



AGENDA

UGB Remand Task Force

710 NW WALL STREET
PO Box 431
BEND, OR 97701
[541] 388-5505 TEL
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WWW.CI.BEND.OR.US

Thursday, March 3, 2011
3:00 p.m. – Bend City Hall – Council Chambers

JEFF EAGER
Mayor

JODIE BARRAM
Mayor Pro Tem

TOM GREENE
City Councilor

KATHIE ECKMAN
City Councilor

JIM CLINTON
City Councilor

MARK CAPELL
City Councilor

SCOTT RAMSAY
City Councilor

ERIC KING
City Manager

1. Election of Chair and Vice Chair
2. Review draft Charter for RTF (Attachment A)
3. Background on 2009 UGB amendment
4. Review highlights of LCDC Remand Order
5. Review draft remand timeline and tentative RTF meeting schedule (Attachments B and C)
6. Other business
7. Receive public comment
8. Adjourn

Attachment A

DRAFT Charter

City of Bend Urban Growth Boundary *Remand Task Force*

March 3, 2011

ACRONYMS

UGB = Bend Urban Growth Boundary

RTF = Remand Task Force

LCDC = State of Oregon - Land Conservation and Development Commission

BACKGROUND

On January 5, 2009, the Bend City Council adopted a proposal to expand the existing UGB by 8,462 acres (gross). The adoption included related amendments to the City of Bend Public Facilities Plans, Comprehensive Plan and the Development Code.

On November 3, 2010, LCDC issued a final order that partially acknowledged and partially remanded Bend's proposed UGB expansion.

On January 19, 2011, the Bend City Council approved a motion to form a special task force comprised of three City Councilors and two Bend Planning Commissioners - referred to as the ***Remand Task Force (RTF)*** to act as official review body to assist staff in addressing issues raised in the UGB remand order, and to help form a recommendation to the full City Council. The City Council also approved the appointment of City Councilors Jodie Barram, Jim Clinton, and Tom Greene along with Planning Commissioners Kevin Keillor and Cliff Walkey to the RTF.

MISSION

The mission of the UGB RTF is to make recommendations to the City Council regarding responses to all issues raised in the LCDC remand order requiring action by the governing body. The City Council's final consideration of actions in response to the remand order, during formal public hearings, will be based on recommendations made by the RTF and on public input.

DUTIES OF THE RTF

- Review draft material prepared by City staff in response to remand issues

- Provide policy guidance to staff
- Receive public input on remand tasks at appropriate times
- Serve as liaisons to City Council and Planning Commission
- Recommend adoption of remand materials to City Council
- Stay focused on remand tasks, in accordance with an accepted timeline to complete all tasks in a timely, efficient manner.

RTF MEETINGS

Structure:

A chair and vice-chair for the task force will be selected by RTF members. A majority of the RTF being present will constitute a quorum to conduct business.

Schedule:

The timing and location of RTF meetings will be scheduled as determined by the RTF Chair and City staff. The RTF will meet as needed to consider work related to specific remand tasks.

Conduct:

In general, meetings of the RTF will be conducted similar to City Council work sessions. The meeting format will focus on direct interaction between staff and RTF members on agenda topics announced before each meeting. Agenda topics will be limited to remand tasks.

Public Participation:

All meetings of the RTF are open to the public. Prior notice of the time and place for meetings will be provided in accordance with City of Bend policy and state law. Meeting minutes will be kept.

During RTF meetings the Chair may choose at his/her discretion to receive oral or written comment from the public. When allowed, the time period for oral comments should be limited to allow all interested members of the public to speak while also working through topics on the meeting agenda. (Staff recommends allowing time for public comment at the beginning or end of all meetings rather than during the RTF member/staff discussion.)

THE RECORD

The adoption of any amendments to the UGB and to related planning documents must be based on a legislative record. For purposes of the Bend UGB remand, the legislative record will be opened on the date the City submits a formal Notice of Proposed Amendment to the Oregon Department of Land Conservation and Development. That notice will be submitted after the RTF has completed its work, and at least 45 days prior to the first evidentiary hearing on the proposed remand amendments. The record will not be open during the time the RTF is

meeting to carry out its mission. Citizens may submit written materials or oral comments to the RTF at any time, as authorized by the Chair, however such materials and comments will not be considered part of the legislative record. Similarly, materials submitted to the RTF by City staff for consideration will not be considered part of the record.

DECISION MAKING

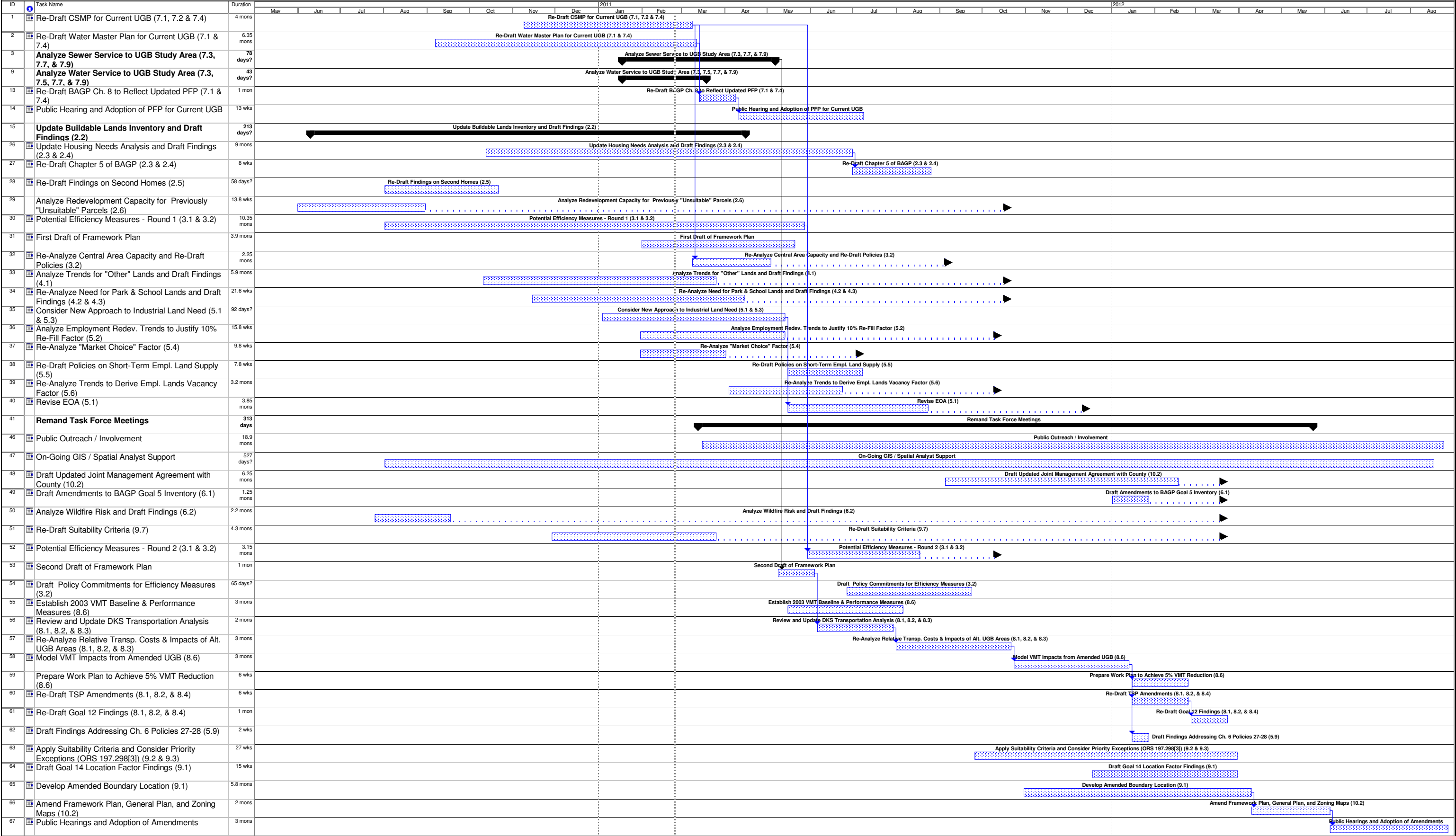
The RTF will make decisions by consensus where feasible, and by majority vote when consensus is not possible. In general, City staff will use the RTF's preliminary decisions as the basis for further work on remand tasks. The RTF may modify its decisions at any point before recommending draft remand materials for formal consideration and adoption by the City Council.

In the interest of accomplishing remand tasks quickly and efficiently, RTF meeting agendas will be focused and task-oriented. The specific tasks listed in the remand order will be used as the basis for staff work, and to focus discussion during RTF meetings.

CONCLUSION

The mission of the RTF will conclude when it has made recommendations to the City Council regarding responses to all issues raised in the remand order requiring action by the governing body. The City Council's consideration of actions in response to the remand order during formal public hearings will be based on recommendations made by the RTF and on public input.

Attachment B
UPDATE NO. 12
UGB Remand Timeline
March 3, 2011



Attachment C

Preliminary Schedule and Meeting Topics for The UGB Remand Task Force

March 3, 2011

Meeting No. 1 – Kick-Off

Thursday, March 3, 2011 – 3:00 p.m.

Agenda Topics:

- Election of Chair and Vice Chair
- Review draft Charter
- Background on 2009 UGB amendment
- Highlights of remand order
- Review remand timeline and tentative RTF schedule.
- Public comment period

Meeting No. 2

Thursday, April 14, 2011 – 3:00 p.m.

Agenda Topics:

- Public Facility Plans for current UGB
- Prep. for upcoming hearings for adoption
- Timeline status check

Meeting No. 3

Thursday, May 19, 2011 – 3:00 p.m.

Agenda Topics:

- Residential Buildable Lands Inventory
 - Sewer & water analysis for expansion area
 - Timeline status check
-

Meeting No. 4

Thursday, July 14, 2011 – 3:00 p.m.

Agenda Topics:

- Updated Housing Needs Analysis
 - Efficiency measures – Round 1
 - Second homes
 - Timeline status check
-

Meeting No. 5

Thursday, September 8, 2011 – 3:00 p.m.

Agenda Topics:

- Park & school land needs
 - “Other” land needs
 - Baseline 2003 transportation analysis
 - New approach to industrial land needs
 - Timeline status check
-

Meeting No. 6

Thursday, October 27, 2011 – 3:00 p.m.

Agenda Topics:

- Employment lands redevelopment potential
 - Market choice and employment vacancy factor
 - Short-term land supply policies
 - Timeline status check
-

Meeting No. 7

Tuesday, December 20, 2011 – 3:00 p.m.

Agenda Topics:

- Efficiency measures – Round 2
 - Suitability criteria
 - Goal 7 / Wildfire hazard
 - Timeline status check
-

Meeting No. 8

Tuesday, January 26, 2012 – 3:00 p.m.

Agenda Topics:

- Transportation relative cost/impacts analysis
 - Transportation scenario “packages”
 - Timeline status check
-

Meeting No. 9

Tuesday, February 23, 2012 – 3:00 p.m.

Agenda Topics:

- Results of transportation scenario testing
 - Draft work plan for VMT reduction
 - Timeline status check
-

Meeting No. 10

Tuesday, March 22, 2012 – 3:00 p.m.

Agenda Topics:

- Suitable lands analysis
 - Consider priority exceptions
 - Timeline status check
-

Meeting No. 11

Tuesday, April 26, 2012 – 3:00 p.m.

Agenda Topics:

- Draft location factor findings
 - Proposed boundary location
 - Draft General Plan & Zoning Map amendments
 - Timeline status check
-

Meeting No. 12

Tuesday, May 24, 2012 – 3:00 p.m.

Agenda Topics:

- Review draft findings
- Motion to proceed to public hearings

DRAFT



AGENDA

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Thursday, April 28, 2011
3:00 p.m. – Bend City Hall – Council Chambers

JEFF EAGER
Mayor

JODIE BARRAM
Mayor Pro Tem

TOM GREENE
City Councilor

KATHIE ECKMAN
City Councilor

JIM CLINTON
City Councilor

MARK CAPELL
City Councilor

SCOTT RAMSAY
City Councilor

ERIC KING
City Manager

1. Election of Vice Chair (3:00 – 3:05)
2. Approval of Minutes from March 3, 2011 (3:05 – 3:10)
3. Prior Legislative Record and Preservation of Existing Data / Analysis (3:10 – 3:30)
4. Draft Findings on “Other” Lands – Sub-Issue 4.1 (3:30 – 4:00)
5. Public Comment (4:00-4:15)
6. Draft Findings on Second Homes – Sub-Issue 2.5 (4:15-4:30)
7. Public Comment (4:30-4:40)
8. Update on Public Facilities Plans (4:40 – 4:50)
9. Prep for Next RTF Meeting (4:50 – 5:00)
10. Adjourn

1. Convene Meeting

The Remand Task Force Meeting was called to order at 3:10 PM on Thursday, March 3, 2011, in the City Council Chambers at Bend City Hall. Present were the RTF members Tom Greene, Jim Clinton, Kevin Keillor, and Cliff Walkey. Jodie Barram was absent.

Staff present were the City Manager Eric King, Brian Shetterly, Mary Winters, Gary Firestone, Wendy Robinson, Brian Rankin and Damian Syrnyk.

2. Election of Chair and Vice Chair

Jim Clinton elects Cliff Walkey to be Chair. Cliff agrees. Jim then recommends we wait to elect the Vice Chair when everyone is present.

3. Welcome and Review Draft Charter (Role and Procedural Rules)

Senior Planner Brian Shetterly discusses how to organize the RTF more formally. The clarity of the mission of the task force was set out and also expectations discussed.

The draft Role and Procedural Rules was adopted unanimously.

Duties for RTF members include review of draft materials, provide policy guidance, serve as liaison to City Council and planning commission, recommend adoption if appropriate and stay on task.

All meetings are public and noticed. Participation during the meetings by citizens will be at the discretion of the chair. Meetings to be formatted as work sessions, meaning there is a direct interaction and focus in going through whatever is on the agenda and reaching a conclusion.

When a decision needs to be made, a consensus is best when feasible.

4. Summary on the Record

City Attorney Mary Winters provided a brief summary on the record for the remand order. She explained that DLCD has not adopted clear administrative remand rules on how the record opens or what must be in the record for a remand, and that the DLCD Director indicated that it is up to the discretion of the local agency as to when the record opens. For content, the test is always whether the public oral or written comments relate to a remand issue.

Jim Clinton asks if the remand record is currently zero to which Mary affirm. The RTF members recommend we have an official opening of the record at a later date.

Richard Whitman, Director of the DLCD, suggested that when we do open the record before Council we incorporate the whole prior record because there may be some things in there we want to reference.

Tom asks we have its own tab on our website. Damian Syrnyk explained that the items we handed out in this meeting are all on the website. Nancy Flannigan will post documents on the website in the future.

Jim asks about information we may receive that is not relevant to the remand tasks which Brian mentioned that the plan is to have a separate file for irrelevant information. The Chair could make the decision if it is or is not relevant. However, we will keep it in our files, just not necessarily in the record.

The task force will forward its recommendations. They will then provide public notice of an initial hearing before Council to consider recommendations.

After Council has adopted any and all amendments that are part of the remand package, it will be remanded to the LCDC.

Jim says it works and all RTF members present nodded heads.

5. Background

Brian Shetterly gave the following background summary:

In July 2005, there was a new forecast which estimated the population to be 109k in 2025. The new forecast superseded the previous forecast, which was 68k. We reached that 68k in 2005, 15 years earlier than anticipated.

It was clear we had to augment that number and submitted the housing based UGB to the state and the Council in spring of 2007. The primary concern was to ensure we'd have enough residential land.

In August of that year, Council broadened the scope to include the full amount of land to include employment as well. Between 2007 and 2008 we held over 60 public meetings to work through what the UGB expansion should be. That's what got us to the point of recommending 8,462 acres, 5,500 of which was considered buildable.

We have the clearest picture at this point by having this remand. We know what needs to be done according to the commission. Having clarity is a clear advantage.

The remand order is the touchstone and is our starting point. As we work through tasks and prepare documents for review, our question will always be if it relates to a specific task in the remand and does it help to achieve the task.

Discussion was held regarding Richard Whitman's new appointment. Mary mentions that she will be talking to Karen and will ask what the plan is. Richard did promise to stay involved.

6. Review Highlights of LCDC Remand Order

The Remand Order addresses 56 issues or sub-issues that the commission considered in their hearings. Some issues are technical, and will not require action by the City. There about 10 categories under the Table of Contents, under VI.

