be approved in accordance with BDC 4.1.1310, except a two-year extension may be approved for affordable housing developments in accordance with BDC 4.1.1310 and BDC 3.6.200(C)(1-3).

D. Urban Dwelling Site Standards. The development site must comply with the following:

1. Have been located in City limits prior to December 6, 2016;
2. Be located south of Empire Avenue except as shown on Figure 3.8.800(D);
3. Be located within a quarter of a mile (1,320 feet) of a transit route;
4. Be equal to or less than five acres; and
5. Not be located in an Opportunity Area as shown on Comprehensive Plan Figure 11-1: Core Area, Transit Corridors, and Opportunity Areas, and not be located in any Special Planned District, Refinement Plan, Area Plan or Master Plan in BDC Chapter 2.7.

FIGURE 3.8.800.D



Legend

- Major Roads
- Railroad
- Parks
- City Limits
-  HB3450 Eligible Area*



In order to be eligible for development of an Urban Dwelling Site, a site must meet the Urban Dwelling Site Standards in BDC 3.8.800(D).

E. Permitted Uses.

1. Accessory dwelling units, single-family attached townhomes, duplexes, triplexes and multifamily.
2. Micro-units developments are permitted as an Urban Dwelling Site in the CL, CG and ME Zoning Districts. (See BDC 3.8.200, Micro-Unit Developments).

F. Density. The minimum residential density standards of the RH Zone applies. There is no maximum density.

G. Development Standards. The following table provides numerical development standards for Urban Dwelling Sites. Micro-unit developments must comply BDC 3.8.800(G) instead of BDC 3.8.200(C). The setback standards outlined in Table 3.8.800 apply to all new buildings and any building expansion.

Table 3.8.800

<u>Standards</u>	<u>CL</u>	<u>CG</u>	<u>ME</u>
<u>Minimum lot area</u>	<u>No minimum</u>	<u>No minimum</u>	<u>No minimum</u>
<u>Maximum lot area</u>	<u>5 acres</u>	<u>5 acres</u>	<u>5 acres</u>
<u>Minimum lot width</u>	<u>15 feet</u>	<u>15 feet</u>	<u>15 feet</u>
<u>Minimum front setback (see subsection (G)(1) of this section)</u>	<u>10 feet</u>	<u>10 feet</u>	<u>None</u>
<u>Maximum front setback (see subsection (G)(1) of this section)</u>	<u>10 feet</u>	<u>10 feet</u>	<u>10 feet</u>
<u>Rear and side setback</u>	<u>None</u>	<u>None</u>	<u>None</u>

1. Front Setbacks.

a. For buildings on sites with more than one frontage or through lots, the maximum front setbacks in Table 3.8.800 apply as follows:

i. For corner lots with two frontages, the maximum setback applies to both street frontages.

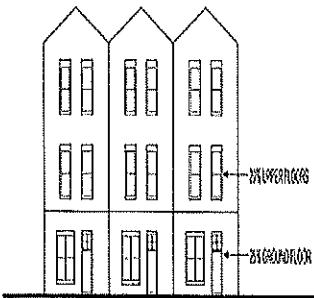
- ii. For through lots with two frontages, the maximum setback applies to only one of the frontages; provided, that where the abutting streets are of different street classification, the maximum setback applies to the street with the higher classification.
 - iii. For properties with three or more frontages, the maximum setback applies to two contiguous frontages. Where the streets are of different street classifications, one of the maximum setbacks must apply to the street with the highest classification.
- b. The maximum setback standard may be increased as necessary to accommodate an approved usable space with pedestrian amenities (e.g., extra-wide sidewalk, plaza, outdoor dining area or landscaped area with seating) between the building and front property line.
- c. Fences (except if less than 3.5 feet in height for outdoor patios and dwelling units), storage and parking are not allowed in the front setback.
- d. Awnings, marquees, balconies, overhangs, fabric tensile structures, building appendages, or other projections may extend into the front setback.

2. Transition Standards. When multifamily residential abuts a detached single-family dwelling unit in the RL or RS District, the setback abutting the RL or RS District must increase one-half foot for each foot by which the building height exceeds 20 feet.

H. Design Standards. Development is subject to the following design standards. These standards are in addition to the regulations of BDC Chapter 4.2, Minimum Development Standards Review, Site Plan Review and Design Review, but replace the design standards of the underlying zoning district and all the standards in BDC 3.6.200(D), Single-Family Attached Townhomes, BDC 3.6.200(H), Duplex and Triplex Development and BDC 3.6.200(I), Residential Uses within Commercial Districts and BDC 3.8.200(H).

1. Building and Entry Orientation. Each building must provide a primary building entrance oriented to each abutting street.
2. Transparency. Facades must include transparency/glazing (i.e. glass windows and/or glass doors) totaling a minimum of 25% of the ground level wall area and 20% on the upper level(s) wall area, as shown in Figure 3.8.800(H). Ground level wall area includes the exterior wall area up to 10 feet above the finished grade.

Figure 3.8.800.H



3. Building Articulation. One or more of the following façade treatments must be incorporated on each level of all street-facing facades:

- a. Building offsets (projections or recesses) at least two feet deep and six feet wide;
- b. Upper level balconies (projecting or recessed) at least six feet wide;
- c. Building canopies, awnings, pergolas, architectural sun shade structures, or similar weather protection (minimum projection of four feet for overhead weather protection when located on the ground level and over a sidewalk or other pedestrian space);
- d. Transparency greater than the minimum required by subsection 3.8.800(H)(2);
- e. Recessed building entries at least six feet wide;
- f. Use of masonry material (i.e. brick, brick veneer, stone, concrete, or stucco) for a minimum of 75% of the total wall area of the street facing façade level as measured from floor-to-floor height, not including windows; and/or
- g. On upper levels, use of two or more façade materials and/or façade colors.

I. Parking. The minimum number of required off-street vehicle parking spaces is established below. The number of parking spaces provided by any particular use in ground surface parking lots must not exceed the required minimum number of spaces provided by Table 3.3.300, Required Off-Street Vehicle Parking.

Spaces by more than 50 percent. Spaces provided on-street, or within the building footprint of structures, such as in rooftop parking, or under-structure parking, or in multi-level parking above or below surface lots, do not apply toward the maximum number of allowable spaces. Parking spaces provided through "shared parking" also do not apply toward the maximum number.

1. Single-family attached townhome, duplex, triplex and multifamily residential. 1 space per dwelling unit.
2. Micro-unit developments. 0.5 spaces per micro-unit. See BDC 3.8.200(I) for off-street parking requirements.
3. Affordable housing projects in accordance with BDC 3.6.200(C)(1-3). 0.5 spaces per affordable dwelling unit.

J. Urban Dwelling Sites are subject to the provisions in BDC 2.1.1000 with the following exceptions:

1. The common open space requirement in BDC 2.1.1000(B)(1) does not apply to any property with a residential building located within one-quarter mile of a public park; and there is a direct, accessible, and maintained trail or sidewalk between the development and the park that does not cross an arterial or collector street.
2. Micro-Unit Developments in the CL, CG and ME Zoning Districts are exempt from BDC 2.1.1000.

K. Lots and parcels may have one access point, except as authorized in BDC 3.1.400(F)(4)(c).

EXHIBIT B
FINDINGS OF FACT
BEND DEVELOPMENT CODE (BDC) UPDATE
AMENDMENT PZ 20-0527

I. PROCEDURAL FINDINGS:

- (1) **PUBLIC NOTICE AND COMMENTS.** Notice of the amendments was provided to the Department of Land Conservation and Development (DLCD) on July 7, 2020. Staff emailed the amendments to the Bend Development Code Update Group and to people who have expressed an interest in the amendments on June 18, 2020. A notice of the August 24, 2020, Planning Commission public hearing was printed in the Bend Bulletin on August 2, 2020, and was mailed to the neighborhood associations on July 31, 2020. A notice of the October 7, 2020, City Council public hearing was printed in the Bend Bulletin on September 13, 2020, and was mailed to the neighborhood associations on September 11, 2020.
- (2) **PROPOSAL:** Bend Development Code amendments to Chapter 1.2, Definitions, Chapter 2.3, Mixed-Use Zoning Districts, and Chapter 3.6, Special Standards and Regulations for Certain Uses.

