

ORDINANCE NO. 2475

AN ORDINANCE AMENDING BEND MUNICIPAL CODE SECTION 1.50.040 TO ADD A PROCESS FOR SELLING CITY-OWNED REAL PROPERTY TO DEVELOP AFFORDABLE HOUSING.

Recitals

- A. The Bend Municipal Code follows state law in setting out the procedures the City follows in selling real property that is surplus to the City's needs.
- B. In 2021, the Oregon legislature adopted a law (ORS 221.729) that allows the City to sell property for affordable housing by a request for proposal process.
- C. The City has previously sold property for affordable housing by Council adopting a resolution creating a process for selling identified property by a request for proposal process, with proposals reviewed by the Affordable Housing Advisory Committee, and a final decision made by Council. This code change would allow the City to follow that process without creating the process by resolution for each property sold.

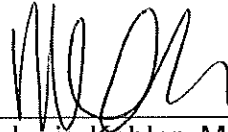
Based on these findings, THE CITY OF BEND ORDAINS AS FOLLOWS:

- Section 1.** Bend Municipal Code section 1.50.040 is amended as shown in the attached Exhibit A.
- Section 2.** All other provisions of the Bend Municipal Code remain unchanged and in full force and effect.
- Section 3.** If any provision, section, phrase, or word of this ordinance or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

First Reading Date: April 19, 2023.

Second Reading and adopted by roll call vote on May 3, 2023.

YES:	Mayor Melanie Kebler	NO:	none
	Councilor Barb Campbell		
	Councilor Anthony Broadman		
	Councilor Megan Perkins		
	Councilor Ariel Méndez		
	Councilor Megan Norris		
	Councilor Mike Riley		



Melanie Kebler, Mayor

ATTEST:



Robyn Christie, City Recorder

Approved as to form:



Mary Winters, City Attorney

1.50.040 Disposal of Standard Undeveloped Property and Developed Property.

- A. Any proposed sale of standard undeveloped property or developed property shall be set for a hearing before the Council. The Council may consider the sale of multiple properties at the hearing.
- B. The City Recorder shall cause notice of the hearing to be published once in a newspaper of general circulation in the City at least five days prior to the hearing describing the property proposed for sale. Notice shall also be mailed to property owners within 500 feet of the subject property.
- C. Public testimony shall be solicited at the hearing to determine if a sale of the property or any portion of it is in the public interest.
- D. After the hearing, the Council shall decide whether to offer the property for sale and shall establish minimum acceptable terms. The Council may consider appraisal(s) or other evidence of market value in establishing the minimum acceptable terms. The Council may decide to offer the property for sale only if it determines that the property is surplus to the City's needs.
- E. The City shall obtain an appraisal or other evidence of market value before concluding any sale to a private entity.
- F. If a sale is authorized by the Council, it may direct that the property be listed with the City's real estate agent of record or direct that it be sold by bids. If sale is to be by a bidding process, a notice soliciting sealed bids shall be published at least once in a newspaper of general circulation in the City at least two weeks prior to the bid deadline date. The notice shall describe the property to be sold, the minimum acceptable terms of sale, the person designated to receive bids, the last date bids will be received, and the date, time and place that bids will be opened.
- G. The City Manager is authorized to approve the sale of the property if the minimum acceptable terms set by Council are met.
- H. If one or more bids are received at or above the minimum acceptable terms, the highest bid shall be accepted and the City Manager or designee shall complete the sale.
- I. If no acceptable bids are received, the Council may:
1. Accept the highest bid among those received;
 2. Direct staff to hold another sale, with the same or amended minimum terms;
 3. Direct the property to be listed with the City's real estate agent of record, or if the City does not have a real estate agent of record, with a local real estate broker on a multiple listing basis;
 4. Decide to keep the property.
- J. Notwithstanding the provisions of this section, the Council may adopt, after public notice and hearing, a resolution establishing a procedure for the sale of individual parcels of a class of City-owned real properties, or any interest in the properties, under a single program established within the City for the sale of that class of properties. The City may thereafter sell any parcel under that adopted procedure in lieu of the procedure established in this section. See ORS [221.727](#). [Ord. NS-2168, 2011; Ord. NS-2159, 2011]

K. Notwithstanding the provisions of this section and in lieu of a program established under Subsection J, following the public notice and hearing and declaration of a City-owned property as surplus, the Council may

direct that property be sold for the purpose of developing affordable rental and owner-occupied housing for low-income households or moderate-income households. See ORS 221.729.

1. For the purposes of this Subsection, “Low-income household” means a household with income less than or equal to 80 percent of the area median income, and “Moderate-income household” means a household with income less than or equal to 120 percent and greater than 80 percent of the area median income.

2. Property identified for sale under this subsection will be sold by request for proposals for development by those interested in developing the property for use as affordable housing for low-income households or moderate-income households. Those proposals will be reviewed by the City’s Affordable Housing Advisory Committee, which will make a recommendation to the City Council as to which proposal to accept, or whether to accept a proposal if only one is received. The City Council will make the final decision on any proposal.

3. Property sold under this section must be subject to an affordable housing covenant as described in ORS 456.270 to 456.295.