- Adequacy of Findings for Review
- Residential Land Needs
- Capacity of the Existing UGB & Efficiency Measures
- Other (Non-employment) Land Needs
- Employment Land Needs
- Natural Resources and Hazards
- Public Facilities Planning
- Transportation Planning
- Location of the UGB Expansion Area
- Other Issues

More in-depth discussion to follow.

Page 18

Issue 2.2 was discussed. The basic issue is how much land do we have inside the current UGB and how much is available. We have an excellent GIS database. The commission is looking for an analysis that will bring it more clearly in line. We're not simply looking at how much vacant land we have but we'll look at how much developed do we have, totally vacant, partially vacant, how much opportunity for infill, how much is redevelopable, etc. We'll rerun the numbers and break down the parcels in the current UGB into those categories

Tom asks if there's a time frame to complete this step.

Brian says we'll discuss it in the third meeting and it's underway. We will have something fairly soon.

Page 33

Issue 2.4 is about whether the City has planned adequate land supply and needed housing statutes. We found that we had a need in terms of housing and housing types for more multi-family and attached.

The 65/35 split was discussed, 65 detached and 35 attached. The commission doesn't say it was wrong but is looking for greater detail and asks how it was justified and how it clearly meets our needs.

Page 39

Issue 2.6 is regarding whether the City's decision to include 2,987 acres of land in its UGB, etc. complies with Goals 10 and 14.

Page 48

Issue 3.1 regarding whether the City's findings for the UGB adequately explains how it meets the requirement in Goal 14, etc. Was it justified? Additional land will probably be absorbed in providing storm water management facilities and may include public streets. It may require additional land so we round it up to 15%. They want additional justification.

Tom mentions that we're hearing more and more about stormwater and can we consider this issue. Brian says we can consider this and it's mentioned that we may have a stormwater management plan that could be cited.

Page 72

Did the City establish adequate factual and policy bases, etc? This is a result of a clarification we made in our land use needs in employment. The foundation for the need is employment projections. We convert that by density factors, to acres needed, and then in theory you're done.

It seemed to us that state law gives an allowance to see beyond that. If a business is looking to expand and needs more area they ought to be able to choose between 2 or more sites. This would benefit those businesses.

This issue was recently before the Court of Appeals. It seemed clear that it would be difficult to justify the use of market choice factors. It looks like a steep hill to climb.

Page 86

This issue (6.1) relates to Goals 5 and 7 and regards inventory. We argued that the rules don't require that we comply fully with Goals 5 and 7 in a UGB amendment. What they originally directed the City to do was confusing, not to mention impractical. We'd have some 40,000 acres of potential expansion area that would have had to be analyzed for significant Goal 5 resources without even knowing where the new UGB would be located. The remand order now requires that we only consider Goal 5 if we bring additional stream corridor segments of either the Deschutes River or Tumalo Creek into the UGB. Any remaining Goal 5 work can be carried out after UGB acknowledgement.

Page 92

Issue 6.2 asks whether the City is required to address wildfire risk. We are not required to specifically address Goal 7 but it is a concern, particularly on the west

side where forest service land transitions into private land that abuts the UGB. They encourage us to look at it to consider potential for wildfire activity.

Page 96

Issue 7.1 relates to public facilities and Goal 11. It asks whether the PFPs comply. The City may, on remand, disconnect the PFP analysis that previously included the expansion area and the UGB. We agreed to disconnect the analysis and master planning in the current UGB and analyze the expansion area separately. We'll have a free standing PFP that considers only providing service to the current UGB for both sewer and water. We'll bring to Council for public hearing and adoption of PFPs for the current UGB, and then have a separate analysis for an expansion area that looks only at how we can effectively serve all parts of the expansion area.

Page 115

Issue 8.2 relates to transportation and whether the City needs to provide more detail, etc. What do we do with the extraordinary costs such as North Highway 20 and 97? Improvements in the next 20 years or so will be very expensive. It will need to be done not just for the territory but for the region. It didn't make sense to allocate those costs to the relatively small amount of properties near Highway 97. The commission disagreed. They ask that we reconsider how we might allocate those costs to sub-areas. Brian Shetterly mentions that it's going to be difficult and they that they didn't give us much guidance on this.

Tom Greene says he thinks they'll accept an unrealistic answer.

Page 119

Issue 8.6 discusses what Bend must do to comply with the Transportation Planning Rule. This does apply to us and we did not disagree with that. We thought we made a persuasive case that full compliance was not required in connection with UGB adoption, but the commission mostly disagreed. They are looking for an analysis of Vehicle Miles Traveled (VMT) at build-out, and how that estimate compares with a baseline estimate of 2003. If the VMT per capita has not increased or has decreased, we can get acknowledgement of the UGB, provided that we provide a work program that shows we'll continue to work reducing VMT. If the VMT is not being reduced, or is increasing, then we'll be required to do much more work involving both Planning and Public Works staff that could easily take an additional 3-5 years.

Mary Winters mentions the City didn't agree with tying the VMT to a UGB expansion process, as it didn't make legal or practical sense. Nonetheless, we reached a compromise with DLCD on this issue. We're fairly confident that we can come within the numbers and defer much of the required work until after the UGB is acknowledged.

Jim Clinton talks about how more people will be riding bicycles.

Brian Shetterly says we'll look at that, and all non-auto travel modes, as well.

Page 123

Issue 9.1 asks how we located the amended boundary. There is legitimate disagreement about how one evaluates these alternative areas. The good news is that we received a clear, precise procedure to use. On pages 129-130 it is clear what we need to do for considering alternative boundary locations. It's a clear, six-step process to go through, and is by far the best guidance we have gotten on this critical issue. That will be our guide as we look at where that amended shrunken boundary ought to be located.

Kevin Keillor talks about crossing lower priority lands to include higher-priority categories. Brian Shetterly says that's in play as well and that the remand order is somewhat less rigid about excluding higher priority lands and including lower priority lands. Previous guidance from the State had indicated that inclusion of lower priority lands cannot be justified, and it's best not to attempt it.

Jim Clinton asks if we should have a weeding system and are we mixing these two together without weighing the importance of each.

7. General Discussion

Brian mentions we'll be working closely with DLCD staff, both Karen and staff in Salem. We'll be holding hands with them.

On page 15, the LCDC discusses that they want us to set out how we present findings. They want us to connect the dots between any State rule and the substantial evidence we're relying on. We will have numerous new findings that we'll be drafting.

Jim Clinton asks what the role of the county is and Mary says Richard Whitman encourages us to speak to them. We want them involved and want their input.

8. Other Business

Cliff Walkey mentions that the charter states we should stay on topic. As chair he agrees this is important, and will be looking to Mary Winters to say whether it's relevant to the remand order. The staff will need maximum time to discuss the issues. He goes on to say that unless it's relevant to the particular meeting, he doesn't see receiving testimony during most meetings. Conversely, if it's relevant, there should be a time limitation. Mary Winters suggests we determine how many people want to speak so as to determine the time limit. Cliff Walkey doesn't want to exclude testimony but it will require judgment.

Kevin Keillor asks if we're accepting testimony during this first meeting of the RTF. Brian Shetterly affirms that we are.

Jim Clinton suggests we update Council if we reach a milestone.

Brian Shetterly said the next meeting of the RTF cannot be scheduled at this time, due to an unforeseen delay in completing work on the draft public facility plans for the current UGB. A separate notice will be sent out for the next meeting date, which will probably be scheduled for late April or early May.

Jim Clinton noted that Thursday afternoons are generally a good time to meet, and even better if they follow a regular Wednesday evening Council meeting.

9. Receive Public Comment

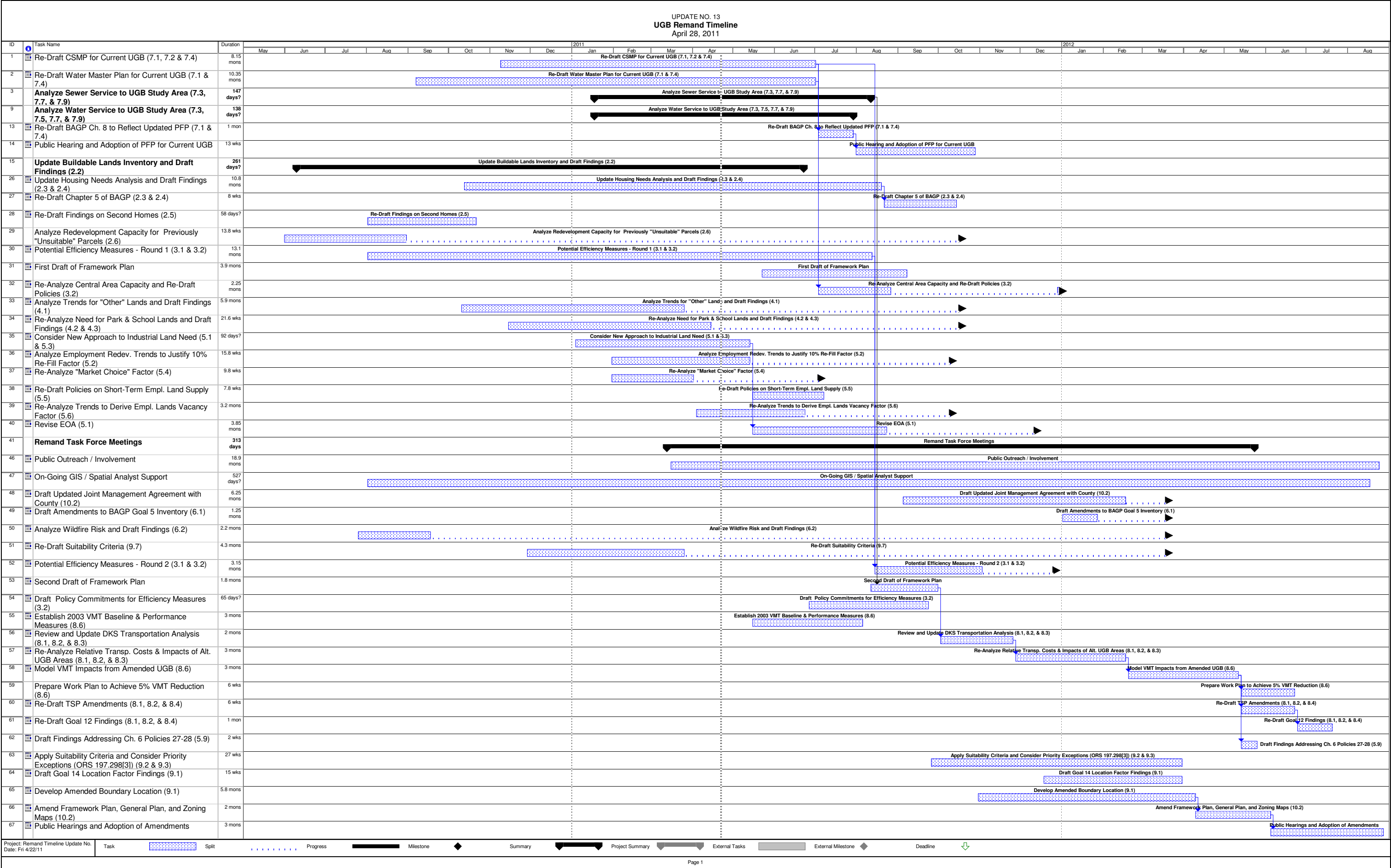
Ed Elkins of Gopher Gulch Ranch would suggest that we put something on the website that explains to the public what the remand is so they don't think we've reopened the record. If they could look at the conclusions, it would narrow it down and keep it more focused; a sort of question and answer type.

Meeting adjourned at 4:44.

Respectfully submitted,

/s/ Nancy Flannigan

Nancy Flannigan
Legal Assistant



MEMORANDUM



710 WALL STREET
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www.ci.bend.or.us

TO: REMAND TASK FORCE
FROM: MARY WINTERS, CITY ATTORNEY
LONG-RANGE PLANNING STAFF
SUBJECT: TIMING OF DATA/EVIDENCE IN UGB REMAND
DATE: 4/26/2011

The memo addresses the timing of data/evidence for the Remand tasks, as it is a somewhat complex issue. As you review the various tasks, the following decision points will arise on accepting evidence/data/testimony into the record from city staff/consultants as well as the public: (1) no new data is needed and should not be introduced, just new findings consistent with the directions in the Order, (2) only data/evidence from 2008 in the existing record should be used to re-analyze a particular issue and support new findings, (3) new data/evidence that was available through 2008 may be introduced or, more rarely, (4) new data/evidence of circumstances after 2008 allowed into the record.

The Department rules do not give a great deal of guidance on the record in remand matters. The rules for appeal for periodic review do state:

OAR 660-025-01690(5): The commission shall hear appeals based on the record unless the commission requests new evidence or information at its discretion and allows the parties an opportunity to review and respond to the new evidence or information. The written record shall consist of the submittal, timely objections, the director's report, timely exceptions to the director's report, the director's response to exceptions and revised report if any, and the appeal if one was filed.

The basic rule is that the Commission's role in the proceeding is to review what the city did at the time it made its decision,¹ based on that record, unless the Remand Order requires or allows additional evidence. This is similar to the position LCDC recently took in reviewing an amendment to Woodburn's UGB to add land for

¹ The following are local dates of importance:

- Bend City Council and Deschutes County BOCC public hearing on November 24, 2008
- Written public hearing record remained open until December 1, 2008
- First Reading of amendment ordinance on December 22, 2008
- Second Reading and City Council adoption on January 5, 2009
- Deschutes County BOCC co-adopted the UGB amendment on February 11, 2009

employment purposes.² Thus, the record on remand is driven by the Remand Order. When the Commission has directed that the City do certain tasks, that is what we do and everything else is off the table. The Remand also clearly articulates between new analysis (that may or may not require new data) and new or revised findings, which require no new data or evidence. This is consistent with LUBA caselaw, and the principles LUBA applies on remand tasks.³

It is therefore important to emphasize that this a remand and partial acknowledgement of a decision made in December 2008. The Commission's role is not to substitute itself for the city, or make a new decision today, starting from scratch, just as the RTF's and City Council's roles are to carry out the Remand requirements spelled out by the Commission. Rather, LCDC, the RTF, and City Council will review the City's UGB expansion as if it were 2008. This makes sense given that a UGB expansion is based on the amount of land that the city needs for future residential and employment uses, over the 20-year planning period. Seeing the remand through the lense of 2008 also keeps the data, timeframe, and analysis internally consistent. Here, the planning period is 2008 to 2028, and is based on the coordinated population forecast upheld on appeal to LUBA.⁴ In March 2005, LUBA upheld the Deschutes County Coordinated Population Forecast for 2025. The City

² See DLCD's Report to the Commission on-line at http://www.oregon.gov/LCD/woodburn_amendment.shtml.

³ For example, LUBA has ruled as follows: When LUBA remands a decision by sustaining one or more assignments of error, it does not necessary mean that LUBA agreed with every argument or sub-argument advanced in the sustained assignments of error, or that on remand the local government must address every argument in the petition for review under those assignments of error. Instead, the local government must address the issues described in the portion of LUBA's opinion remanding the decision. If petitioners believe that LUBA erred in not addressing every issue, their remedy is to file an appeal with the Court of Appeals. *Easterly v. Polk County*, 59 LUBA 417 (2009). If a petitioner raises an issue and LUBA rejects that issue but remands a permit decision on other grounds, the petitioner may not raise the rejected issue for a second time in the local government's decision on remand. *Save our Skyline v. City of Bend*, 55 LUBA 12 (2007). A local government may limit its proceedings following a remand from LUBA to addressing the issues that led to the remand and may select procedures it believes are most appropriate, provided those procedures do not improperly exclude parties who are entitled to participate in those remand proceedings. *Siporen v. City of Medford*, 55 LUBA 29 (2007). Absent instructions from LUBA or applicable local requirements, a local government is entitled to limit the scope of remand proceedings to correcting the deficiencies that were the basis for LUBA's remand, although it may choose to expand the scope of remand proceedings beyond the scope of LUBA's remand. *CCOG v. Columbia County*, 44 LUBA 438 (2003). Where the local government limits the scope to correcting the deficiencies that were the basis for remand, issues that could have been raised during the previous appeal, but were not, may not be raised on remand. *Ploeg v. Tillamook County*, 43 LUBA 4 (2002).