II. CRITERIA OF APPROVAL:

- (1) The Bend Comprehensive Plan
- (2) Bend Development Code
 - (a) Chapter 4.6, Land Use District Map and Text Amendments; Section 4.6.200(B), Criteria for Legislative Amendments
- (3) HB 3450

III. APPLICABLE PROCEDURES:

- (1) Bend Development Code
 - (a) Chapter 4.1, Land Use Review and Procedures

IV. FINDINGS REGARDING COMPLIANCE WITH APPLICABLE CRITERIA:

**CONFORMANCE WITH CITY OF BEND DEVELOPMENT CODE, CHAPTER 4.6,
LAND USE DISTRICT MAP AND TEXT AMENDMENTS**

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. A Legislative Amendment may be approved or denied.

FINDING: The recommended amendments to the text of the BDC involve broad public policy rather than application to an individual property owner. Therefore, the Legislative Amendment Procedures of this section are the appropriate procedures for this review.

B. Criteria for Legislative Amendments. The applicant shall submit a written narrative which explains how the approval criteria will be met. 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 amendments are consistent with the applicable State land use law. In particular, they satisfy Goal 1: Citizen Involvement, Goal 2: Land Use Planning, Goal 9: Economic Development, and Goal 10: Housing, Goal 12: Transportation and Goal 14 Urbanization.

Goal 1, Citizen Involvement, is satisfied by following the City's acknowledged text amendment process that includes a Planning Commission public hearing, followed by a City Council public hearing.

FINDING: Staff emailed the amendments to the Bend Development Code Update Group on June 18, 2020. On August 10, 2020, the Planning Commission along with members from the Affordable Housing Advisory Committee (AHAC), Neighborhood Leadership Alliance (NLA), and Bend Economic Development Advisory Board (BEDAB) held a work session and discussed the amendments. A notice of the August 24, 2020, Planning Commission public hearing and of the September 16, 2020, City Council public hearing was printed in the Bend Bulletin on August 2, 2020, and was mailed to the neighborhood associations on July 31, 2020.

On August 24, 2020, the Planning Commission held a public hearing and recommended approval of the amendments.

Therefore, Goal 1 has been met.

Goal 2, Land Use Planning, requires a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.

FINDING: The Goal is met because the City followed the land use planning process and policy framework established in the City's acknowledged Comprehensive Plan and BDC as a basis for the decisions and actions related to the new regulations regarding the use of land and to assure an adequate factual base for these decisions and actions. The amendments will be adopted by the City Council after a public hearing. Multiple opportunities were provided for review and comment by citizens and affected governmental units during the preparation of this ordinance.

Goal 2 specifically states that minor plan changes should be based on special studies or other information, which will serve as the factual basis to support the change. The public need and justification for the particular change should be established.

House Bill 3450 serves as the factual basis to support the amendments which includes the following:

(1) A city with a population greater than 75,000 that is not within a metropolitan service district or within a transportation district may, in consultation with the Department of Transportation, adopt changes to its comprehensive plan and land use regulations to allow for high density or horizontal or vertical mixed-use housing within areas zoned under a statewide land use planning goal related to economic development for a mix of commercial, service, retail and other employment uses. Changes to a comprehensive plan and land use regulations authorized under this subsection are in addition to any other laws or administrative rules authorizing changes to a comprehensive plan or land use regulations.

(2) A city's adoption of changes to its comprehensive plan and land use regulations under subsection (1) of this section:

- (a) May not change the allowable use on more than 40 acres;*
- (b) May not affect lands zoned for industrial uses; and*
- (c) Must ensure an adequate supply of employment lands within the city's urban growth boundary.*

The amendments implement HB 3450 by allowing up to 40 acres of land to be developed with high density standalone residential uses in CL, CG and ME zoning districts. The amendments are justified to allow more needed housing while still ensuring an adequate supply of employment lands within the City's urban growth boundary. Therefore, the amendments are justified and needed, and compliance with Goal 2 is met.

Goal 3, Agricultural Lands, Goal 4, Forest Lands, and Goal 5, Natural Resources, Scenic and Historic Areas, and Open Spaces. Goals 3 and 4 are not applicable because there are no Agricultural or Forest Lands in the City. Goal 5 is not applicable because these amendments do not affect any regulation that implements Goal 5 and the City's acknowledged regulations implementing Goal 5 remain in effect with no change in applicability.

Goal 6, Air, Water and Land Resources Quality is not applicable because the City's acknowledged regulations implementing Goal 6 remain in effect with no change in applicability.

Goal 7, Areas Subject to Natural Hazards is not applicable because the City's acknowledged regulations implementing Goal 7 remain in effect with no change in applicability.

Goal 8, Recreational Needs requires the City to satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts. This goal is not applicable as the amendments have no effect on the availability of or access to recreational opportunities.

Goal 9, Economic Development, is implemented through Oregon Administrative Rule (OAR) Division 9, which is intended to ensure that each jurisdiction maintain an adequate land supply for economic development and employment growth.

Potential impacts from the proposal on the supply of lands for economic development and employment growth were analyzed to ensure an adequate supply and conformance with Goal 9. The July 19, 2016 Buildable Lands Inventory (BLI) was used as the basis for determining adequate supply, however on December 6, 2016 the Bend Urban Growth Boundary (UGB) Expansion was acknowledged by the Oregon Department of Land Conservation and Development and an additional 815 gross acres of employment land were added to the City's UGB that were not included in the employment land identified in the BLI.

As part of the 2016 BLI, all land planned or zoned for employment use (including mixed-use designations & zones) was assigned using the following statutory definitions for employment land, with the exception of school and park land.

Vacant - a lot or parcel equal to or larger than one half-acre not currently containing permanent buildings or improvements; or equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

Developed - All other employment land is identified in the BLI map as developed, although only a subset of this will meet the state definition of "developed" land that

may be part of the inventory of available employment land ("Developed Land" means non-vacant land that is likely to be redeveloped during the planning period).

The City's 2016 BLI identified a total of 3,818 acres of employment land in the City's UGB at the time it was adopted. According to the BLI, there were 1,056 acres (247 tax lots) of vacant employment land and 2,762 acres (3,451 tax lots) of developed employment land. More than one-quarter of the vacant employment land was in sites smaller than 5 acres, about one-third was on sites 5 to 50 acres, and more than one-third was on sites larger than 50 acres.

The amendment will allow a maximum of 40 total acres citywide, or $1.04\pm$ percent (40/3,818) of all employment land (developed or vacant) identified in the 2016 BLI, to be developed as standalone residential.

Because the amendments are specific to the CG, CL and ME Plan designations staff also analyzed the impacts specific to these plan designations. The following table breaks down the developed and vacant BLI identified employment land for the CG, CL and ME plan designations. In these plan designations there was a total of 204.1 acres of vacant employment land and 1,203.2 acres of developed employment land.

Comprehensive Plan Designation	Number of Tax lots	Total Acres
CG	564	724.8
Developed	515	627.8
Vacant	49	97.0
CL	763	374.4
Developed	734	305.4
Vacant	29	69.0
ME	335	308.1
Developed	318	270.0
Vacant	17	38.1
Total Developed	1,567	1,203.2
Total Vacant	95	204.1

If all 40 acres were to develop on vacant employment lands with plan designations of CG, CL or ME, then only $20\pm$ percent (40/204.1) of the vacant employment lands in these plan designations could be developed as standalone residential and $3.8\pm$ percent (40/1056) of the total vacant employment lands could be developed as standalone residential. As for the developed employment lands with plan designations of CG, CL or ME, only $3\pm$ percent (40/1,203.2) of the developed employment lands in

these plan designations could develop as standalone residential and $1.4\pm$ percent (40/2,762) of the total developed employment lands could develop as standalone residential.

In summary, the amendments could result in a maximum of $1.04\pm$ percent (40/3,818) of all employment land (developed or vacant) identified in the 2016 BLI being developed as standalone residential. When calculating the maximum impact to the City's supply of employment lands with inclusion of the additional 815 acres of employment land that were added with the City's 2016 UGB expansion, the maximum percent of employment lands within the City's UGB that could be developed with standalone residential is $0.86 \pm$ percent, less than one percent (40/4,633). Therefore, developing up to 40 acres as standalone residential uses will not displace a significant supply of commercial and employment uses based on the available supply of employment lands within the City's UGB and it is reasonable to conclude that there is an adequate amount of employment lands that will continue to allow commercial and employment uses within the City's UGB. Therefore, compliance with Goal 9 is satisfied.