⁴ See *Friends of Deschutes County v. Deschutes County* <http://www.oregon.gov/LUBA/docs/Opinions/2005/03-05/04160.pdf>.

relied on its portion of this forecast and extended to 2028 for UGB land need analysis. The January 2010 Director's Report found that the extension of the City's population forecast to 2028 complied with the law (See January 2010 Director's Report Page 26). Besides causing extensive time delay, updating data to the present would extend the planning period beyond the approved population forecast. Remands would become an endless cycle of evidence/data. In staff's discussions with Richard Whitman, he confirmed that local government's can rely on the planning period, and suggested caution in opening up the record to add new evidence.

To illustrate the Commission's thinking, the language of the Order gives direction on where it will be appropriate to allow analysis of Employment Opportunities Analysis (EOA) data available through 2008, but not past 2008:

Applying OAR 660-024-0040(2) to the facts here, the city's 45-day notice for its UGB amendment stated that the date initially scheduled for final adoption was November 24, 2008. The City's coordinated population forecast also begins in 2008. As a result, the Commission's rules do not require the City to review trend or forecast data that became available after that time.

Turning to whether Goal 9 as implemented by division 9 *requires* the City to review the EOA to reflect current downturn in economic conditions, the Department determined that the trend analysis was not so out of date that the City could not rely on it. The Department stated the "intent" of division 9 provisions requiring review is "to ensure that the local jurisdiction investigates, considers and makes policy decisions regarding significant influences on *long-range* economic and employment conditions. Although a local government is certainly not prohibited from revisiting its EOA trends analysis to reflect changing economic conditions, nothing in the Commissions rules requires a local government to continually update an EOA or its estimate of land need to reflect changing economic conditions."

Conclusion: The Commission concludes that although the City may update its EOA to reflect current economic trend data, nothing in the Commission's rules require it to do so under the circumstances presented here. [Emphasis added.] (Remand Order, pages 71-72.)

Hence, the City could choose to update its EOA trends analysis to the present, but it is absolutely not required to do so. The City can also choose to reanalyze data already in the record, or add data that could have been available through 2008, to comply with the remand requirements on this issue.

The same holds true for the buildable lands analysis. For example, the Order references "developed lands" as those "lands with infill potential, lands that are redevelopable, and lands that are developed and that do not have a strong likelihood of redevelopment during the planning period." The remand tasks are quite prescriptive, and the City is instructed to "develop a new record and adopt a buildable lands inventory supported by findings that are consistent with state law. (Order, pages 20, 26). The Order is replete with references about development of

new analysis for lots and development potential for the different types of land “within the planning period”. Thus, evidence for the residential lands needs analysis will fall within (1) – (3) above, depending on the particular issue.

Public facilities planning, on the other hand, is a task where the City is not necessarily using the lens of 2008, because the direction was to adopt new water and wastewater public facilities plans for acknowledged land uses within its existing UGB. (Order, page 101). In this case, it is practically impossible to complete the remand order without using current information. This will be done as a what’s referred to as a post-acknowledgement plan amendment (PAPA) (appealable to LUBA), and will include updated analysis of the water and sewer service for the existing UGB boundary:

Either in amendments to those new plans, or otherwise, the City must then address the entire expansion area under Goal 11 and Goal 14, locational factor 2. If the City elects to carry out the analysis(es) of the feasibility of serving the expansion area independent of its public facilities plan, it should nonetheless formally adopt the analysis and incorporate it into the city’s comprehensive plan (and the analyze must not conflict with the exiting provisions of the public facilities plan). (Remand Order, pages 110-111.)

Of necessity, this analysis will require new and current analysis and technical data for both the existing UGB and the entire expansion area.

In sum, the remand tasks are based on a decision made for the 2008-2028 planning period. This Task Force and the City Council need to be careful, deliberative, and strategic in allowing new evidence or data into the record. If it was not available before, or could not have been available before the city when it made its decision in December of 2008, it generally should not be admitted. If it is solely a findings issue, no new evidence or data should be considered. Nothing in state law or the Commission’s Order requires the city to consider a new population forecast for a different planning period.

M E M O R A N D U M

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TO: **UGB REMAND TASK FORCE**
FROM: **BRIAN SHETTERLY, AICP, LONG RANGE PLANNING MANAGER**
SUBJECT: **DISCUSSION AND RECOMMENDATION OF REMAND TASK 2.5:
SECOND HOME LAND NEEDS**
DATE: **APRIL 22, 2011**

Introduction

This memo responds to Sub-issue 2.5 of the City of Bend Remand and Partial Acknowledgment 10-Remand-Partial Acknow-001795 (hereafter referred to as Remand and Sub-issue). This sub-issue is found on pages 36-39 of the Remand order.

This memo includes a discussion of the Sub-issue and a staff recommendation. The contents and recommendation of this memo have been reviewed by DLCD staff. Based on discussions with DLCD staff, the City believes that acceptance of the recommendation contained in this memo will be supported by DLCD staff as satisfactorily addressing Sub-issue 2.5.

Remand Sub-Issue 2.5

*"Whether Second Homes are a "Needed Housing Type" for the City of Bend. Is the City Required to Coordinate with Deschutes County Concerning the Regional Need for this Form of Residential Use. Whether the City Adequately Justified its Projected Density for Second Home Development, and Whether the City is Required to Coordinate with Deschutes County on the Regional Demand for Second Homes."*¹

Conclusion:

"The Commission upholds the City's appeal and denies the appeal of COLW [Central Oregon Land Watch], for the reasons set forth above, except that the County is directed to consider the extent to which the City has planned for second-home development in any future planning for second homes or destination resorts within the County."²

¹ Land Conservation and Development Commission, "Remand and Partial Acknowledgement Order, 10-Remand-Partial-Acknow-001795," November 2, 2010, p. 36.

² Ibid., p.39

Discussion of Conclusion

As noted in the conclusion to Sub-issue 2.5, the Commission accepts the substance of the City's findings with respect to second homes, and does not require any specific action by the City. The conclusion does include some direction to Deschutes County concerning regional demand for second homes, but that direction does not require any specific action by the City.

Findings adopted with the 2009 UGB amendment estimated that second homes could be expected to absorb 500 acres of residential land during the 2008-28 planning period. This estimate was based on evidence in the record that the number of second homes forecasted to develop in the future could be expressed as a proportion of total housing units for permanent residents. Specifically, the City estimated that new second homes, equivalent to 18% of needed housing units, could be expected to be built in Bend during 2008-28. This would amount to slightly over 3,000 units. Based on an average density assumption of 6 units per acre, these second homes would occupy 500 residential acres that would otherwise be available for permanent residents (see Record p. 7692). The total amount of residential acres needed for the planning period was adjusted to include these 500 acres (see Record p. 1058).

LCDC has accepted the City's findings on this issue, and the factual base which supports them.³ If during the remand process the density assumption of 6 units/acre for second homes is revised, the 500-acre estimate adopted in 2009 will be revised upward or downward accordingly.

Recommendation

Staff recommends that the Remand Task Force accept the conclusion that Sub-Issue 2.5 requires no corrective action. The final findings package for the UGB on remand will be based on the methodology used to derive the 2009 estimate of acres needed to account for second homes construction during the planning period.

³ Ibid., p. 38.

M E M O R A N D U M

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TO: **REMAND TASK FORCE (RTF)**
FROM: **BRIAN RANKIN, SENIOR PLANNER; LRP; LEGAL DEPARTMENT**
SUBJECT: **DISCUSSION AND RECOMMENDATION OF REMAND TASK 4.1:
OTHER (NON-EMPLOYMENT) LAND NEEDS - GOAL 14**
DATE: **4/22/2011**

Introduction

This memo responds to Sub-issue 4.1 of the City of Bend Remand and Partial Acknowledgment 10-Remand-Partial Acknow-001795 (hereafter referred to as Remand and Sub-issue). The Sub-issue is found on pages 57-59 of the Remand order.

This memo includes a discussion of the Sub-issue and a staff recommendation. Attached to this memo is a separate document with proposed findings for this Sub-issue and record references used in the findings. The findings provide the applicable legal standard, substantial evidence, and an explanation of compliance with the legal standard.¹ The contents of this memo and the attached findings have been reviewed by DLCD staff. Based on discussions with DLCD staff, the City believes that adopting the draft materials contained in the findings will be supported by DLCD staff as satisfactorily addressing the concerns expressed under the Sub-issue.

Remand Sub-issue 4.1

*"Whether the city adequately justified inclusion of an additional 15 percent factor for all "other lands" in its identified need"*²

Conclusion:

"The Commission remands the city's UGB decision for the City to adopt findings that explain why an increase in the amount of land required for these uses from 12.8 percent to fifteen percent is justified. To the extent the City is basing its estimate on the need for stormwater facilities, it should explain why such facilities can't be located within open space and right-of-way areas. While this amount of land need for these uses may well be reasonable, the city's findings should not be based only on past trends, but should include

¹ Oregon Land Conservation and Development Commission, Remand and-Partial Acknowledgement Order 10-Remand-Partial Acnow-001795, November 2, 2011, p.14.

² Ibid, p. 57.

consideration of future conditions and needs (and explain why the trend will continue or change over the future planning period).”³

Discussion of Conclusion

The Sub-issue states the need for the City to “adopt findings that explain why an increase in the amount of land required for these uses from 12.8 percent to 15 percent is justified.”⁴ The Sub-issue does not require a new or modified factual basis or evidence, but does require new findings based on evidence already in the record to explain the increase from 12.8 percent to 15 percent. The City’s new findings should not be based “only on past trends, but should include consideration of future conditions and needs.”

Discussion and Staff’s Recommendation

The City’s “Other (non-employment) Land” needs analysis attempts to add a small amount of land to the UGB expansion to account for uses that are not purely housing, employment, public schools, public parks, and public rights-of-way. Uses in the “Other (non-employment) Land” estimate include churches, benevolent/fraternal organizations, utilities, canals, cemeteries, common areas in developments, golf courses, properties owned by irrigation districts, parks (not managed by Bend Metro Parks and Recreation District), and RV parks. Some of these uses are necessary for a city to function; others are desirable to many of the City’s residents. These uses consume employment and residential land that would otherwise be developed with needed housing and employment uses. If they are not accounted for among the City’s future land needs, they will displace acreage designated for housing or employment, resulting in an inadequate supply of land for those key uses.

The following explains the City’s original UGB proposal related to “Other (non-employment) Land.” The City applied a factor of 15 percent for “Other (non-employment) Land” uses to calculated net land needs for housing, employment, public school, public parks, and then added this acreage to the UGB expansion. The 15 percent factor was mostly based on research of the current UGB showing 12.8 percent of the net land area in “Other (non-employment) Land” uses. The increase from the observed 12.8 percent to 15 percent was based upon a recognition that stormwater management systems may use an additional increment of land to be added to the 12.8 percent estimate. The City’s rationale for the increase from 12.8 to 15 percent is the principal subject of this Sub-issue.

The options available to the Remand Task Force on this Sub-issue include the following:

1. Use the 12.8 percent estimate for “Other (non-employment) Land” “as is,” add no new factual evidence to the record, revise the findings to clarify how the City arrived at the estimate, and explain why the observed trend will continue into the future.

³ Oregon Land Conservation and Development Commission, Remand and-Partial Acknowledgement Order 10-Remand-Partial Acnow-001795, November 2, 2011, p. 59.

⁴ Ibid, p. 59.

2. Increase the estimate from 12.8 percent to 15 percent (or another higher estimate) with findings specifying how the increase is justified based on information already in the record, and explain why the trend will continue into the future.
3. Increase the estimate from 12.8 percent to 15 percent (or another higher estimate), add new evidence to the record, and explain why the trend will continue into the future.
4. Use some other estimate and analysis resulting in a possibly larger or smaller estimate based on a combination of existing information in the record and new information.

Goal 14's administrative rule allows cities to consider these types of "Other (non-employment) Land" needs. However, it is not an easy task to quantify the extent to which such uses will be needed. The Remand demonstrates it is difficult to successfully add land to the UGB without an accurate methodology quantifying a land need.

The evidence and factual basis relied upon resulting in the 12.8 percent estimate has not been challenged and is not the subject of the Sub-issue. At issue is the increase from 12.8 to 15 percent and findings. If new evidence is entered into the record on this subject, then it may be the subject of a future appeal.

Staff believes there is insufficient evidence in the record to accurately quantify an increase from the 12.8 percent estimate to a higher estimate due to more land being used for stormwater management. See Pre-remand Record 2514-2518 for the evidence related to stormwater which does not include any definitive land need estimate for stormwater management uses. While we believe it would be reasonable to increase the 12.8 percent estimate to account for stormwater management, the detailed analysis that would be required to justify that estimate has not been carried out and is not part of the record.

New information or evidence⁵ would need to be entered into the record to substantiate an increase above the 12.8 percent estimate. This new information would not include the newly adopted Central Oregon Stormwater Manual because it was not available in final form as of the date of local adoption of the UGB in January 5, 2009. Even with new evidence it would be difficult to quantify the additional amount of land that may be needed for stormwater facilities that is appropriate to include in the "Other (non-employment) Lands" estimate. Stormwater facilities are commonly located in a variety of locations such as setbacks, landscape areas, parking areas, and in public and private rights-of-way, so accurately quantifying the additional amount of land dedicated to stormwater in common areas would be difficult and likely result in a small increase. Any new evidence entered into the record to support stormwater-based land needs would likely be challenged, and could subject this issue to an appeal.

⁵ "New" in this case meaning information or evidence that was available at the time the record closed for the local adoption of the UGB (December 22, 2008), but not previously entered into the record.

Staff recommends option 1, above. This option does not require additional evidence. LCDC has already concluded the existing factual basis supports this option and the 12.8 percent estimate, and it would therefore not be the subject of further appeals. Option 1 is also the approach which is called for in the conclusion of Sub-issue 4.1, except that the city is not seeking to increase the estimate. Any option that requires adding new information to the record presents risks that may outweigh their benefits. It will be very difficult to develop a supportable method of quantifying an additional land need due to stormwater facilities on lands outside of the public right-of-way. The attached findings further explain the reasons why the 12.8 percent estimate is reasonable, and likely to be acceptable to LCDC.

Remand Sub-issue 4.1 - Conclusion

“The Commission remands the city’s UGB decision for the City to adopt findings that explain why an increase in the amount of land required for these uses from 12.8 percent to fifteen percent is justified. To the extent the City is basing its estimate on the need for stormwater facilities, it should explain why such facilities can’t be located within open space and right-of-way areas. While this amount of land need for these uses may well be reasonable, the city’s findings should not be based only on past trends, but should include consideration of future conditions and needs (and explain why the trend will continue or change over the future planning period).”¹

Applicable Legal Standard

“Goal 14 requires that change of an established UGB be based on *demonstrated* need. OAR chapter 660, division 24 provides clarification of procedures and requirements of Goal 14. OAR 660-024-0000(1). Regarding land need, the rule requires that land need be based on the adopted 20-year population forecast and “provide for needed housing employment and *other urban uses* such as public facilities, streets and roads, schools parks and open space over the 20-year planning period.” OAR 660-024-0040(1).”² In addition, submittals under ORS 197.626 must be supported by substantial evidence and present adequate findings.

City’s Position

Remand Sub-issue 4.1 requires additional findings and explanation if the City proposes to increase the amount of land needed for other urban uses from 12.8 percent to 15 percent or other higher number. The City is calculating the land needed for other urban uses at 12.8 percent and is not increasing the percentage to 15 percent. Therefore, the City believes that it is not required to adopt additional findings justifying the increase because there is no increase. This position is supported by DLCDC staff. The following findings clarify the existing determination that the City previously used to justify including land for other urban uses at 12.8 percent of the net land needed in the proposed UGB expansion for housing, economic lands, Bend Metro Parks and Recreation District park facilities, and Bend-La Pine Schools’ facilities.

Findings

1. The conclusion of Remand Sub-issue 4.1 does not require any new evidence be added to the record.
2. OAR 660-024-0040(1) describes three broad types of land uses:
 - a. Housing
 - b. Employment

¹ Oregon Land Conservation and Development Commission, Remand and-Partial Acknowledgement Order 10-Remand-Partial Acknow-001795, November 2, 2011, p. 59.

² Ibid, p.57.