Goal 10, Housing, requires provisions to provide for the housing needs of citizens of the state.

FINDING: According to the Bend Housing Needs Analysis (HNA), Bend is planning for growth of approximately 38,500 people between 2008 and 2028, requiring nearly 16,700 new dwelling units. Bend's housing needs are changing and key demographic changes are occurring in Bend and across the nation. Baby Boomers may need affordable housing or may choose to downsize their housing, resulting in greater demand for small single-family dwellings, cottages, accessory dwelling units, townhomes, apartments, and condominiums. Growth in millennial households will increase the need for affordable housing options for renters and homeowners including: small single-family dwellings, cottages, accessory dwelling units, duplexes, townhomes, garden apartments, and apartments.

The City Council has a goal to increase the supply of shovel ready land available for housing and employment in alignment with the City's Comprehensive Plan by:

- *Permitting 3,000 units with the target of 1170 single family units, 390 single family attached units and 1440 multi-family units by June 30, 2021.*

As part of the goal, the Council has a strategy to "Increase the supply of shovel-ready residential land and decrease development costs for needed housing through public investment leveraging private development, City policy and procedural adjustments." To implement this strategy, the Council has identified a need to audit the Bend Development Code in order to identify barriers in constructing needed housing, including mobility and parking standards.

One of the barriers in the CL, CG and ME zoning districts is that commercial or public/institutional uses must occupy at least the floor area equivalent to the entire ground-floor area of the development and that the commercial or public/institutional uses must be constructed prior to or concurrently with the residential uses. Even in prime commercial locations, populating the entire ground floor with commercial space is often more square footage than the market can absorb. Requiring the construction of more commercial space than the market can absorb means either the project does not get built or the residential rental rates must be higher to absorb the cost of building empty/low rent commercial space.

HB 3450 has provided the opportunity for the City of Bend to remove barriers to develop needed housing by authorizing high density or horizontal or vertical mixed-use housing on lands zoned under a statewide land use planning goal related to economic development for a mix of commercial, service, retail and other employment uses. The amendments allowed by HB 3450 help implement the Council's goal of permitting 3,000 units by June 30, 2021, and meet the needs identified in the Housing Needs Analysis by encouraging the development of townhomes, plexes, micro-units, ADUs and apartments. The amendments are intended to provide additional units while still allowing commercial developments to occur.

Therefore, compliance with Goal 10 is satisfied.

Goal 11, Public Facilities and Services, requires the City to plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development. The amendments will not result in the need to adjust or amend existing policies or projects in the City's adopted facility plans. Therefore, compliance with Goal 11 is satisfied.

Goal 12, Transportation, requires the City to provide and encourage a safe and convenient and economic transportation system. The amendments are not site specific and therefore do not affect the functional classification of any street.

In the CL, CG and ME plan designations, residential uses, with no maximum densities, are currently permitted as part of a mixed-use development. The amendments will continue to allow for residential uses in the CL, CG and ME plan designations and will allow for standalone residential uses on up to a maximum of 40 total acres citywide by removing the requirement for a commercial or public/institutional use to occupy at least the floor area equivalent to the entire ground-floor area of a development. In general, residential uses generate fewer vehicular trips compared to many of the commercial uses (e.g., retail sales, restaurants, lodging, offices and clinics) allowed in the CG, CL and ME plan designations. The amendments will have no measurable impacts on the amount of traffic on the existing transportation system; therefore the amendments do not cause a "significant effect" under ORS 660-012-0060. Therefore, compliance with Goal 12 is satisfied.

Goal 13, Energy Conservation is not applicable because the City's acknowledged regulations implementing Goal 13 remain in effect with no change in applicability.

Goal 14, Urbanization, requires the City to provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.

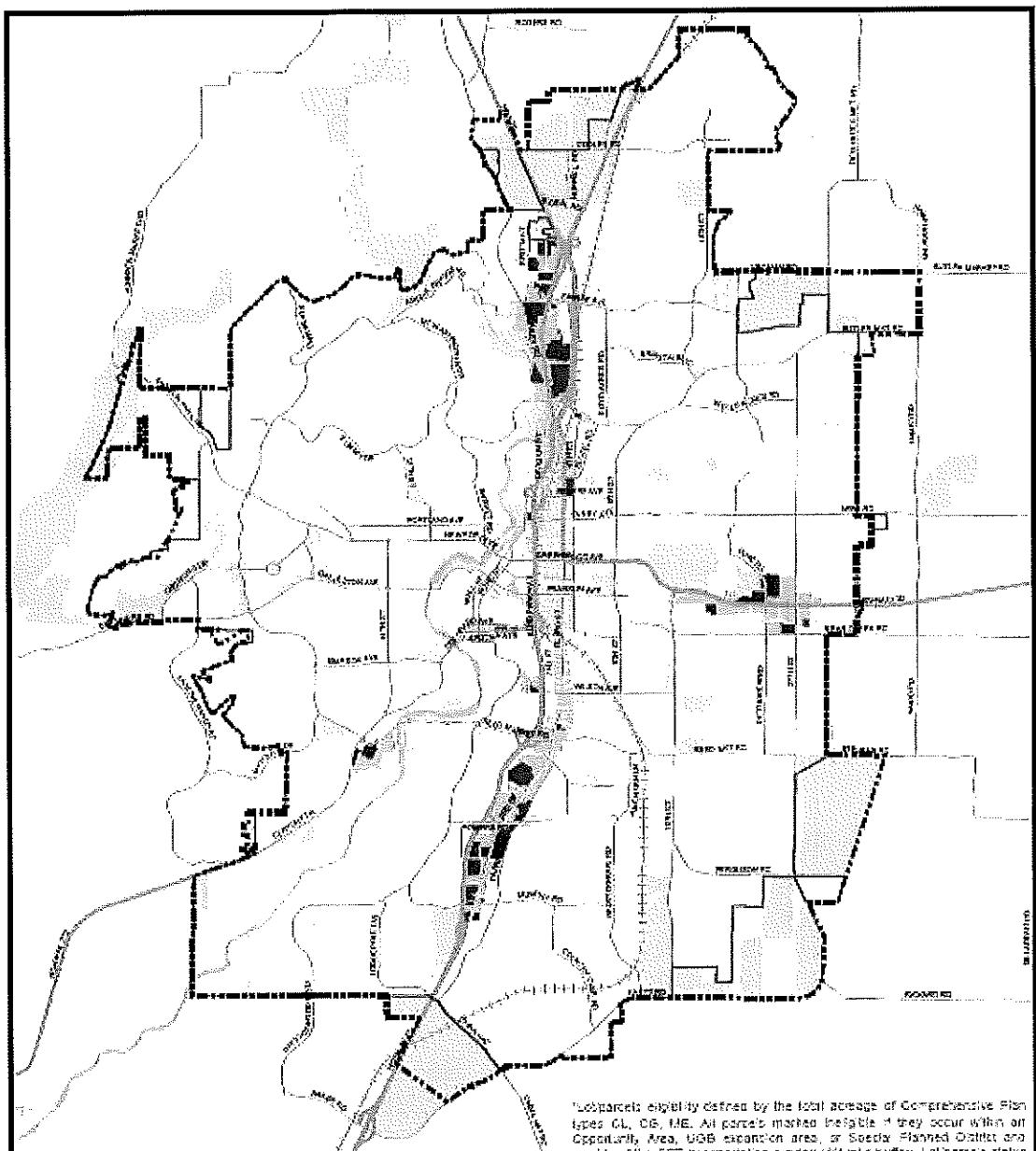
The amendments allow a maximum of 40 total acres citywide to be developed as standalone residential in the CG, CL and ME plan designations. In order for a property to be considered eligible to develop as standalone residential in these plan designations, the property must comply with the following:

- a. Have been located in City limits prior to December 6, 2016.
- b. Are located south of Empire Avenue except as shown on the map below;
- c. Are located within a quarter of a mile (1,320 feet) of a transit route;
- d. Are equal to or less than five acres; and
- e. Are not located in an Opportunity Area as shown on Comprehensive Plan Figure 11-1: Core Area, Transit Corridors, and Opportunity Areas, and are not located in any Special Planned District, Refinement Plan, Area Plan or Master Plan in BDC Chapter 2.7.