FINDINGS FOR REMAND SUB-ISSUE 4.1

- c. Other urban uses such as public facilities, streets and roads, school, parks, and open space
3. The City's residential land need analysis determines the amount of land needed for housing. (Add record cite once final).
4. The City's employment land need analysis (Employment Opportunities Analysis) determines how much land is needed for employment uses. This analysis removed all employment from lands considered "Other (non-employment) Lands." The following references explain how employment land need estimates exclude land need estimates for "Other (non-employment) Land." Pre-remand Record 1651-1653, 2180-2182, 8329.
5. A land need analysis by the Bend-La Pine School District predicts future public school land needs, and does not include private schools. Pre-remand Record 1088-1089. (Add new or revised record cites once final).
6. A land need analysis by the Bend Metro Parks and Recreation District is for future public parks owned only by BMPRD, and does not include private open spaces or other public park land needs like state parks. Pre-remand Record 1089-1090. (Add new or revised record cites once final).
7. A public and private rights-of-way for roadways estimate considered these lands needs and did not include any of the lands included in the "Other (non-employment) Lands" analysis. Pre-remand Record 2168-2178.
8. The factual information in findings three through seven, above, demonstrates there has been no double counting of land need estimates, and that the "Other (non-employment) Land" needs analysis is mutually exclusive of the land need analyses noted above.
9. The City analyzed current land use patterns and determined that land that qualifies as "other urban uses" constitutes 12.8 percent of the net land area of the current UGB. The City has developed a ratio of "Other (non-employment) Lands" to the total number of net acres in the prior UGB. Pre-remand Record 2182.
10. A total of 2,265 net acres in "Other (non-employment) Land" uses was divided by a total of 17,695 total net acres of developed and vacant land in the prior UGB (excluding private and public rights-of-way) resulting in a ratio of these uses of 12.8 percent. Pre-remand Record 2182.
11. The following uses are included in the 12.8 percent estimate and the 2,265 net acres used for "Other (non-employment) Land" uses:

FINDINGS FOR REMAND SUB-ISSUE 4.1

- a. 132 net acres for benevolent/fraternal, church, and a small parking lot for these uses.
 - b. 105 net acres for utilities and unclassified and unbuildable uses related to utility uses.
 - c. 2,028 net acres of private, public, and open spaces other than those owned by Bend Metro Parks and Recreation District in the form of canals, cemeteries, common areas, golf courses, land owned by irrigation districts, RV parks, parks (not BMPRD, but Oregon State Parks), and a small amount of acreage considered unbuildable or unclassified.
12. The 12.8 percent estimate includes land uses expressly mentioned in OAR 660-024-0040(1). "Other urban uses" includes uses such as benevolent/fraternal organizations, churches, parking lot for institutional uses, and cemeteries. "Public facilities" includes uses such as utilities, canals, irrigation district properties. "Open spaces" includes uses such as common areas, golf courses, private parks, unbuildable and unclassified areas.
13. The 12.8 percent ratio is based on acreages including all developed and vacant parks, schools, residential land, and employment land inside the current UGB. Therefore, the 12.8 percent ratio is applied to net land need estimates for residential, economic, public park and school uses. (Note: the updated land need analysis for residential, economic, public park and schools is not finalized, so an exact acreage figure for "Other (non-employment) Lands" for the adjusted UGB is not available at this time.)
14. Information in the record (Pre-remand Record 2514) does not allow the city to quantify the additional amount of land on private property that may be dedicated to stormwater-related uses (for example, in parking areas, landscape areas, common areas, setbacks, and public and private rights-of-way for roadways), and therefore the City finds it is not appropriate to increase the 12.8 percent figure to account for new stormwater treatment uses.
15. The city expects the current, observed land need to continue during the 20-year planning period at approximately the same 12.8 percent rate as is observed in 2008 because of their presence and use in the current UGB as of 2008, population increases requiring these uses, and the City's development code allowing these uses in nearly all zoning classifications.
16. If the factor for "Other (non-employment) Land" is not added, then land for needed residential, economic, public school, and Bend-Metro Parks and Recreation uses will be displaced and, therefore, the City would not be able to satisfy ORS 197.296 if it did not account for these "Other (non-employment) Land" uses. The "Other (non-employment) Land"

FINDINGS FOR REMAND SUB-ISSUE 4.1

consideration is important to ensure a 20-year buildable land supply for needed housing pursuant to ORS 197.296.

17. As shown in the foregoing findings, the city's approach to calculating "Other (non-employment) Land" matches the needed land types referenced in OAR 660-024-0040(1), calculates the need based on factual information in the record, and makes findings demonstrating these lands are needed now and in the future consistent with OAR 660-024-0040(1).

Exhibits: Pre-remand Record References

The following contains record pages from the existing Pre-remand record from the City of Bend Remand and Partial Acknowledgement 10-Remand-Partial Acknow-001795. The record page number is found at the bottom left or right corner of each page. The following pages are not intended to be read from start to finish as they are excerpts from the record; rather, they are reference documents related to the findings.

homes in new lands included through expansion of the UGB⁵⁴. The city staff also received testimony that it found credible on how to address second homes in the UGB expansion⁵⁵. The Bend Planning Commission decided to not address land consumed by second homes in the current UGB (a.k.a backfill), but did decide to account for second homes as a percentage of the future housing needs projection. This projection was 18% of the total units between 2008 and 2028⁵⁶.

RESIDENTIAL LAND NEEDS FOR RELATED USES

Goal 14 – Factor 2 and OAR 660-024-0040

Goal 14, Land Need factor (2) recognizes that changes to a UGB may be based on demonstrated need for “*livability or uses such as public facilities, streets and roads, schools, parks or open space.*” The need for public and institutional facilities such as schools, parks, churches, etc. will expand as population increases. Such uses are necessary to support planned population growth and (in the case of parks, open space and schools) increase the livability of residential neighborhoods. In Bend, such uses typically locate on land designated for residential use. Publicly owned and developed or planned school and park sites can also be designated and zoned “Public Facilities”.

The city is aware that the administrative rules under OAR 660-024-0040(9) provide a safe harbor for local governments to use in estimating land for public facilities and rights of way. The city is also aware that this topic was raised in DLCD’s comments from July 11, 2007 and most recently in the Department’s letter dated November 21, 2008. These letters appear to treat the safe harbor under OAR 660-024-0040(9) as a legal standard. The administrative rule is clear that OAR 660-024-0040(9) is not a legal requirement the city must satisfy. OAR 660-024-0010(2) defines a safe harbor as an optional course of action that a local government may use to satisfy a requirement of Goal 14⁵⁷. The city is also not compelled by state law to provide findings explaining why it chose not to employ this or any other safe harbor.

The city has developed an adequate factual base under Goal 2 regarding its estimated land needs for schools, parks, other land uses, and rights of way. The following findings provide estimates that were developed based on substantial evidence and through coordination with the affected school and parks districts regarding the city’s estimated needs for land for public schools and public parks.

Public Schools (K-12)

Findings: The Bend-La Pine School District (District) adopted a *Sites and Facilities Plan (Plan)* in December of 2005.⁵⁸ The city has not adopted this document, but acknowledges that it has been submitted into the record and constitutes evidence on which the city can rely⁵⁹. The land need recommendations in these findings have been

⁵⁴ See January 7, 2008 memorandum to the Bend Planning Commission and the Deschutes County Planning Commission Liaisons.

⁵⁵ See October 29, 2007 and November 13 2007 memoranda from Winterbrook Planning.

⁵⁶ See June 16, 2008 variables checklist; January 7, 2008 memorandum to Bend Planning Commission and county planning commission liaisons.

⁵⁷ See definition at OAR 660-024-0010(2).

⁵⁸ Bend-La Pine School District, 2005 Sites and Facilities Plan (December 2005).

⁵⁹ See record for July 26, 2007 public hearing.

coordinated with the District and are consistent with the methodology used in the 2005 District Plan.

John Rexford, Assistant Superintendent for the District, provided the following formula to estimate school land needed based on the common population and housing unit projections to 2028.⁶⁰

$$\begin{array}{r} 0.397 \text{ public school (K-12) students per housing unit} \\ \times \quad 0.029 \text{ acres per public school student (pro-rated per grade level)} \\ \hline 0.0115 \text{ acres of school land needed per housing unit} \end{array}$$

The city has presented a 2008 through 2028 housing unit projection of 16,681 new housing units to accommodate a forecast population of 115,063. Applying the school district formula to the housing unit forecast results in the following estimate of land needed for school facilities to the year 2028:

$$\begin{array}{r} 16,681 \text{ new housing units} \\ \times \quad 0.0115 \text{ acres of land needed per housing unit} \\ \hline 192 \text{ acres of land needed for new school facilities (2008-2028)}^{61} \end{array}$$

Given the extremely competitive real estate market, the few number of vacant sites, and the need for the recommendations to remain flexible, the Facilities Subcommittee recommended that the District use site selection criteria to provide the best sites possible within their constraints. The subcommittee recommended the following site size criteria for new schools:

- 7 acres for small elementary school (300 students)
- 15 acres for prototypical elementary school (600 students)
- 25 acres for a middle school
- 40 acres for a high school

Neighborhood and Community Parks

Findings: Bend Metro Park & Recreation District (BMPRD) is a special parks district that serves the greater Bend area. In September 2005, the district adopted a new *Park, Recreation and Green Spaces Comprehensive Plan* for long-term park planning over the next 20 years. The city acknowledges that it has not incorporated this plan by reference in the city's General Plan. However, the Parks District has provided testimony and evidence based on this plan for the record. The District's plan establishes development standards for park facilities that address the purpose, service area, size guidelines, location criteria, facility features, and other development considerations.

The BMPRD plan separates the various types of park facilities into five broad categories or "classes" and predicts park needs based upon acres per 1000 people for these classes. Per capita calculations serve as general guidelines for determining park land needs. Specific to the Residential Lands Study, the District recommends using the

⁶⁰ Memorandum from John Rexford to Damian Syrnys, December 5, 2005.

⁶¹ See also January 7, 2008 memorandum to the Bend Planning Commission and Deschutes County Planning Commission liaisons.

target Level of Service (LOS) to estimate future land needs for Neighborhood and Community Parks. The following park land needs are estimated for the coordinated population projection for Bend between 2008 and 2028 based on the target LOS standards⁶².

Type of Park or Facility	New population 2008-2028 ⁶³	Parks Standard	Park Land Need (acres)
Neighborhood Parks	38,512	2 acres/1,000 pop	77
Community Parks	38,512	5 acres/1,000 pop	193
Trails	38,512	2.4 acres/1,000 pop	92
Total Acres			362

The Parks District supplemented their testimony with a November 24, 2008 submitted into the record before the City Council and the Deschutes County Board of Commissioners. Through this letter, the Parks District reported the results of their work to further estimate park land needs (parks and trails) on a quadrant basis using the city's Framework Plan. This work resulted in an increase to the park land need from 362 acres to 474 acres⁶⁴. The city found this work credible and concurred with the analysis of park land. The city believes that this work constitutes an adequate factual base under Goal 2 to increase the land need for public parks from 362 acres to 474 acres, based on this information from the District. The city also acknowledges that no other testimony was submitted which undermined the credibility of this data, and that the city staff's use of this data is consistent with city council direction on the UGB expansion⁶⁵.

Other Land Uses

The work to estimate land need with the original UGB proposal focused on land for housing and related uses. These related uses included public schools and parks, second homes, institutional uses, neighborhood commercial areas, and rights of way. This initial estimate was approximately 2,550 acres. The initial proposal also proposed adding another 500 acres for employment within the UGB.

The City Council directed staff in August 2007 to also pursue through this current UGB expansion proposal a full 20-year supply of employment land. This change of scope has led staff to consider how to estimate the future needs for land for uses that will consume land that's also needed for housing and employment.

The work to estimate future land needs for housing and employment has also addressed other land needs that consume such land. For example, for housing, staff considered the land needs for public schools, public parks, and institutional uses to ensure that the 20-year supply estimates for housing land will not be further reduced by such uses.

⁶² See January 7, 2008 memorandum to the Bend Planning Commission and Deschutes County Planning Commission liaisons.

⁶³ See November 19, 2007 memorandum to the Bend Planning Commission and Deschutes County Planning Commission Liaisons.

⁶⁴ See Figure 3, Net Park and Trail Acres Needed, November 24, 2008 letter from Bruce Ronning, Bend Metro Parks and Recreation District.

⁶⁵ See November 19, 2007 Issue Summary "Draft Policy Statements for Urban Growth Boundary Expansion."

The 2007 Leland EOA outlines the methodology used to produce employment projections and land needs beginning on page 35 through page 41. This methodology is presented below, with the changes made upon request of the Planning Commission and UGB TAC.

This Section contains a brief overview of the methodology used to generate the quantitative Sections of this EOA. Additional information about each of the steps in the process is included in the detailed Sections that follow.

The methodology closely follows the approach prescribed by the Department of Land Conservation and Development in the EOA *Guidebook*. However, because economic development goals and the data available about each community vary throughout the state, there are several variations in the methodology. The DLCD recognizes that variation in methodology is appropriate.

1. Analyze existing policy and visions; national, state, county, and local trends; and other forces likely to have an impact on Bend's economic future
2. Forecast 20-year employment growth, [...] [2008-2028]:
 - a. Begin with OED [...] [2006] employment data for the City of Bend, disaggregated to detailed industry sectors
 - b. Create 20-year projected growth rates for individual industry sectors:
 - i. Begin with OED [...] [Deschutes County 2006-2016] projections
 - ii. [Grow 2006 industry employment to 2008 by adding Bend's slightly accelerated population growth rates (.11 percent faster than Deschutes County) to the ten-year industry growth rates predicted by OED]
 - iii. Adjust employment upward (11.5 percent) to account for self-employed, contract workers, and "non-covered" employees not included in OED employment projections
 - iv. For land need estimates, decrease employment projections by estimating the percentages of non-shift workers in each industry
 - v. Grow employment from 2008 to 2015 at the 10-year adjusted employment growth rate by industry
 - vi. Adjust targeted industry sectors upwards by 10 percent to reflect increased growth in these sectors
 - vii. Grow employment from 2015 to 2025 by the City of Bend Coordinated Population Forecast Average Annual Rate of Growth at reduced rate to account for less predicted population and employment growth in this time period
 - viii. Apply a 1.7 percent AARG to grow 2025 employment to 2028 end of the planning period]
3. Inventory Current Employment Land Supply:
 - a. Inventory all lands with a [...] [General Plan] designation for economic use and public facility use

people who worked for profit or fees in their own unincorporated business, professional practice, or trade or who operated a farm.

Self-employed in own incorporated business workers. In tabulations, this category is included with private wage and salary workers because they are paid employees of their own companies."

Staff investigated the same U.S. Census ACS data for 2005 and found 12.2% of employed persons classified themselves as self employed. For Oregon as a whole, in 2005 a total of 11.3%, and in 2006 a total of 11.1% of employed persons 16 years and older were classified as "self employed". Averaging the City of Bend 2005 and 2006 estimates for self employed persons yields a statistic of 11.5%.

Staff recommends uniformly increasing the base 2006 City of Bend geo-coded OED employment figures by 11.5% to account for self-employed, contract, and other "non-covered" employees.

Employment in Residential Districts and Public Facilities Land Needs

The EOA produces land need estimates for job growth taking place on commercial, industrial, and mixed employment lands, but excludes land needs for public facilities and economic uses in residential areas. On page 60 of the EOA, Tables 21 and 22 illustrate that employment projections made for public facilities and employment in residential areas are not converted to land need. Table 21 shows that 878 employees expected to require public facilities land and 6,441 employees expected to work in residential areas are not addressed in the subsequent land needs analysis. Pages 68 and 69 of the EOA further explain these are non-traditional employment lands that are not addressed by the EOA. The EOA counts on "Neighborhood Centers", part of the framework plan, to provide needed jobs in residential areas. The EOA avoids making projections about public facility land because of uncertainty, but does recommend the City of Bend plan for such lands.

Public Facilities

Staff recommends including land needs for public facilities in the updated economic lands analysis. This would be done by updating the employment projections for public employers (Federal, State, City, County, special districts) to year 2028. Applying an appropriate employment density based in G.I.S. analysis of 2006 employment will enable staff to predict 20-year land needs for the public sector employees. This land need has not been considered by the existing analysis for "institutional" and "other lands" like open spaces. The lands included as "institutional" and "other lands" do not directly employ people, and generally are not represented in employment projections. Staff will confirm that these lands are not "double counted" by removing any employment at these locations from the updated employment projections (for example, at golf courses). The need to expand the UGB for public facility uses will be based on the comparison of needed land with the existing supply of land.