Based on the criteria above, there are approximately 57.4 acres of vacant employment lands and 698.6 acres of developed employment lands that will be considered eligible to qualify as part of the 40 cumulative acres of standalone residential in the CG, CL and ME plan designations.

HB 3450 Status	Vacant		Developed	
	# of Lots/Parcels	Total Acres	# of Lots/Parcels	Total Acres
Eligible Lots/Parcels	32	50.9	777	509
Eligible Lots/Parcels (5+ acres)	1	6.5	22	189.6
Total Eligible	33	57.4	799	698.6

The map below identifies the eligible areas within the City's UGB. The amendments do not encourage sprawl or lower than targeted densities, or uncoordinated development. The management of the City's land use inventories will not be affected by these amendments and therefore, the City's long standing acknowledgment of compliance with Goal 14 is satisfied.



HOUSE BILL 3450

LOT/PARCELS ELIGIBILITY & STATUS

Major Roads

Railroad

Parks

Urban Growth Boundary

City Limits

Lot/Parcels Eligibility & Status*

Eligible (Vacant)

Eligible (Developed/No Status)

Eligible (>5 Acres)

Ineligible (Due to Location)

N

0 0.25 0.5

Map prepared by L. Scovens, City of Bend
Date: May 14, 2020
Source: City of Bend, Deschutes County



CITY OF BEND

This map is for reference purposes only. Data and colors in the original file may not be provided for this map. Please contact the City of Bend for more map information or to inquire any details.

Goal 15, Willamette River Greenway, Goal 16, Estuarine Resources, Goal 17, Coastal Shorelands, Goal 18, Beaches and Dunes, and Goal 19, Ocean Resources are not applicable to the BDC amendments.

Based on the above discussion, the amendments to the BDC are consistent with the statewide planning goals and therefore comply with the requirement that the amendments be consistent with state land use planning law.

Because the code amendments are limited in scope, there are no other Administrative Rules applicable to this amendment. Likewise, there are no other applicable Oregon Revised Statutes that are criteria applicable to these amendments (Note, consistency with the Transportation Planning Rule (TPR) is discussed further in this document).

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

FINDING: The “goals” established in the Comprehensive Plan express the desires of the residents of Bend as the City progresses into the future. The “goals” are generally carried out through “policies,” which are statements of public policy. The following Goals and Policies are applicable:

Chapter 1: Plan Management and Citizen Involvement
Goals:

- **Plan and Sustain a Strong Diverse Economy.** Bend has a good supply of serviced land planned for employment growth that supports the City's economic development goals, provides a range of diverse jobs and industries, and supports innovation. Employment areas, large and small, have excellent transportation access. Opportunities are created for a stable, vital and diverse economy while sustaining Bend's environment/ecological support systems
- **Create Housing Options and Affordability.** Bend residents have access to a variety of high quality housing options, including housing affordable to people with a range of incomes and housing suitable to seniors, families, people with special needs, and others. Housing design is innovative and energy efficient.
- **Ensure Quality Design and Attractive Development.** Ensure that the “built environment” is as attractive as feasible.
- **Create Clear and Consistent Implementing Ordinances.** Implement the plan through effective, clear and consistent ordinances and language that reflect the intent of the vision.

FINDING: The amendments increase allowances for residential uses in the CL, CG and ME plan designations on a maximum of 40 acres. Developing 40 acres as standalone

residential uses won't displace a significant supply of commercial and employment uses based on the available supply of employment lands within the City's UGB. The amendments include clear and objective design standards to ensure the residential uses are attractive. The amendments implement the Comprehensive Plan through effective, clear and consistent language.

Policies

Development within the Urban Growth Boundary

1-7 The City will encourage compact development and the integration of land uses within the Urban Growth Boundary to reduce trips, vehicle miles traveled, and facilitate non-automobile travel.

FINDING: The amendments encourage compact development and the integration of land uses by allowing standalone residential uses in the CL, CG and ME plan designations. These residential uses will have access to goods and services convenient to nearby residents which increases walkability and reduces trips and vehicle miles traveled. Furthermore, UGB expansion areas were excluded from being eligible for the plan amendment in order to further encourage compact, urban infill development near existing commercial goods and service uses.

Citizen Involvement

1-15. The city shall continue to use advisory committees in their planning process, members of which are selected by an open process, and who are widely representative of the community.

1-16. The city will use other mechanisms, such as, but not limited to, meetings with neighborhood groups, planning commission hearings, design workshops, and public forums, to provide an opportunity for all the citizens of the area to participate in the planning process.

FINDING: House Bill 3450 requires the City of Bend to consult with the Oregon Department of Transportation (ODOT) prior to adopting these changes. On August 7, 2019, staff met with ODOT staff Rick Williams, Region 4 Principle Planner, and David Amiton, Region 4 Planning & Programs Manager, to discuss the requirements of HB 3450 and on June 8, 2020, staff met again to discuss the draft amendments. ODOT reviewed the draft amendments and emailed comments on June 16, 2020, and staff followed up with a response on June 17, 2020. On June 22, 2020 ODOT provided staff with a letter acknowledging ODOT's participation in the HB 3450 consultation process.

Staff emailed the amendments to the Bend Development Code Update Group and to people who have expressed an interest in the amendments on June 18, 2020. The group includes community members comprised of architects, lawyers, developers,

land use planners, and engineers and staff from COBA, Oregon LandWatch and Bend Park and Recreation District. On August 10, 2020, the Planning Commission along with members from the Affordable Housing Advisory Committee (AHAC), Neighborhood Leadership Alliance (NLA), and Bend Economic Development Advisory Board (BEDAB) held a work session to discuss the amendments.

Notice of the amendments was provided to the Department of Land Conservation and Development (DLCD) on July 7, 2020. A notice of the August 24, 2020, Planning Commission public hearing and of the September 16, 2020, City Council public hearing was printed in the Bend Bulletin on August 2, 2020, and was mailed to the neighborhood associations on July 31, 2020.

On August 24, 2020, the Planning Commission held a public hearing and recommended approval of the amendments to the City Council.

Therefore, compliance with Chapter 1 has been met.

Chapter 5: Housing and Residential Lands

Goals:

- Keep our neighborhoods livable by offering a variety of living styles and choices, creating attractive neighborhoods located close to schools, parks, shopping and employment.
- Accommodate the varied housing needs of citizens with particular concern for safety, affordability, open space, and a sense of community.
- Promote more flexibility in development standards to balance the need for more efficient use of residential land and preservation of natural features.
- Zone adequate land in specific designations to allow for production of needed housing units.

FINDING: The City Council has a goal to increase the supply of shovel ready land available for housing and employment in alignment with the City's Comprehensive Plan by:

- *Permitting 3,000 units with the target of 1170 single family units, 390 single family attached units and 1440 multi-family units by June 30, 2021.*

As part of the goal, the Council has a strategy to "Increase the supply of shovel-ready residential land and decrease development costs for needed housing through public investment leveraging private development, City policy and procedural adjustments." To implement this strategy the Council has identified a need to audit the Bend

Development Code to identify barriers in constructing needed housing, including mobility and parking standards.

One of the barriers in the CL, CG and ME zoning districts is that commercial or public/institutional uses must occupy at least the floor area equivalent to the entire ground-floor area of the development and that the commercial or public/institutional uses must be constructed prior to or concurrently with the residential uses. The amendments will remove this barrier and allow standalone residential uses in the CL, CG and ME plan designations on a maximum of 40 total acres citywide which implement the Council's goal and the Comprehensive Plan Goals.

Policies

Housing Mix, Density, and Affordability

5-4. The City will apply plan designations, zoning districts and development code regulations to implement the mix of housing indicated in the adopted Housing Needs Analysis.

FINDING: The amendments will help implement a mix of housing indicated in the adopted Housing Needs Analysis by allowing townhomes, plexes, ADUs and apartments in the CL, CG and ME plan designations.

5-8 The City will apply innovative and flexible zoning tools to support a mix of housing types and densities.

FINDING: HB 3450 allows changes to its land use regulations to allow for high density or horizontal or vertical mixed-use housing within areas zoned under a statewide land use planning goal related to economic development for a mix of commercial, service, retail and other employment uses. The amendments will allow for standalone residential developments, including townhomes, plexes, micro-units, ADUs and multifamily, in the CL, CG and ME plan designations with a minimum density of 21.7 units to the acre. The amendments also offer reduced parking requirements to provide more flexibility in developing the site and to help obtain higher densities.

These amendments will help provide a mix of housing types.

5-17 The City will monitor parking needs for residential uses and set parking requirements to the lowest standards that will meet the community's needs in order to reduce land utilized for parking, reduce the cost of housing development, and encourage a more walkable development pattern.

FINDING: The proposed minimum parking requirements of one space per residential unit are lower than the standard city requirements found in BDC table 3.3.300. This

lower parking standard will help reduce the amount of land needed for parking, reduce the cost of housing development and encourage a more walkable development pattern.

Neighborhood Appearance

5-33 All new developments shall include trees in the road right of way, as practical, in the planter strip between the curb and sidewalk.

FINDING: Bend Development Code 3.2.400, Street Trees sets standards and requirements for planting trees along all streets for shading, comfort, safety and aesthetic purposes. No changes to this subsection are proposed as part of this amendment.

Transportation connectivity

5-38 Medium-and high-density residential developments should have good access to transit, K-12 public schools where possible, commercial services, employment and public open space to provide the maximum access to the highest concentrations of population.

FINDING: The amendments will allow townhomes, plexes, micro-units, ADUs and multifamily developments in the CL, CG and ME plan designations. These residential developments will have good access to transit because they are required to be located within a quarter of a mile (1,320 feet) of a transit route. In addition, they will have good access to the existing high concentration of commercial and employment opportunities based on the requirement that they be located in a CL, CG and ME plan designation and not located in a UGB expansion area

5-44 Sidewalks will be required in all new developments. Separated sidewalks will be required on all new streets. However, an alternative system of walkways that provide adequate pedestrian circulation may be approved.

FINDING: Sidewalks are required with all new development in the CL, CG and ME plan designations.

Therefore, the proposed amendments satisfy Chapter 5 since they will help foster a variety of housing developments by providing more flexible development standards.

5-59 The City will support residential infill development to help achieve the mix of housing identified in the adopted Housing Needs Analysis and the planned residential densities citywide specified in the Bend Comprehensive Plan.

FINDING: The amendments will support residential infill development to help achieve a mix of housing types by allowing for townhomes, plexes, micro-units, ADUs and

multifamily developments in the CL, CG and ME plan designations. The eligibility criteria further support residential infill development by including a maximum lot size of five acres and omitting UGB expansion areas from being eligible.

Chapter 6: Economy

Goals:

- Promote a vital, diverse and sustainable economy, while enhancing the community's overall livability.
- Ensure an adequate supply of appropriately zoned land for industrial, commercial, and mixed-use development opportunities

FINDING: The CG, CL and ME plan designations provide for a wide range of mixed-use, commercial, public, institutional and industrial uses. As addressed in detail above, there is an adequate amount of employment lands that will continue to allow these uses even if a maximum of 40 acres is developed as standalone residential uses in the CG, CL and ME plan designations. Allowing standalone residential uses in these plan designations will help support the existing uses and enhance the community's overall livability.

Policies

Mixed Use Development

6-23 Mixed-use development may be regulated through one or more plan designations and zoning districts to encourage the development of a mix of employment, or a mix of employment and residential uses.

FINDING: Allowing housing in the CL, CG and ME plan designations will increase the number and diversity of housing options available in the City, and is consistent with the City's goals for increasing housing.

6-24 Mixed-use development will achieve the following purposes:

- provide a variety of employment opportunities and housing types;
- foster pedestrian and other non-motor vehicle access within and to the site;
- ensure compatibility of mixed-use development with the surrounding area and minimize off-site impacts associated with the development;
- ensure the site planning, access, parking areas and building designs are functionally coordinated and aesthetically pleasing; and

- o where applicable, improve the natural conditions along the Deschutes River, and encourage access to and enjoyment of the Deschutes River.

6-25 The City will encourage vertical mixed use development in commercial and mixed use zones, especially where those occur within the Central Core, Opportunity Areas and along transit corridors.

FINDING: Residential uses with no maximum densities are currently permitted as part of a mixed-use development in the CL, CG and ME plan designations. The amendments enable the development of standalone residential uses on a maximum of 40 acres that are within a quarter of a mile (1,320 feet) of a transit route. These residential uses will support the existing commercial uses in the area while not precluding commercial uses, such as offices, restaurants and retail as allowed uses. Additionally, residential uses enabled by these amendments are limited to a maximum site size of five acres in order to maintain the mixed use and commercial nature of the CL, CG and ME plan designations.

Commercial Development

6-28 The City will encourage development and redevelopment in commercial corridors that is transit-supportive and offers safe and convenient access and connections for all transportation modes.

FINDING: In order to be eligible for standalone residential in the CL, CG and ME plan designations, a development site must be located within a quarter of a mile (1,320 feet) of a transit route.

6-32 All commercial developments shall be subject to development standards relating to setbacks, landscaping, physical buffers, screening, access, signs, building heights, parking areas, and design review.

FINDING: The amendments for the standalone residential uses include standards for lot area and width, setbacks, design, and parking. Where the regulations are not specific, the standards of the relevant zoning district prevail. The development standards are intended to be consistent and compatible with the commercial development standards in order to maintain the commercial character and quality of the CL, CG and ME plan designations.

6-39 The City will limit the amount of ground-floor residential development in the commercial zones and mixed employment zones to preserve economic lands for economic uses.

FINDING: The amendments will allow townhomes, plexes, micro-units, ADUs and multifamily residential uses as standalone uses on a maximum of 40 acres in the CL,

CG and ME plan designations thereby allowing for a limited amount of ground-floor residential development in these plan designations.

Allowing for a limited amount of ground-floor residential development in commercial and mixed employment zones, as is proposed with these amendments, is consistent with the best practices for zoning mixed-use districts as stated in *Enabling Better Places: User's Guide to Zoning Reform*:

"Ground floor commercial requirements are a common pitfall when establishing mixed-use districts. Non-residential ground floor uses may be required along the primary retail corridor (typically no longer than $\frac{1}{4}$ mile), but should not be required throughout the district. In the greater downtown area, permitting residential as a single use should be allowed, which provides population support for the area."

As previously addressed in detail, these standalone residential uses would only be allowed to occupy a minimal amount of the overall available employment lands. While the proposed amendments allow for limited ground floor residential uses, it is only allowed on a maximum of 40 acres in the CL, CG and ME plan designations. Therefore, the amendments continue to limit the amount of ground floor residential in the CL, CG and ME plan designations.

6-41 The City will write parking requirements to encourage walkable commercial development while providing for adequate parking.

FINDING: Excessive off-street parking areas undermine a desired walkable character. The lower parking standards will help reduce the amount of land needed for parking, reduce the cost of housing development and encourage a more walkable development pattern.

Therefore, the amendments satisfy Chapter 6 since they will help promote a vital, diverse and sustainable economy.

Chapter 7: Transportation Systems

Goals

Efficiency:

- Encourage the development of land use patterns that provide efficient, compact use of land, and facilitate a reduced number and length of trips.

Objectives:

- To promote land use patterns that support fewer vehicle trips and shorter trip lengths
- To ensure that future development, including re-development, will not interfere with the completion of Bend's transportation system

Policies:

7-1 Medium and high-density residential development should have good access to transit, K-12 public schools where possible, commercial services, employment and public open space to provide the maximum access to highest concentrations of population.

FINDING: The amendments will allow townhomes, plexes, micro-units, ADUs and multifamily developments in the CL, CG and ME plan designations. These residential developments will have good access to transit because they are required to be located within a quarter of a mile (1,320 feet) of a transit route. In addition, they will have good access to the existing high concentration of commercial and employment opportunities that are provided in the CL, CG and ME plan designations. Therefore, the amendments will help increase walkability and reduce vehicular trips and miles traveled.

7-5 The City shall continue to explore mixed use zoning as one of the land use patterns that will promote fewer vehicle trips and shorter trip lengths.

FINDING: The amendments allow standalone residential uses in the CL, CG and ME plan designations. Since these residential uses will be located near other types of commercial and employment uses it will encourage and enable a greater number of trips to be made by walking or bicycle, allow residents and workers to drive significantly less, and reduce the number and length of vehicle trips.

7-6 The City should be receptive to innovative development proposals, including zone changes, plan amendments, and text changes that promote alternatives to vehicular traffic thus reducing vehicle trips and reduced trip lengths.