Economic Land Needs in Residential Areas

Staff recommends including the economic land needs in residential areas in the updated analysis. The main reason for this recommendation is that many economic uses such as child care facilities, hospitals, retail goods and services,

repair services, and others are allowed in some residential districts and consume residential land. For example, page 51 of the EOA states:

"Nearly 10 percent – of Bend's total employment occurs on residential zoned land, as opposed to within traditional employment zones. The primary types of businesses that locate on residential zoned land are: health care and medical, educational; religious institutions; retailers; and home-based businesses."

Staff recommends a general approach of identifying employment that has been addressed in other land need estimates (schools, other lands, institutional lands, etc.) and removing this employment from the employment projections. With these employees removed from the analysis, employment projections would only include employees requiring new employment lands that have not been addressed in the residential analysis. Staff recommends making the following adjustments described below.

1. Employment in Bend-La Pine School District schools located in residential zones – 20-year land needs have been included for schools as part of the residential lands analysis, so including job growth projections for schools would result in "double counting" these land needs. Staff recommends removing employment figures at Bend-La Pine School District schools located in residential districts, and not including them in job growth estimates. Staff recommends including the administrative staff (not working at a school site) to account for additional administrative land needs as well as private and trade schools.
2. Employment at churches, fraternal, benevolent, and other institutional lands, "open space" lands – Land needs for these uses have been addressed in the residential analysis, so should not be included in the economic lands analysis. Staff recommends removing jobs that are on lands classified as "institutional" and "open space" lands in the residential analysis. With these jobs removed from the analysis, subsequent employment growth and economic land needs analysis will not include these uses.
3. Employment in the Medical District Overlay Zone (MDOZ) – Lands in the Medical Overlay District mostly have a General Plan designation of RH and RM. While these lands are residential, they also function as economic lands within the MDOZ. Staff recommends these lands be separated from the supply of residential lands and economic lands in order to evaluate the potential of these lands for long-term economic and residential uses. Separating the MDOZ will allow an independent projection for medical land needs to be made and prevent an overestimate of employment land needs in residential areas.
4. Employees who work in their own homes – Employees working in their own homes may not require additional employment lands since the business is taking place in their own home. Staff proposes to use the 2006 geo-coded OED employment data cross referenced with the Deschutes County Assessors Property Class Codes to identify employment in structures coded for residential use. Staff believes this will identify employment in residential areas that take place in residential structures. These employees can then be removed from the

employment projections. Staff will identify the overall levels of employment in residential structures and compare it with the 2006 American Community Survey data (described below) to verify the working at home employment levels are appropriate.

Staff believes that after removing employment at schools, institutional uses, open spaces, the Medical Overlay District, and employees working in residential structures, the remaining employees in residential lands will represent those employees requiring additional residential lands for employment.

2006 American Community Survey Data on Working At Home

Staff recommends a two tiered approach in estimating the number of people who work at home. First, the G.I.S. analysis described above will be employed to estimate the number of people working in residential zones in residential structures. Staff expects the G.I.S. analysis to include people working in their own home, as well as people working in residential structures that are not their home. Next, the calculated percentage of employees working out of their homes can be verified against census data. If the G.I.S. analysis is significantly different from the census data, staff recommends using the census data below to estimate the number of people working at home. In this case, staff recommends reducing the total employment in residential districts by 6.2% (as explained below) to account for people working at home.

In the 2006 American Community Survey, the data associated with "Commuting to Work" explores how people travel to their workplace in the City of Bend. This information includes workers 16 years old and over who were at work during the reference week. The data refers to the geographic location where workers performed their occupational activities for the reference week. Table 2, below, summarizes the 2006 ACS data.

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TO: BEND CITY COUNCIL
FROM: BRIAN RANKIN, SENIOR PLANNER
SUBJECT: RIGHTS-OF-WAY FOR ROADWAYS VARIABLE: FINAL
MEMORANDUM POST DLCD COMMENTS
DATE: 12/4/08

Summary

This memorandum is the final analysis calculating the amount of existing public and private rights-of-way for roadways in the City of Bend UGB to use as a basis for estimating rights-of-way for roadways in the proposed UGB expansion area. For purposes of this analysis and methodology, rights-of-way are public and private areas used for public and private roadways, including: local roads, roundabouts, collectors, arterials, highways, and rail roads. Public parks, private common areas, public and private parking areas, Areas of Special Interest, public plazas, and public and private schools are not included in this analysis.

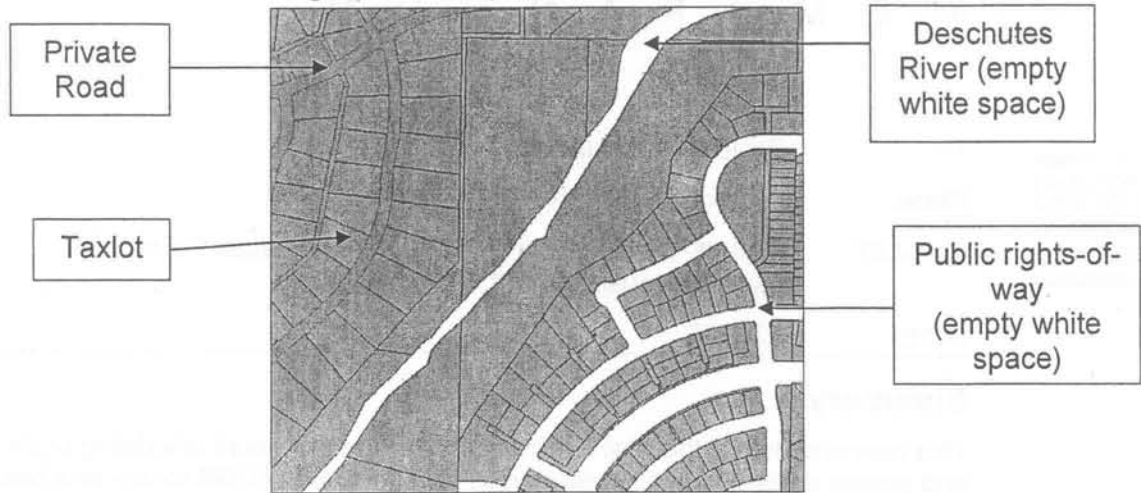
This memorandum has been prepared to replace previous memoranda on the subject. Notably, the methodology has been modified to address refinements suggested by DLCD in their November 21, 2008 letter commenting on the Bend UGB proposal. The data sources used in the methodology are based on the finalized Buildable Lands Inventory (BLI) dated 2/25/08 and summarized 9/2/08. The result of the analysis is a public and private right-of-way for roadways estimate of 21% for the existing Bend UGB.

Estimating Rights-of-Way in the Current UGB

Staff used the city's Geographic Information System (GIS) to calculate critical variables in the rights-of-way analysis. It is important to understand the how lands are represented in GIS data so the subsequent analysis makes sense.

The Deschutes County GIS "taxlots" dataset represents every taxlot inside the Bend UGB. These are polygons that have a discrete area and shape. Examples of the taxlots are shown as red polygons with black borders in Figure 1. The absence of red polygons, or empty white spaces, in Figure 1 represents public rights-of-way and the Deschutes River. Figure 1 also represents taxlots that are used for private roads or private rights-of-way as blue parcels. Throughout the entire UGB, public rights-of-way and ODOT highways are generally represented by the empty white space described above. Some exceptions to this include taxlots owned by ODOT or private Home Owners Associations (HOAs) used for roadways that do not show up as empty white space.

Figure 1: Example of G.I.S. taxlot data



The following methodology is based on the city's original approach with some modifications suggested by DLCD. This methodology does not duplicate DLCD's approach, since staff believes the DLCD methodology is slightly less accurate than what is described below. Generally, the approach is to identify net developed acreage inside the existing UGB and divide it by the appropriate gross acreage associated with the net developed acres. This approach requires establishing an accurate numerator (net developed acres) and a denominator (gross acres associated with net developed acres), to calculate a corresponding percentage of land that is developed. Once the percent of developed land is known, it is possible to assume the remaining fraction of land is "undeveloped", and in this case, used as rights-of-way as previously defined. DLCD suggested omitting a consideration of gross vacant acres in the calculation. Staff believes a better approach is to consider gross vacant acres in calculating net-developed acres by subtracting gross vacant acres from the supply of net developed and gross vacant acres (resulting in the numerator). Staff agrees with DLCD that gross vacant acres should also be subtracted from the total of gross acres associated with the net developed acres (resulting in the denominator). Other minor modifications to the numerator and denominator are required to result in an accurate estimate of rights-of-way for roadways.

The following define the critical variables needed to perform the calculation to estimate rights-of-way for roadways in the Bend UGB. Acreages below are from the Final BLI dated 9/2/08. Other acreage figures are from a GIS analysis conducted by the City of Bend GIS coordinator. Where possible, figures are provided to illustrate the acreage totals summarized below. These figures are also helpful to illustrate that other analysis performed by the city to estimate land uses for institutional/open spaces, do not duplicate or double count lands in these analyses. Variables used in the rights-of-way analysis are described below and figures are included at the end of this memorandum:

1. Calculate the total gross area of the Bend UGB. This area is 21,247 gross acres. This area is shown in Figure 2: Gross Acres of Bend UGB.

2. Calculate the total area of lands in net developed and gross vacant parcels (taxlots) inside the UGB. This area is 17,691 acres and is shown in Figure 3: Net Developed and Gross Vacant Parcels.
3. Calculate the area of taxlots that are serving as private rights-of-way used for roadways and parcels owned by ODOT that are used for the Bend Parkway or other state rights-of-way. This area is 446 acres and is shown in Figure 4: Tax Lots Serving As rights-of-way for Roadways. These parcels are included in the analysis because they are used as roadways, not open spaces or common areas, and if not included would underestimate the amount of land used for public and private roadways.
4. Calculate the area of the Deschutes River, which is not represented as a taxlot, but as empty white space. Since the empty white space is otherwise used to depict rights-of-way for roadways, the area of the river must be subtracted from the area of the UGB so as not to overestimate areas used for rights-of-way. The gross acres shown as the Deschutes River is 175 acres. This acreage was calculated by city staff and is shown in Figure 5: Deschutes River.
5. Calculate "vacant acres" and "vacant acres-pending land use" for all land inside the UGB since development of these lands will require additional rights-of-way and rights-of-way have not been dedicated from these lands. DLCD suggested removing these lands from this methodology altogether. Staff believes these acres should be removed from the lands shown in Figure 3 so the resulting acreage represents only net developed acres. These acres should also be removed from the acreage shown in Figure 2, so the gross acres associated with net developed lands are not overestimated. The acreage totals for "vacant acres-platted lots" and "redevelopable" are not considered because, in general, these lands have already dedicated rights-of-way or are otherwise considered "developed".

The "vacant acres" and "vacant acres-pending land use" variables have two main constituents: residential and economic lands. Residential lands have General Plan designations of RL, RS, RM, and RH. Economic lands have General Plan designations of CB, CC, CG, CL, IG, IL, IP, ME, MR, PF, PO, PO/RM/RS, and SM. Acreage totals include lots with split zones.
 - a. There are 640 gross acres of "vacant" residential land in the UGB excluding the Medical District Overlay Zone. The Medical District Overlay Zone contains 49 gross acres of "vacant" land. There are 689 total gross acres of "vacant" residential land including the MDOZ.
 - b. There are 561 gross acres of residential "vacant - pending land use" lands and 12 gross acres of "vacant acres-pending land use" in the MDOZ. The residential "vacant acres-pending land use" total is 573 gross acres.
 - c. The 689 gross acres of "vacant" and 573 gross acres of "vacant acres-pending land use" are shown in Figure 6: Residential Vacant and Vacant-Pending Land Use Acres.

- d. The Final BLI demonstrates there are 1,108 gross acres of "vacant" economic lands and 126 gross acres of economic "vacant – pending land use" in the Bend UGB. Therefore, the total gross acreage of economic land is 1,234 acres.
- e. The 1,234 gross acres of "vacant" and "vacant-pending land use" economic lands are shown in Figure 7: Economic Vacant and Vacant-Pending Land Use Acres.

The calculation to determine the area representing rights-of-way for roadways in the Bend UGB is described below.

1.	Total net developed and gross vacant acres of taxlots in Bend UGB:	17,691
2.	Minus net acres of private rights-of-way and ODOT parcels that are represented as taxlots in the GIS data:	446
3.	Minus gross acres of "vacant" and "vacant acres – pending land use" residential and MDOZ land:	1,262
4.	Minus gross acres of "vacant" and "vacant acres – pending land use" economic lands:	1,234
5.	Equals the total <u>net developed</u> acres of taxlots in Bend UGB:	14,749
6.	Total gross acres in the Bend UGB:	21,247
7.	Minus the gross acres of the Deschutes River not represented as a taxlot, but as empty white space in the GIS data:	175
8.	Minus the gross acres of residential and economic "vacant" and "vacant acres – pending land use":	2,496
9.	Equals the total gross acres of the Bend UGB not including the area Deschutes River associated with the net developed acres:	18,576
10.	% of UGB in developed taxlots (#5 divided by #8):	79%
11.	% of UGB in public and private rights-of-way (100 minus #9):	21%

The analysis illustrates that approximately 21% of the Bend UGB is used for public and private rights-of-way for roadways. This is further supported by research done by the Victoria Transport Policy Institute's October 25, 2005 study titled *Transportation Land Valuation, Evaluating Policies and Practices that Affect the Amount of Land Devoted to Transportation Facilities*, by Todd Litman. Page 4, Table 2, of this study illustrates the road supply as a percentage of urbanized area for a variety of cities throughout the world, but is similar to the estimate for the Bend UGB. For example, New York has 22%, London, UK 23%, Tokyo, Japan 24%, and Paris, France 25% of their urban areas used for roadways. The estimate established for the Bend UGB of 21% is within these ranges.