The 2019 legislative session passed HB 3450 to allow a city with population greater than 75,000 not within a metropolitan service district to adopt changes to its comprehensive plan and land use regulations to allow for high density or horizontal or vertical mixed-use housing within areas zoned under a statewide land use planning goal related to economic development for a mix of commercial, service, retail and other employment uses. The amendments implement HB 3450 by allowing townhomes, plexes, micro-units, ADUs and multifamily developments that provide a minimum of 21.7 units per acre in the CL, CG and ME plan designations. These residential developments will have good access to transit since they are required to be located within a quarter of a mile (1,320 feet) of a transit route. In addition, they will have good access to the

existing high concentration of commercial and employment opportunities that are provided in the CL, CG and ME plan designations. Furthermore, the amendments encourage urban, residential infill and thus a reduction in vehicle trips and recuded trip lengths by excluding UGB expansion areas that are further from the city center and excluding areas north of Empire Avenue (with some exceptions) to ensure pedestrian and bicycle connectivity and access. Therefore, the amendments will help reduce vehicular trips and vehicle miles traveled.

7-7 The City shall explore incentives for re-development of existing commercial strips in order to help reduce the need to expand the Urban Growth Boundary.

FINDING: By allowing for standalone residential uses in the CL, CG and ME plan designations, there is additional redevelopment and residential infill potential of underutilized, existing commercial strips. Standalone residential development with a minimum of 21.7 units per acre is enabled by these amendments and will provide additional infill housing opportunities, helping to reduce the need to expand the Urban Growth Boundary.

Pedestrian and Bicycle Systems

Objectives:

- To support and encourage increased levels of bicycling and walking as an alternative to the automobile
- To provide safe, accessible and convenient bicycling and walking facilities

7-33 Property-tight sidewalks shall be included on both sides of all new streets except where extreme slopes, severe topographical constraints, or special circumstances exist. Landscape strips shall separate curbs and sidewalks on new and reconstructed roads. Sidewalks shall be added to all existing arterial and collector streets to fill the gaps in the pedestrian system.

FINDING: All new development will be required to install sidewalks along their property frontage. Therefore, compliance with Chapter 7 has been met.

Chapter 9: Community Appearance

Policies

9-8 The city values design review for all development in the community with the exception of single-family houses, duplexes and tri-plexes.

FINDING: The amendments include design standards which include requirements for building and entry orientation, transparency and building articulation. The design standards are not intended to stifle creativity nor over-regulate building design but

rather create a higher quality pedestrian environment in the CL, CG and ME plan designations.

Therefore, compliance with Chapter 9 has been met.

Chapter 11: Growth Management Goals

The following goal statements describe the future urban form and growth aspirations of the community and serve as the foundation for policy statements in this chapter. The citizens and elected officials of Bend wish to:

- Use Bend's existing urban land wisely, making efficient use of land inside the boundary, with infill and redevelopment focused in appropriate areas within the Central Core, along transit corridors, and in key opportunity areas (see Figure 11-1);
- Create new walkable, mixed use and complete communities by leveraging and complementing land use patterns inside the existing boundary and using expansion to create more complete communities;

FINDING: The amendments will facilitate efficient use of land inside the urban growth boundary by allowing for standalone residential infill development and redevelopment along transit corridors in the CL, CG and ME plan designations. Residential developments enabled by these amendments, will have good access to transit because they are required to be located within a quarter of a mile (1,320 feet) of a transit route. In addition, the amendments will help to support and create walkable, mixed-use and complete communities by allowing for standalone residential developments to leverage proximity and access to the surrounding commercial and employment opportunities and uses that are provided in the CL, CG and ME plan designations.

11-1 The City will encourage compact development and the integration of land uses within the Urban Growth Boundary to reduce trips, vehicle miles traveled, and facilitate non-automobile travel.

FINDING: The amendments encourage the integration of residential and horizontal mixed-use infill development within the UGB by allowing for standalone residential uses in the CL, CG and ME plan designations. Residential developments enabled by these amendments are required to be located within a quarter of a mile (1,320 feet) of a transit route. Additionally, because of their location in a CL, CG or ME zone, they will provide residents with close proximity and convenient access to goods and services. Based on their required proximity to transit and a mix of commercial and employment uses, the residential developments enabled by these amendments will help to reduce automobile dependency, reduce vehicular trips and vehicle miles traveled and facilitate walking and biking.

General Growth Management Policies

11-2 The City will encourage infill and redevelopment of appropriate areas within Bend's Central Core, Opportunity Areas and transit corridors (shown on Figure 11-1).

FINDING: The amendments will encourage residential infill and redevelopment along transit corridors by allowing for townhomes, plexes, micro-units, ADUs and multifamily developments on a maximum of 40 acres in the CL, CG and ME plan designations when located within a quarter of a mile (1,320 feet) of a transit route. The amendments do not apply to the Bend's Central District or opportunity areas since many of these areas already allow the standalone residential uses these amendments will enable.

Policies for Residential Areas and Neighborhoods

11-16 Medium-and high-density residential developments should have good access to transit, K-12 public schools where possible, commercial services, employment, and public open space to provide the maximum access to the highest concentrations of population.

FINDING: The amendments will allow for high density (with a minimum density of 21.7 units to the acre) standalone residential developments in the CL, CG and ME plan designations. These residential developments will have good access to transit since they are required to be located within a quarter of a mile (1,320 feet) of a transit route. In addition, they will have good access to the existing high concentration of commercial services and employment opportunities that are provided in the CL, CG and ME plan designations.

Therefore, the amendments satisfy Chapter 11.

Based on the findings stated above, staff concludes that the amendments are consistent with the applicable Bend Comprehensive Plan Goals and Policies.

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

FINDING: There is a public need and benefit for the amendments to increase development of needed housing identified in the Housing Needs Analysis. The amendments will enable more dwelling units to be built which will provide identified needed housing and meet the Council's goal of providing an additional 3,000 units by June 30, 2021.

Therefore, the amendments to the BDC meet this criterion.

4.6.500 Record of Amendments.

The City Recorder shall maintain a record of amendments to the text of this Code and the land use districts map in a format convenient for public use.

FINDING: In the event the amendments are adopted by ordinance, the City Recorder will maintain a record of the amendments and the revised provisions will be included as part of the BDC available to the public on the City's website.

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 new text amends the BDC which is a functional component of the Bend Comprehensive Plan and is an amendment to a land use regulation as noted in OAR 660-012-0060. The amendments allow standalone residential uses including townhomes, plexes, micro-units, ADUs and apartments in the CL, CG and ME plan designations on a maximum of 40 total acres within the City's UGB. In the existing BDC, residential uses, with no maximum densities, are currently permitted as part of a mixed-use development in the CL, CG and ME plan designations. The amendments expand the allowance for residential uses in these plan designations by allowing for standalone residential uses on up to a maximum of 40 total acres and removing the requirement for a commercial or public/institutional use to occupy at least the floor area equivalent to the entire ground-floor area of a development. The CL, CG and ME Districts currently allow more trip intensive commercial, service, retail and other employment uses that could generate more trips than standalone residential uses that are enabled by these amendments.

There would be no change to the types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility since the proposed amendments to allow standalone residential uses would result in lower trip generation potential. The amendments do not change regulations that result in the generation of additional vehicle trips; therefore, the amendments will have no measurable impacts on the amount of traffic on the existing transportation system. Fewer trips means less impact on traffic; therefore, the proposed change would not degrade the performance of any transportation facility. The amendments will not significantly affect any existing or planned transportation facility.

Because of this, the text amendments do not cause a "significant effect" under ORS 660-012-0060.

HB 3450 Findings.

(4) Following the procedures set forth in ORS 197.659, the commission may approve changes to a comprehensive plan and land use regulations adopted by a city under subsection of this section that do not fully comply with statewide land use planning goals related to housing, transportation, economic development and public facilities and services, without requiring an exception under ORS 197.732 for those goals, if the commission determines that the changes and regulations:

- a) Conform, on the whole, with the purposes of those goals, and that any failure to meet individual goal requirements is technical or minor in nature;

FINDING: The proposed amendments conform, on the whole, with the purposes of the statewide land use planning goals related to housing, transportation, economic development and public facilities and services as follows:

Goal 9, Economic Development – Potential impacts of the proposal on the supply of lands for economic development and employment growth were analyzed to ensure an adequate supply and conformance with Goal 9. The July 19, 2016 Buildable Lands Inventory (BLI) was used as the basis for determining adequate supply, however on December 6, 2016 the Bend Urban Growth Boundary (UGB) Expansion was acknowledged by the Oregon Department of Land Conservation and Development and an additional 815 gross acres of employment land were added to the City's UGB that were not included in the employment land identified in the BLI.