Figure 2: Gross Acres of Bend UGB

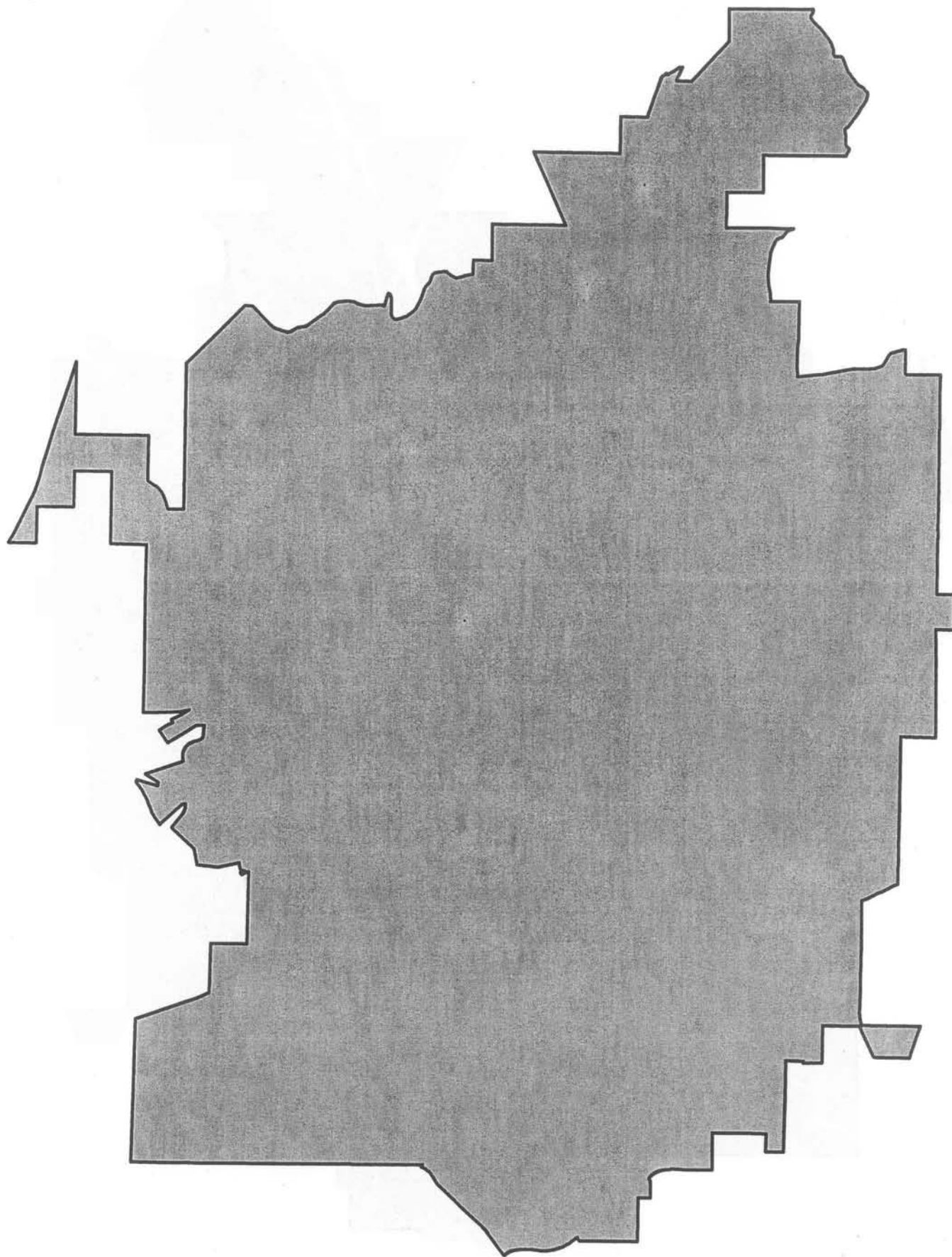


Figure 3: Net Developed and Gross Vacant Parcels

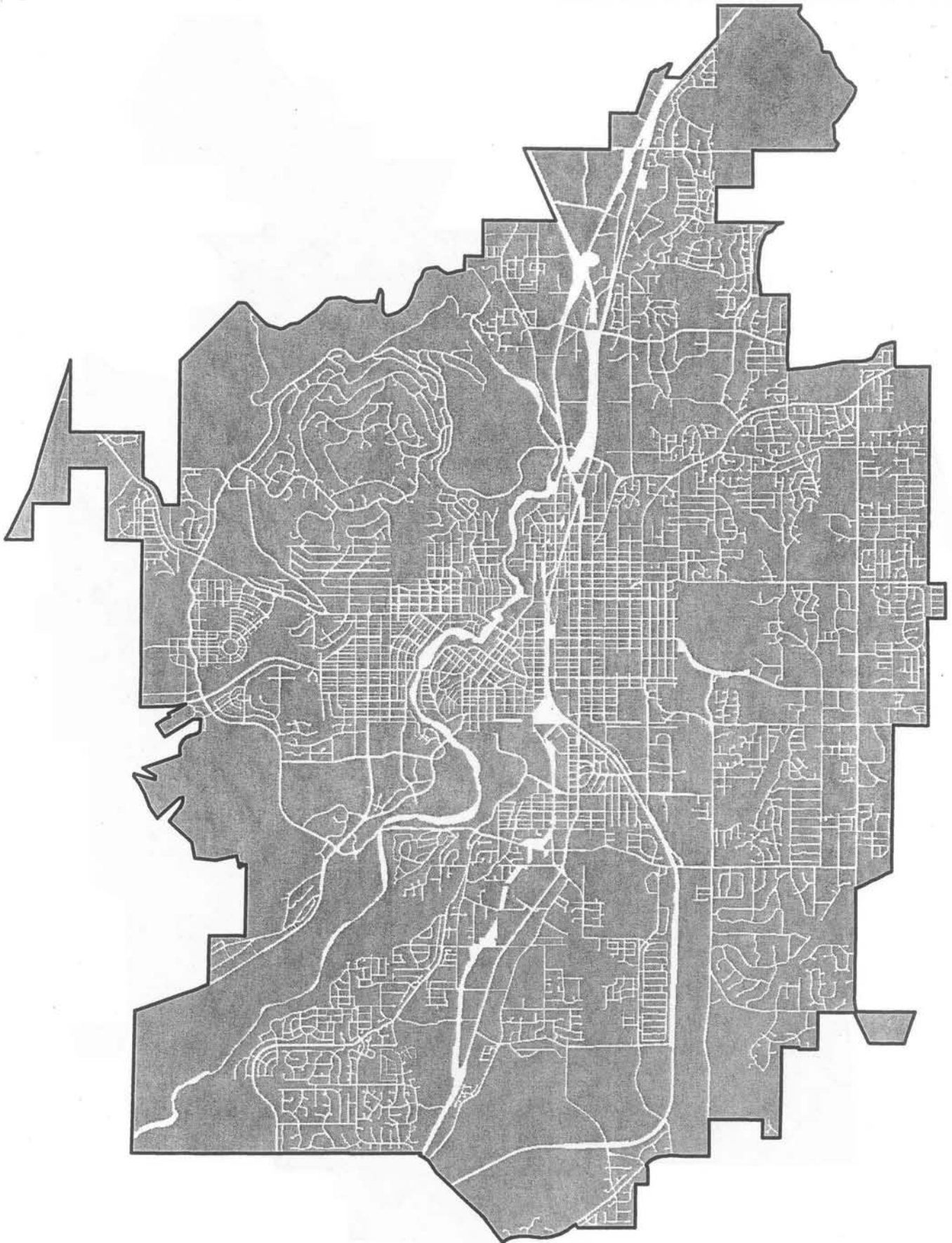


Figure 4: Taxlots Serving as Rights-of-Way for Roadways

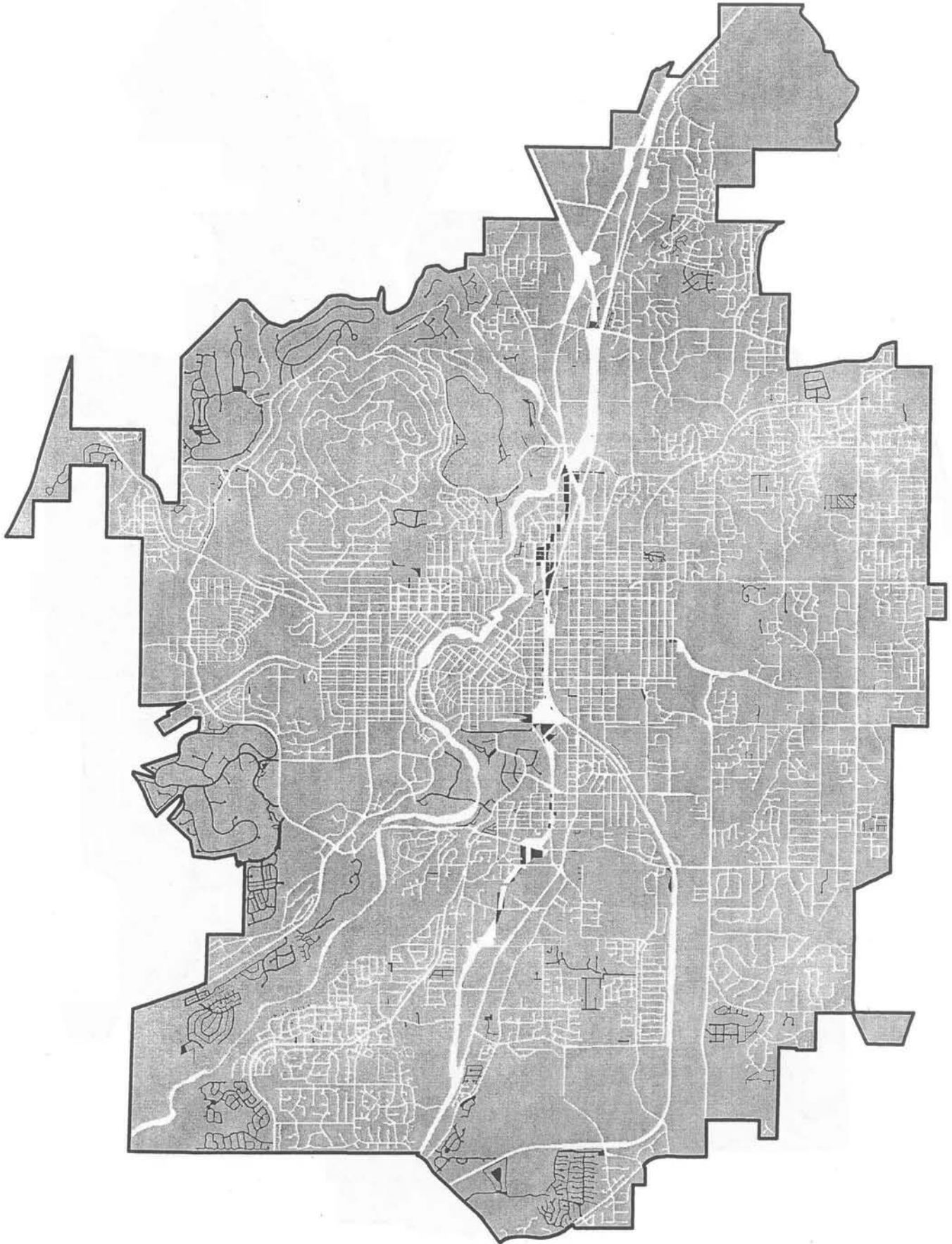


Figure 5: Deschutes River

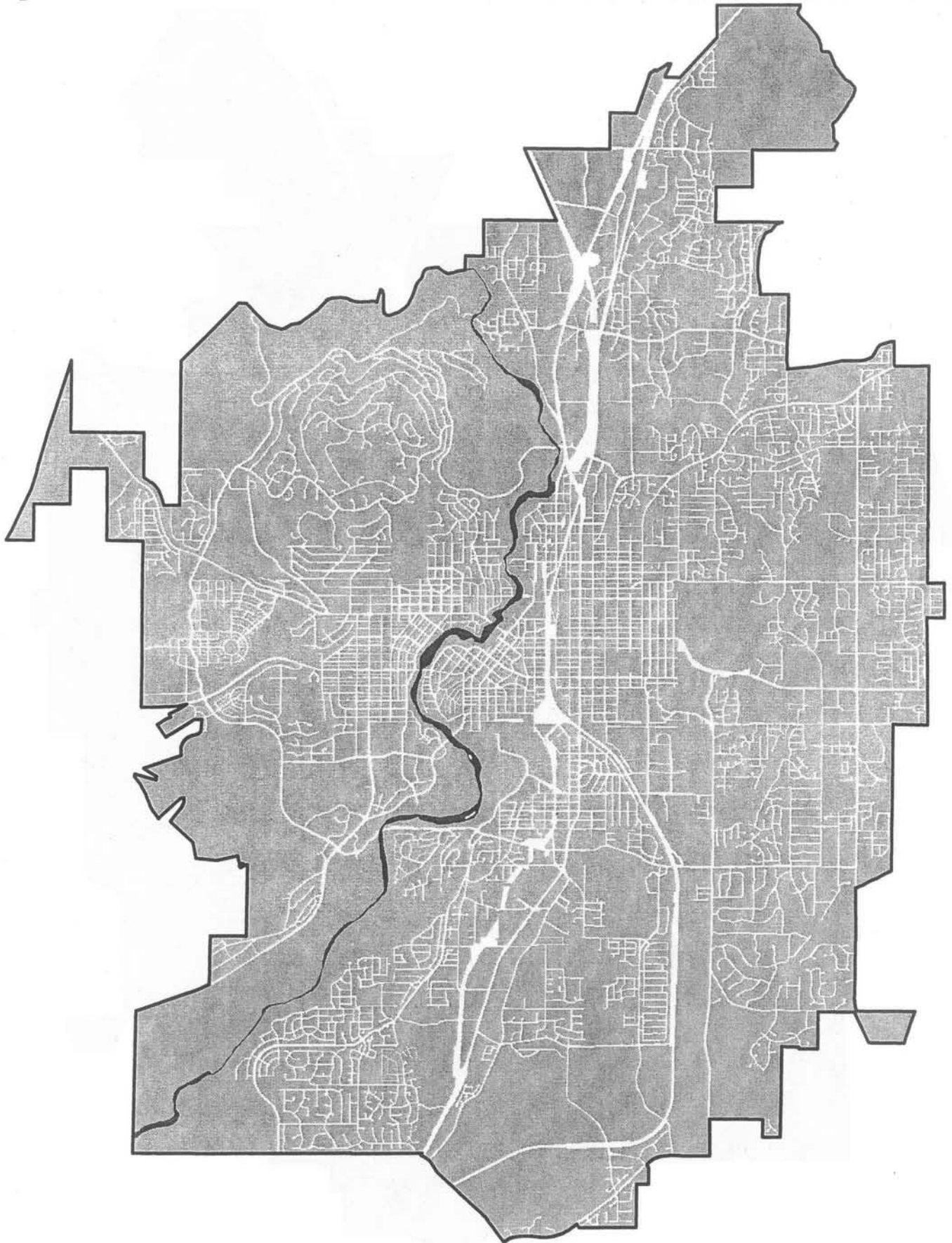


Figure 6: Residential Vacant and Vacant-Pending Land Use Acres

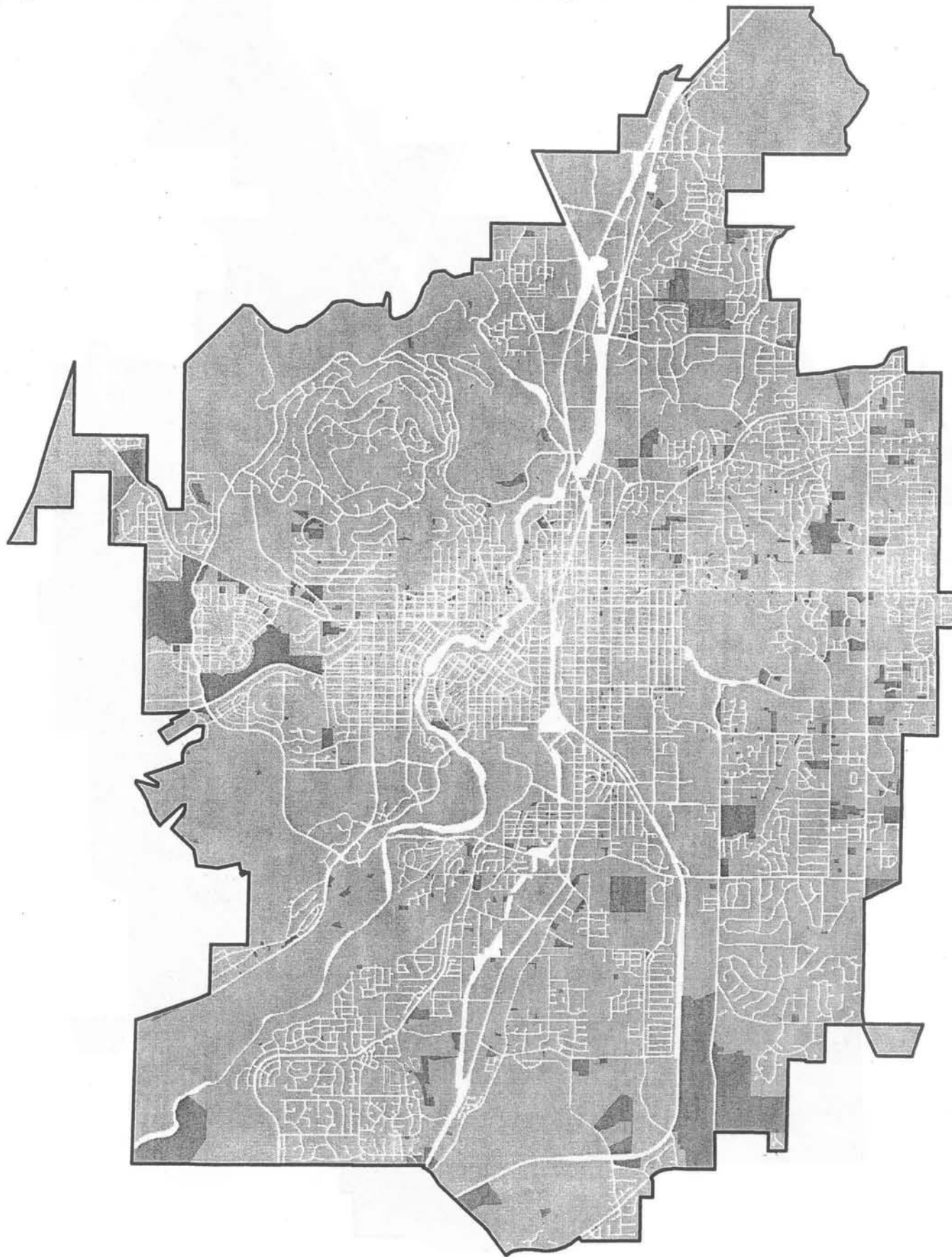


Figure 7: Economic Vacant and Vacant-Pending Land Use Acres

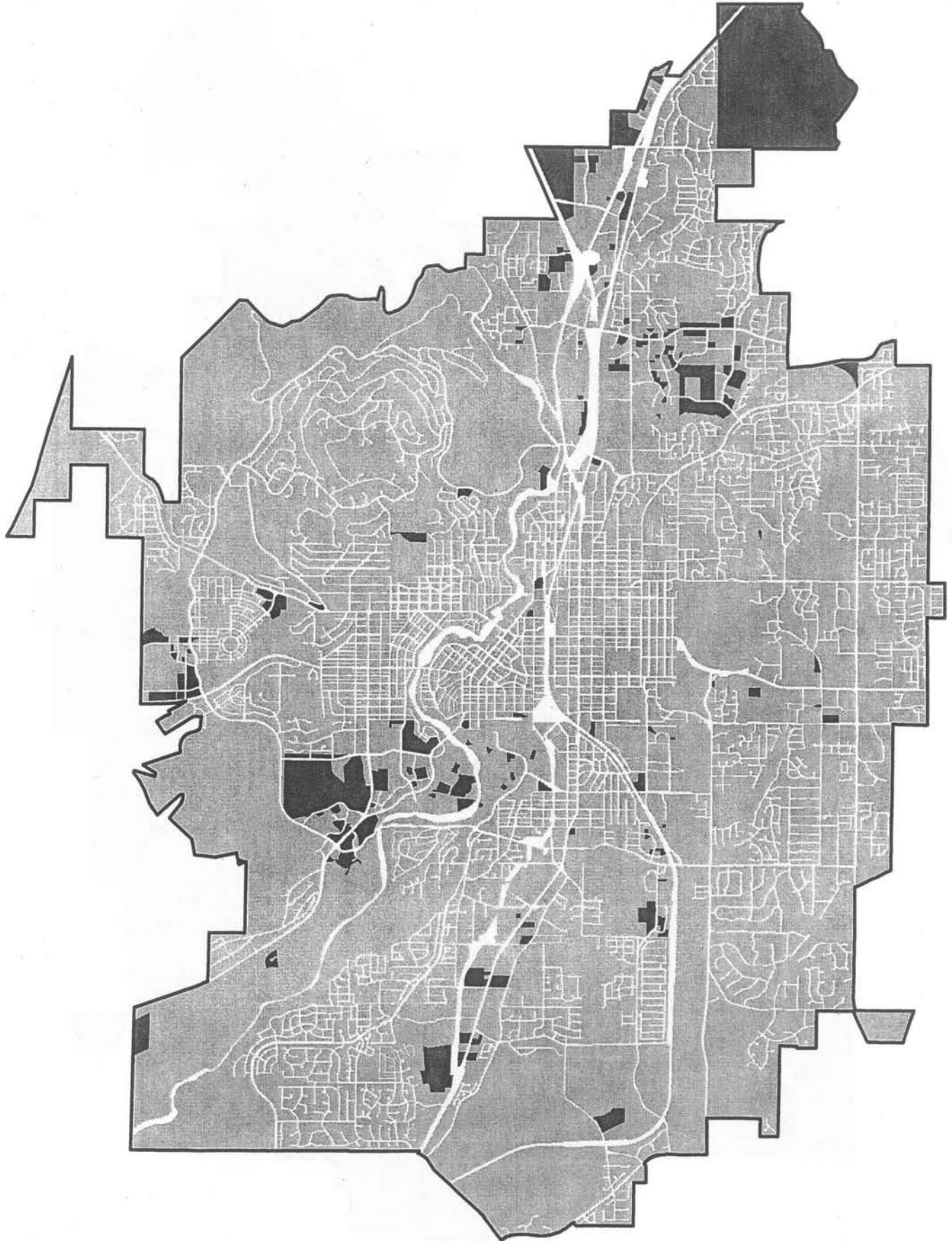
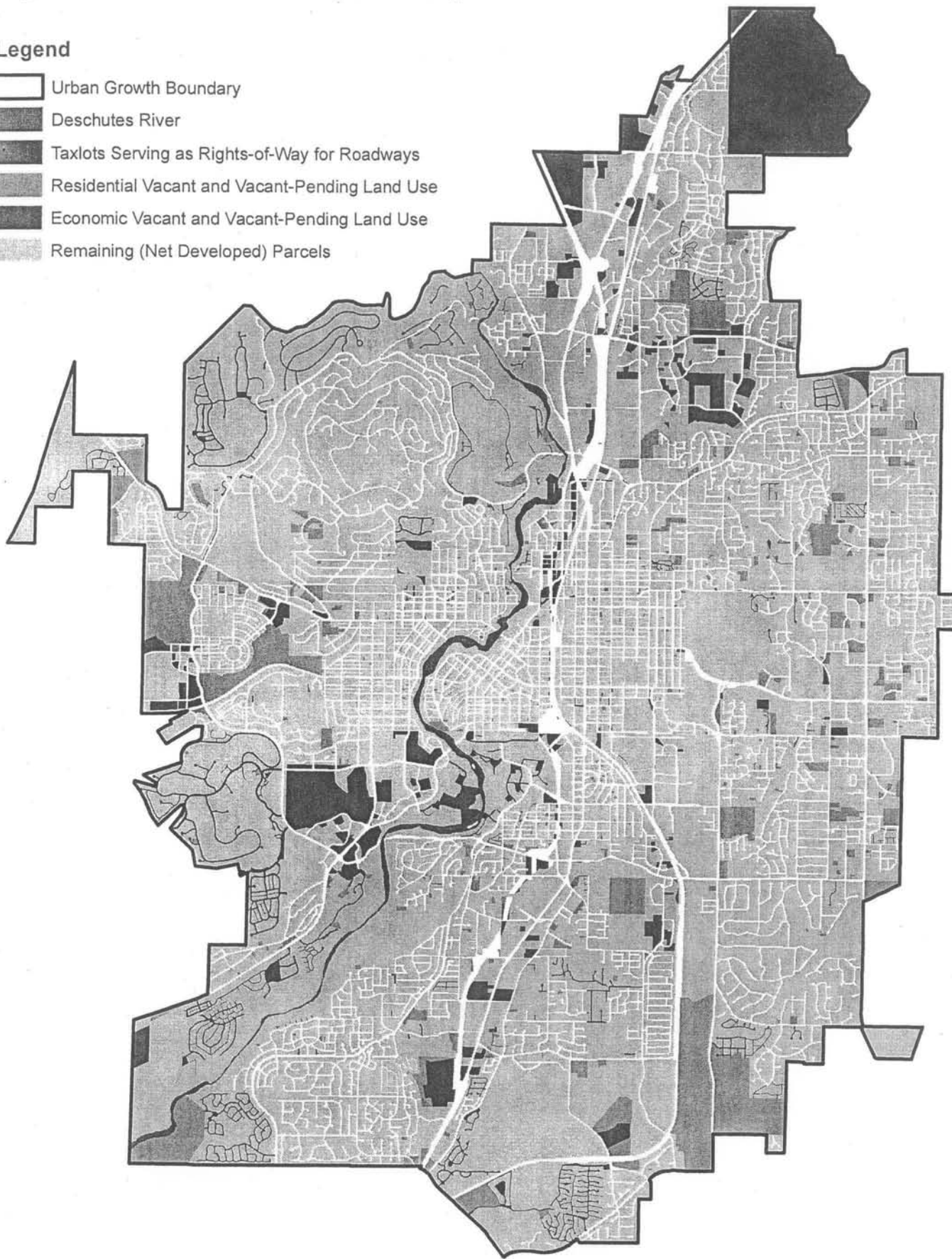


Figure 8: All Lands Used in ROW Analysis

Legend

-  Urban Growth Boundary
-  Deschutes River
-  Taxlots Serving as Rights-of-Way for Roadways
-  Residential Vacant and Vacant-Pending Land Use
-  Economic Vacant and Vacant-Pending Land Use
-  Remaining (Net Developed) Parcels



Map of the State of Texas





Memorandum

To: Brian Rankin, Senior Planner
From: Wendy Edde, Environmental Program Manager;
David Buchanan, Stormwater Engineering Technician;
Reviewed By: Hardy Hanson, Stormwater Division Manager
Subject: Stormwater Utility Right-of-Way Needs Analysis
Date: December 1, 2008

Introduction/Background

The purpose of this memorandum is to examine the right-of-way needs for stormwater facilities for proposed UGB expansion areas, given the current stormwater quality regulatory requirements, hydrogeological considerations and general Stormwater Master Plan strategies. In the current UGB, the City's stormwater facilities consist of 13 miles of piped stormwater lines with outfalls to the Deschutes River, approximately 4,000 publicly owned dry wells and 1,000 drill holes, and a handful of publicly-owned drainage infiltration ponds/swales as well as three manufactured treatment controls. The City is currently undergoing a thorough field-level inventory update that includes obtaining GPS coordinates for existing stormwater facilities, expected to be completed in January 2009. This information is necessary not only for efficient operation and maintenance needs, but also for water quality regulatory requirements.

Regulatory Drivers. Stormwater that drains through pipes to the river or other surface waterbody must meet the requirements of the City's Municipal Separate Storm Sewer System (MS4) National Pollutant Discharge Elimination System (NPDES) Permit number 102901 (DEQ File No. 113602) issued on February 26, 2007 under the federal Clean Water Act (33 U.S.C. section 1342 (P)), as amended, and Oregon Administrative Rules. Under Schedule A, item 2. of the permit, the Oregon Department of Environmental Quality (DEQ) states that the City must "...protect water quality by requiring controls to reduce the discharge of pollutants to the maximum extent practicable." These include management practices, control techniques, and pollutant control provisions.

Stormwater that injects into the ground through Underground Injection Controls (UICs)—drywells or drill holes—must meet the requirements of the federal Safe Drinking Water Act and Divisions 40 and 44 of Oregon's Administrative Rules to protect the drinking water quality of groundwater aquifers. The City could choose to meet DEQ requirements for Underground Injection Controls either through rule authorization or a permit. The City is currently negotiating its Water Pollution Control Facility Permit for its stormwater UICs under the federal Safe Drinking Water Act and Oregon Administrative Rules under Divisions 40 and 44. However the Oregon Administrative Rules excerpted below clearly state that other stormwater management options must be employed if suitable so that UICs should only be used as a last resort and that when used, they must incorporate treatment measures suitable to protect drinking water quality:

Division 44, Construction and Use of Waste Disposal Wells or Other Underground Injection Activities (Underground Injection Control):

340-044-0018 Authorization of Underground Injection by Rule. (3) Injection systems injecting storm water are authorized by this rule if the owner or operator is in compliance with the following requirements, as applicable: (a) **Basic requirements for all storm water injection systems authorized by rule**—Storm water injection systems authorized by this rule shall meet all the following requirements, and the owner or operator shall verify and shall submit with registration and inventory a certification that:

...

(B) Site development, design, construction and management practices have minimized storm water runoff.

(C) No other method of storm water disposal, including construction or use of surface discharging storm sewers or surface infiltration designs, is appropriate. An appropriate method shall protect groundwater quality and may consider management of surface water quality and watershed health issues.

340—044-0035 Authorization by Permit....

(2) Permits shall not be issued for construction, maintenance or use of an underground injection system where any other treatment or disposal method that affords better protection of public health or water quality is reasonably available or possible.

(3) In no case shall a permit to construct or operate an injection system be issued if the injection activity will cause a violation of any primary drinking water regulation under the federal Safe Drinking Water Act or does not comply with the groundwater protection requirements of OAR 340-040.

Division 40, Groundwater Quality Protection:

340-040-0020 General Policies (11) In order to minimize groundwater quality degradation potentially resulting from point source activities, point sources shall employ the highest and best practicable methods to prevent the movement of pollutants to groundwater....

Estimated Right-of-Way Needs for Specific Stormwater Facilities

This section examines the right-of-way needs for various publicly-owned stormwater facilities, including stormwater pipelines, underground injection controls with manufactured treatment controls, longitudinal swales/biofilters, regional landscape controls (e.g. detention basins, wet ponds); and permeable pavement.

Stormwater Pipelines. As with sanitary sewer pipelines, stormwater pipelines must be placed at least 10 feet away from drinking water pipelines for drinking water quality regulations. An additional 10 feet of right-of-way width would be useful for ensuring adequate room to install and maintain stormwater pipelines; however stormwater pipeline may be placed closer to sanitary sewer lines if necessary and properly planned.

Underground Injection Controls with Manufactured Treatment Controls. Because underground injection controls are in widespread use throughout the current UGB, the current right-of-way assumptions are adequate for the UICs alone. Stormwater division staff are having challenges installing some treatment controls for drywells and drillholes in the current right-of-ways, especially in the older sections of town, but there is not enough data to warrant increasing right-of-way needs beyond current levels for inclusion of such facilities. Moreover, due to the high total costs (including long term operation and maintenance over the life of the facility), the regulatory hurdles, and the increased likelihood that adequate maintenance schedules will not be able to be met, the City will not promote underground injection controls with individual manufactured treatment controls in newly developing areas.

Roadside/Longitudinal Swales/Biofilters and Regional Landscape Controls. According to the Center for Watershed Protection (Better Site Design: A Handbook for Changing Development Rules in Your Community, August 1998): "swale designs that provide the best stormwater treatment and prevent standing water may require 10 to 12 feet along one or both sides of the road." The water quality storm is defined as the 6 month/24 hour storm for the City of Bend. The City is also tasked with providing safe passage for the 100 year storm. The volume necessary to treat the following storms in a swale or detention basin 1 foot deep per acre of drainage basin, is as follows:

6 mth/24 hour water quality storm	25 year Storm	100 year storm
2,300 square feet/acre	5,700 square feet/acre	7,000 square feet/acre

Notes: Assumes no infiltration (e.g., rain on snow event). Use of underground detention vaults can reduce the swale and pond size by parceling out the precipitation event over a longer period of time.

Permeable Pavement. Permeable pavement--if installed and maintained correctly and is installed to adequately protect other underground utilities--is a potential solution for certain applications that could help handle storm water drainage and reduce storm water drainage right-of-way needs while meeting regulatory requirements. Permeable pavements can be designed to handle the storm water quantity needs without or minimizing the additional needs for roadside swales. Given that private development is required to keep its stormwater onsite when possible, permeable pavements would remove the need for UICs and their associated treatment requirements, and for piping and the associated catch basins and inlets.



Promoting alternative transportation such as bicycling and pedestrian use is a best management practice for stormwater quality by reducing pollutants from automobile trips. Permeable pavement could also have the added benefits of improving bike lane safety and reducing the additional right-of-way needs associated with separating the bike lane from placement in the roadway where storm drainage catch basins are located. (Another alternative to having storm drain catch basins in bike lanes is to install curb inlet catch basins, but during winter weather, City plows often damage side inlet catch basins, making this option not favorable). Because stormwater would infiltrate directly into the pavement and drainage base, separate catch basins would not be necessary so bike lanes could be free from the potential hazards (see picture at left).

The City is just starting to embark on pilot projects to begin incorporating permeable pavements. They would likely be used in lower traffic areas first, such as residential streets, and potentially in the bike lanes and parking areas of arterials and collectors.

General Trends for Stormwater Management In Proposed UGB Expansion Areas

In general, for newly developing areas, the City's strategy is to:

- First address stormwater at the source (via source controls such as reduced pavement width, permeable pavement, adjacent swales/biofilters);
- Second, consider regional controls like detention basins or other infiltration or evaporative measures, which may require open channel or piping to the control;
- Third, piping to the river or underground injection control with appropriate treatment.

Key to the City's strategy is to choose the best option based on the total cost, including long-term operation and maintenance requirements, and not just the installation cost.