As part of the 2016 BLI all land planned or zoned for employment use (including mixed-use designations & zones) was assigned using the following statutory definitions for employment land, with the exception of school and park land.

Vacant - a lot or parcel equal to or larger than one half-acre not currently containing permanent buildings or improvements; or equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

Developed - All other employment land is identified in the BLI map as developed, although only a subset of this will meet the state definition of "developed" land that may be part of the inventory of available employment land ("Developed Land" means non-vacant land that is likely to be redeveloped during the planning period).

The City's 2016 BLI identified a total of 3,818 acres of employment land in the City's UGB at the time it was adopted. According to the BLI, there were 1,056 acres (247 tax lots) of vacant employment land and 2,762 acres (3,451 tax lots) of developed employment land. More than one-quarter of the vacant employment land was in sites smaller than 5 acres, about one-third was on sites 5 to 50 acres, and more than one-third was on sites larger than 50 acres.

The amendments will allow for a maximum of 40 total acres citywide, or 1.04± percent (40/3,818) of all employment land (developed or vacant) identified in the 2016 BLI, to be developed as stand alone residential.

Because the amendments are specific to the CG, CL and ME plan designations staff also analyzed the impacts specific to these plan designations. The following table breaks down the developed and vacant BLI identified employment land for the CG, CL and ME plan designations. In these plan designations there was a total of 204.1 acres of vacant employment land and 1,203.2 acres of developed employment land.

Comprehensive Plan Designation	Number of Tax lots	Total Acres
CG	564	724.8
Developed	515	627.8
Vacant	49	97.0
CL	763	374.4
Developed	734	305.4
Vacant	29	69.0
ME	335	308.1
Developed	318	270.0
Vacant	17	38.1
Total Developed	1,567	1,203.2
Total Vacant	95	204.1

Since the amendments will allow a maximum of 40 acres to be developed as standalone residential in the CG, CL and ME Plan designations, then only 20± percent (40/204.1) of the vacant employment land for the CG, CL and ME plan designations could be developed as standalone residential and only 3.8± percent (40/1056) of the total vacant employment lands. As for the developed employment lands, only 3± percent (40/1203) of the developed employment lands in the CG, CL and ME Plan Designations could develop as standalone residential and only 1.4± percent (40/2762) of the total developed employment lands.

The amendments could result in a maximum of 1.04± percent (40/3,818) of all employment land (developed or vacant) identified in the 2016 BLI being developed as standalone residential. When calculating the maximum impact to the City's supply of employment lands with inclusion of the additional 815 acres of employment land that were added with the City's 2016 UGB expansion, the maximum percent of employment lands within the City's UGB that could be developed with standalone residential is 0.86± percent, less than one percent

(40/4,633). Therefore, developing up to 40 acres of standalone residential uses will not displace a significant supply of commercial employment uses based on the available supply of employment lands within the City's UGB and it is reasonable to conclude that there is an adequate amount of employment lands that will continue to allow commercial and employment uses within the City's UGB. Therefore the proposed amendments conform, on the whole, with the purposes of statewide land use planning Goal 9.

Goal 10, Housing – According to the Bend Housing Needs Analysis, Bend is planning for growth of approximately 38,500 people between 2008 and 2028, requiring nearly 16,700 new dwelling units. Bend's housing needs are changing and key demographic changes are occurring in Bend and across the nation. Baby Boomers may need affordable housing or may choose to downsize their housing, resulting in greater demand for small single-family dwellings, cottages, accessory dwelling units, townhomes, apartments, and condominiums. Growth in millennial households will increase the need for affordable housing options for renters and homeowners including: small single-family dwellings, cottages, accessory dwelling units, duplexes, townhomes, garden apartments, and apartments.

The City Council has a goal to increase the supply of shovel ready land available for housing and employment in alignment with the City's Comprehensive Plan by:

- *Permitting 3,000 units with the target of 1170 single family units, 390 single family attached units and 1440 multi-family units by June 30, 2021.*

As part of the goal, the Council has a strategy to "Increase the supply of shovel-ready residential land and decrease development costs for needed housing through public investment leveraging private development, City policy and procedural adjustments." To implement this strategy, the Council has identified a need to audit the Bend Development Code in order to identify barriers in constructing needed housing, including mobility and parking standards.

One of the barriers in the CL, CG and ME zoning districts is that commercial or public/institutional uses must occupy at least the floor area equivalent to the entire ground-floor area of the development and that the commercial or public/institutional uses must be constructed prior to or concurrently with the residential uses. Even in prime commercial locations, populating the entire ground floor with commercial space is often more square footage than the market can absorb. Requiring the construction of more commercial space than the market can absorb means either the project does not get built or the residential rental rates must be higher to absorb the cost of building empty/low rent commercial space.

HB 3450 has provided the opportunity for the City of Bend to make changes to the land use regulations authorizing high density or horizontal or vertical mixed-use housing on lands zoned under a statewide land use planning goal related to economic development for a mix of commercial, service, retail and other

employment uses. The amendments allowed by HB 3450 remove barriers and help implement the Council's goal of permitting 3,000 units by June 30, 2021, and meet the needs identified in the Housing Needs Analysis by encouraging the development of townhomes, micro-units, plexes, ADUs and apartments. The amendments are intended to provide additional units while still allowing commercial developments to occur.

Therefore the proposed amendments conform, on the whole, with the purposes of statewide land use planning Goal 10.

Goal 11, Public Facilities and Service - Goal 11 requires the City to plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development. The amendments will not result in the need to adjust or amend existing policies or projects in the City's adopted facility plans. Therefore the proposed amendments conform, on the whole, with the purposes of statewide land use planning Goal 11.

Goal 12, Transportation – Goal 12 requires the City to provide and encourage a safe and convenient and economic transportation system. The amendments are not site specific and therefore do not affect the functional classification of any street. In the CL, CG and ME plan designations, residential uses, with no maximum densities, are currently permitted as part of a mixed-use development. The amendments will continue to allow for residential uses in the CL, CG and ME plan designations and will allow for standalone residential uses on up to a maximum of 40 total acres citywide by removing the requirement for a commercial or public/institutional use to occupy at least the floor area equivalent to the entire ground-floor area of a development. The residential uses will generate fewer vehicular trips compared to many of the commercial uses (e.g., retail sales, restaurants, lodging, offices and clinics) currently allowed in the CL, CG and ME plan designations. The amendments will have no measurable impacts on the amount of traffic on the existing transportation system; therefore the amendments do not cause a "significant effect" under ORS 660-012-0060. Therefore the proposed amendments conform, on the whole, with the purposes of statewide land use planning Goal 12.

b) Are needed to achieve local housing and redevelopment and infill goals specified by the city;

FINDING: In order to meet the housing needs identified in the City's HNA, the City Council adopted a goal to increase the supply of shovel ready land available for housing and employment in alignment with the City's Comprehensive Plan by:

- *Permitting 3,000 units with the target of 1170 single family units, 390 single family attached units and 1440 multi-family units by June 30, 2019.*

As part of the goal, the Council has a strategy to "Increase the supply of shovel-ready residential land and decrease development costs for needed housing through public investment leveraging private development, City policy and procedural adjustments." HB 3450 has provided the opportunity for the City of Bend to make

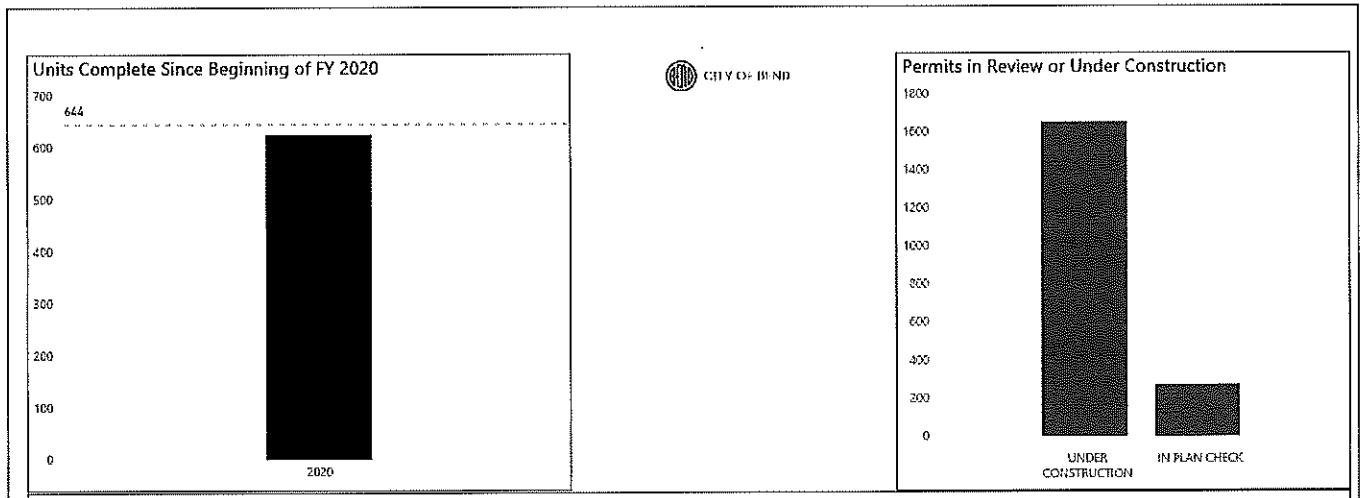
changes to the BDC that allows for high density standalone residential uses on a maximum of 40 acres in the CL, CG and ME plan designations. The amendments are needed to achieve the Council's goal of increasing housing and housing types, and helps meet the needs identified in the Housing Needs Analysis by encouraging urban infill through the development of townhomes, plexes, micro-units, ADUs and apartments. The amendments are needed because they will allow for needed infill and redevelopment opportunities with the potential to provide approximately 868 to 1,720 dwelling units.

c) Are reasonably likely to achieve the city's housing and redevelopment and infill goals; and

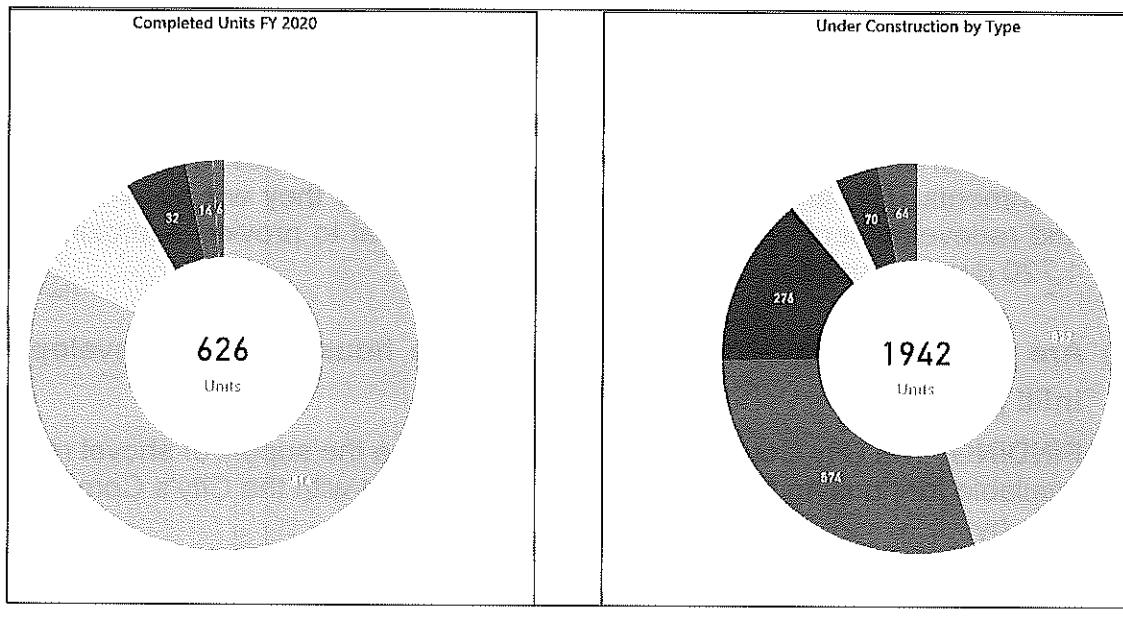
FINDING: The City Council has a goal to increase the supply of shovel ready land available for housing and employment in alignment with the City's Comprehensive Plan by:

- *Permitting 3,000 units with the target of 1170 single family units, 390 single family attached units and 1440 multi-family units by June 30, 2019.*

To date, 626 dwelling units have been completed since the beginning of FY 2020 and there are 1,657 residential permits under construction and 285 in plan check.



The following charts represents the number of units by type contributing to the 3,000 unit goal.



● Single-Family ● Multi-Family ● Mixed Use ● ADU ● SF w/ADU ● Duplex

With 626 dwelling units complete and 1,942 dwelling units under construction, 432 additional units are needed to meet the City's overall housing goal total. The amendments will enable approximately 868 to 1,720 additional dwelling units therefore it is reasonably likely to achieve the remaining 432 units needed to meet the City's overall housing goal total by June 30, 2021. Furthermore, the amendments are reasonably likely to achieve the City's more specific housing goal of 1,440 of the total 3,000 units to be multi-family units. Since the Council goal was adopted, 856 multifamily units have been built or are under construction meaning an additional 584 multifamily units are needed to meet the goal. The amendments do not include detached single family units as an allowed use. Due to the location, lot sizes, and urban/commercial nature of the sites eligible for standalone residential under the amendments, multifamily residential is the likely predominant unit type anticipated for the approximate 868 to 1,720 additional dwelling units. Therefore, it is reasonably likely to achieve the City's specific housing goal for 584 additional multifamily units.

Additionally, the location and urban/commercial nature of the sites and the urban development standards in the amendments, including reduced parking requirements and setbacks which provide developers more flexibility, make it reasonably likely to encourage redevelopment and infill on smaller properties.

d) Comply with the requirements of this section.

FINDING: The amendments comply with the requirements of this section, as detailed above.

(2) A city's adoption of changes to its comprehensive plan and land use regulations under subsection (1) of this section:

(a) May not change the allowable use on more than 40 acres;

FINDING: The amendments allow a maximum of 40 acres to be developed as standalone residential uses including townhomes, plexes, micro-units, ADUs and multifamily, in the CL, CG and ME plan designations.

In order to ensure no more than the 40 acres of employment lands that are developed with standalone residential uses under these amendments, developments approved under these amendments will be shown on the Zoning Map. The denotation on the Zoning Map may be added or removed administratively by staff upon approval, withdrawal or expiration of the development application.

(b) May not affect lands zoned for industrial uses; and

FINDING: The amendments do not apply to lands zoned for industrial uses.

(c) Must ensure an adequate supply of employment lands within the city's urban growth boundary.

FINDING: As stated in Goal 9 above, the amendments could result in a maximum of $1.04\pm$ percent ($40/3,818$) of all employment land (developed or vacant) identified in the 2016 BLI being developed as standalone residential. When calculating the maximum impact to the City's supply of employment lands with inclusion of the additional 815 acres of employment land that were added with the City's 2016 UGB expansion, the maximum percent of employment lands within the City's UGB that could be developed with standalone residential is $0.86\pm$ percent, less than one percent ($40/4,633$). Therefore, developing up to 40 acres of standalone residential uses will not displace a significant supply of commercial employment uses based on the available supply of employment lands within the City's UGB and an adequate supply of employment lands within the City's urban growth boundary remains.

(3) A city must submit the changes to its comprehensive plan and land use regulations adopted under subsection (1) of this section and to the Land Conservation and Development Commission for review. The submission must include information that identifies alternative means by which the adopted changes to the city's comprehensive plan and land use regulations comply with statewide land use planning goals related to housing, transportation, economic development and public facilities and services.

Following adoption of the amendments to the BDC, the City will submit the amendments to the Land Conservation and Development Commission for review. The findings within this document identify alternative means by which the adopted changes to the City's development code comply with statewide land use planning goals related to housing, transportation, economic development and public facilities

and services.

V. CONCLUSIONS:

Based on the above Findings, the BDC amendments meet all applicable criteria for adoption.

VI. RECOMMENDATION:

The Planning Commission recommends approval of the amendments to the City Council.