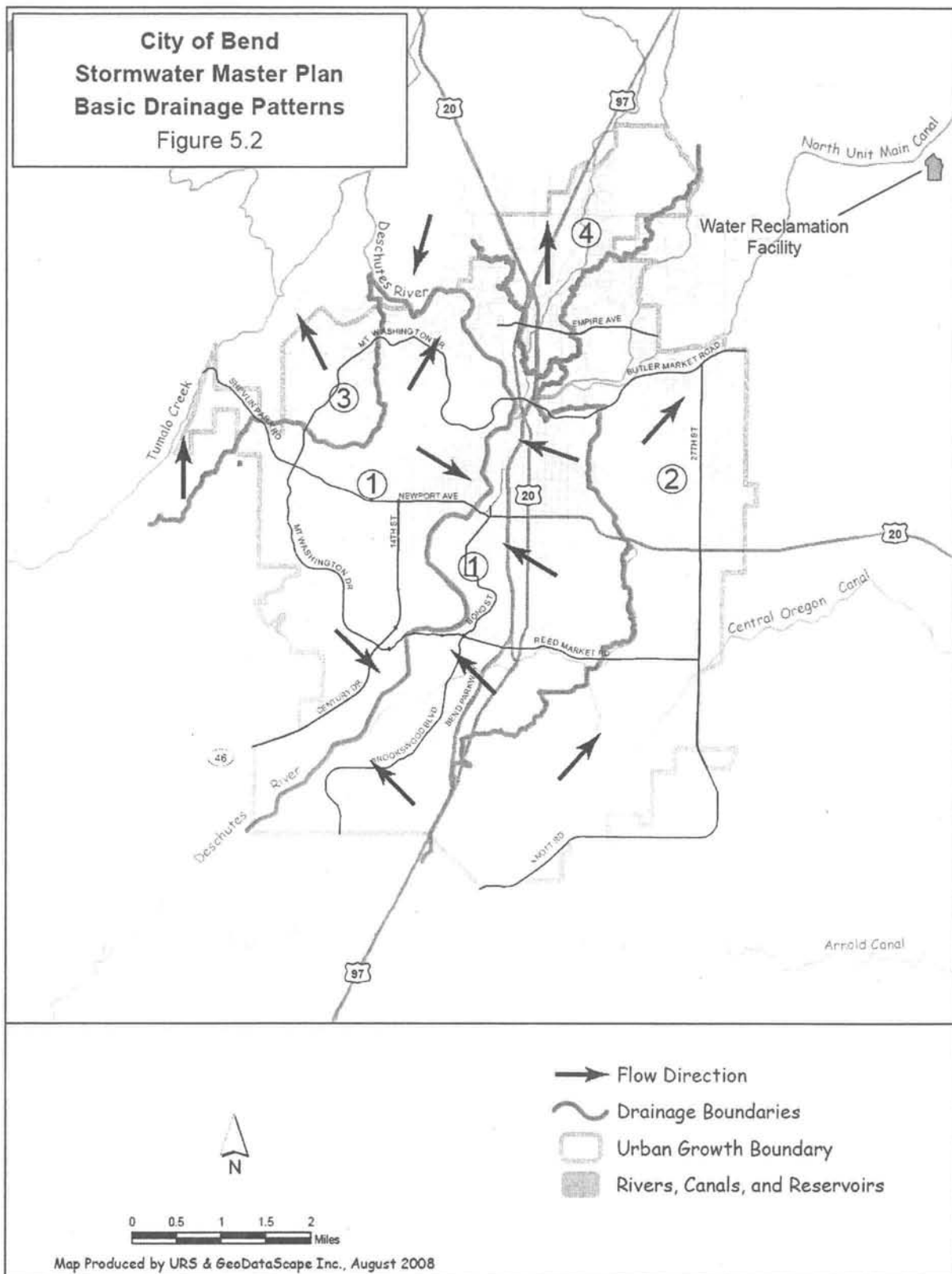
The City of Bend is about to release a public draft of its first ever Stormwater Master Plan that has been under development for two years and focuses on areas within the current UGB, which is nearing built out

(see attached Figure 5.2). Given the natural drainage patterns and geology of Bend and the regulatory requirements described above, the Stormwater Master Plan provides recommended overarching strategies for the various drainage areas found within the current UGB. These provide some general hints towards strategies for adjacent proposed expansion lands that may already be mostly built out.

- Area 1: In areas that would naturally flow towards the Deschutes River (pockets to the north, west, and south), pipe with flow controls, and treatment prior to discharging to the Deschutes River.
- Area 2: In areas mainly along the eastern boundary of the current UGB and in the south, east of Highway 97, discharge to dedicated stormwater ponds at the water reclamation facility via piping and open channels running parallel along the same route as the proposed southeast sanitary sewer interceptor. Sediment removal at critical locations through detention or filtration.
- Area 3: In areas near the proposed Westside and North Wastewater Interceptors, discharge to dedicated stormwater ponds at the water reclamation facility via piping and open channels running parallel along the same route as the proposed Westside Wastewater Interceptor and north Wastewater Interceptor. Sediment removal at critical locations through detention or filtration.
- Area 4: In roughly the areas to the north from just west of Highway 20 to east of Highway 97, discharge via culverts, drainage pipe and natural drainages to regional treatment facilities, with water quality provided by vegetated ponds or swales

Summary

Given the regulatory drivers requiring that UICs be used only as a last option, and then with additional treatment and monitoring, the City is likely to move more towards a combination of swales, regional controls, and source controls such as permeable pavement. The City anticipates a greater need for additional surface right-of-way for longitudinal swales and for regional controls in proposed UGB lands. Given these considerations along with the fact that the assumptions made in developing the current right-of-way projections included older areas of the City with narrow right-of-ways for which the City stormwater division staff are having challenges finding enough room for retrofits, the Stormwater Division feels dropping right-of-way estimates below current requirements could be problematic. In general a smaller right-of-way may have stormwater benefits should the pavement width be reduced to reduce impervious surface area. However, because of the long-term cost efficiencies when examining total costs (including operation and maintenance) and benefits of using landscape controls over manufactured treatment controls, and because permeable pavements are just beginning to be considered and have not begun widespread use in Bend, the City foresees additional swales/biofilters, regional surface controls and open channels especially in newly developing areas such as the proposed UGB expansion areas. The percent estimated for the UGB based on existing UGB land includes older areas of the City where more narrow right-of-way widths have been problematic to incorporate swales/biofilters in retrofits resulting in significant increased total costs needed for other options. Therefore, City Stormwater Division staff support that the ROW requirements be based on current right-of-way standards within the City.



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TO: BEND PLANNING COMMISSION
DESCHUTES COUNTY PLANNING COMMISSION
LIAISONS

FROM: COLLEEN FLORES, GIS COORDINATOR

SUBJECT: METHODOLOGY AND RESULTS OF LAND NEEDS ANALYSIS FOR "OTHER" LANDS.

DATE: OCTOBER 16, 2008 (REVISED DECEMBER 16, 2008)

Purpose

This memorandum presents a summary of the methodology used to estimate the 15 percent need for "other lands" in the City's expanded UGB. The term "other lands" has been used to refer to lands not specifically related to residential or economic use, but instead used for other things such as institutional purposes, open space, and private recreation.

Background

Land need analyses were conducted in order to estimate how much additional land is needed in the City's UGB to provide a 20-year supply of lands for residential, economic, and related uses. Estimates included the anticipated land needs for housing, employment, public schools, public parks, and public and private rights-of-way for roadways. Public testimony and staff recognized that there were *other* types of uses consuming land in the existing UGB as well that were not included in the aforementioned land need estimates, and that these other uses will need to be sufficiently accommodated in the expanded UGB so as not to reduce the land available for housing and employment. For example, recreational uses, churches, clubs, lodges, utilities, and cemeteries are conditionally allowed in all residential zones and may consume land for needed housing if not accounted for in the UGB expansion proposal.

An accounting of the type and extent of these other lands was prepared - the results of which are shown on the third page of this memo. Results were presented to the Bend Planning Commission at its January 28, 2008 work session and discussed in subsequent work sessions and TAC meetings. Based on the results of the analysis and discussion with staff and advice from the TAC, the Planning Commission recommended that the net land need estimates for the expanded UGB be increased by 15 percent to accommodate these "other" uses. The methodology reflects that 12.8 percent of the net

land base in the current UGB is used for the uses described in the following tables. Staff discussions with the TAC and Planning Commission explained that private rights-of-way were included in the estimate for public and private rights-of-way, and therefore should not be included in the estimate for "other" lands. Ultimately, the Planning Commission approved using 15 percent estimate with the assumption that slightly more land for the uses documented in the tables below may be present in the expanded UGB, and that it is difficult to pinpoint exact land need estimates for uses since they are allowed in residential and economic zones.

Another consideration in the discussion of using 15 percent versus 12.8 percent to estimate future land needs for "other" uses was the strong likelihood that more private land (typically in open spaces or common areas) will be used for stormwater treatment facilities in the future. Staff and Planning Commission discussion focused on surface treatment options like swales and retention ponds taking up more space in common areas in the future than are currently represented in the 12.8 percent figure. No direct testimony from the stormwater division was available at the time, but the experiences of staff and the Planning Commissioners supported the conclusion that it is preferable to assume more land will be consumed for these uses in the future. Later testimony from the city's stormwater division (see Wendy Edde letter) supports the conclusion of the Planning Commission in this regard.

The methodology resulting in employment projections for the 20-year planning period featured in the 2008 EOA removed all employment from the lands shown in the tables below to avoid double counting land need for these uses. This is appropriate with respect to uses such as churches, golf courses, lands owned by irrigation districts and utility companies, because their land needs are not tied directly to employment densities used to calculate employment land needs.

Results

Summary of Other Lands in the Existing UGB

Category	Description	Net Acres	% of Total Net Acres
Institutional	This category includes tax lots with land uses occupied on an infrequent basis, such as churches, meeting halls (e.g. granges), un-staffed utilities (e.g. water tanks, power substations), lodges, clubs, and benevolent organizations. See below for more details on these institutional uses.	237	1.34%
Open Space	This category captures both private open spaces (e.g. golf courses, common open areas) and public open spaces <u>not</u> maintained by BMPRD. See below for more details on these open space uses.	2,028	11.46%
TOTAL		2,265	12.80%

Note: There are 17,695 net acres in the existing UGB

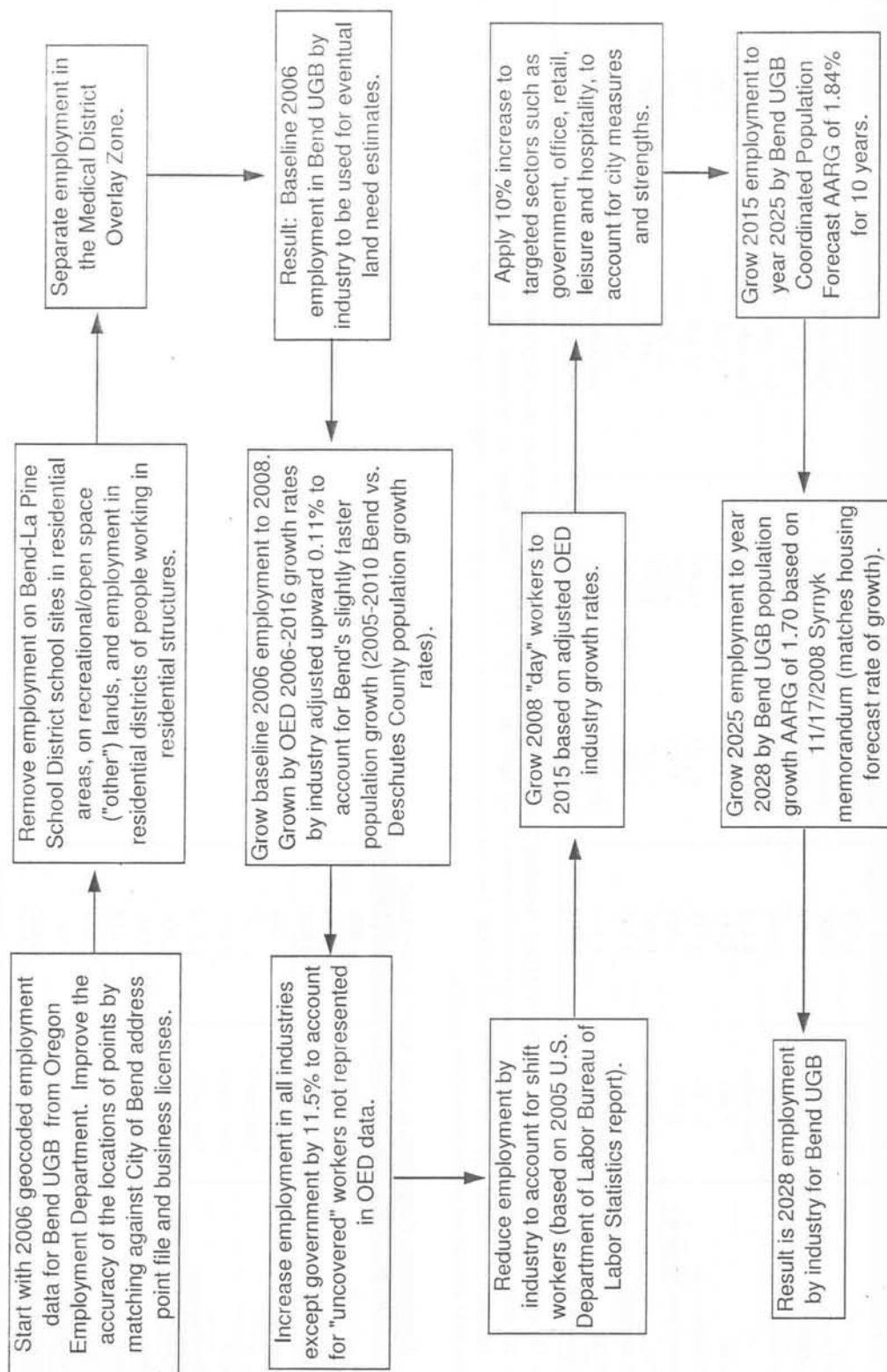
Institutional Use Details

Category	Net Acres
Benevolent/ Fraternal	4
Church	126
Parking lot (for institutional use)	2
Utilities	103
Unclassified	2
TOTAL NET ACRES	237

Open Space Details

Category	Net Acres
Canal	95
Cemetery	53
Common Area	606
Golf Course	886
Irrigation District	161
RV Park	29
Park (not BMPRD)	143
Unbuildable	24
Unclassified	31
TOTAL NET ACRES	2,028

Employment Projections Flow Chart: 2008 Update





AGENDA

UGB Remand Task Force

710 NW WALL STREET
PO BOX 431
BEND, OR 97701
[541] 388-5505 TEL
[541] 385-6676 FAX
WWW.CI.BEND.OR.US

Thursday, June 2, 2011
3:00 p.m. – Bend City Hall – Council Chambers

- | | |
|--|---|
| JEFF EAGER
<i>Mayor</i> | 1. Call to Order |
| JODIE BARRAM
<i>Mayor Pro Tem</i> | 2. Approval of Minutes from April 28, 2011 (3:00 – 3:05) |
| TOM GREENE
<i>City Councilor</i> | 3. Presentation: Draft Findings on Park/School Land Needs –
Sub-Issue 4.2 (3:05 – 3:40) <ul style="list-style-type: none">a. Public Commentb. Deliberation and Decision |
| KATHIE ECKMAN
<i>City Councilor</i> | 4. Presentation and Discussion – Sub-Issue 4.3 (3:40 – 4:00) <ul style="list-style-type: none">a. Public Comment |
| JIM CLINTON
<i>City Councilor</i> | 5. Presentation and Discussion on BLI – Sub-Issue 2.2 (4:00-4:30) <ul style="list-style-type: none">a. Public Comment |
| MARK CAPELL
<i>City Councilor</i> | 6. Update on Public Facilities Plans (4:30 – 4:50) |
| SCOTT RAMSAY
<i>City Councilor</i> | 7. Prep for Next RTF Meeting (4:50 – 5:00) |
| ERIC KING
<i>City Manager</i> | 8. Adjourn |

1. Convene meeting

The Remand Task Force Meeting was called to order at 3:05 PM on Thursday, April 28, 2011, in the City Council Chambers at Bend City Hall. Present were the RTF members Tom Greene, Jim Clinton, Kevin Keillor, Jodie Barram and Cliff Walkey.

Staff present were Brian Shetterly, Mary Winters, Brian Rankin, Wendy Robinson and Damian Syrnyk.

2. Election of Vice Chair

Cliff Walkey nominated Jodie Barram, Kevin Keillor seconded and all RTF members were in agreement.

3. Approval of Minutes.

Tom Greene had a couple of minor edits. Minutes were then approved.

4. Prior Legislative Record and Preservation of Existing Data/Analysis

Brian Shetterly mentioned that there are two items he asks the task force for action on. One has to do with a sub-issue with the City concerning acreage estimates for "other lands," or miscellaneous lands. There is a wide range of miscellaneous uses (institutional, recreational use, etc.) that do take up land. They are displacing lands that will be needed for housing and employment.

The second item which Brian requested action on has to do with the estimate of land for second homes. It is a factor we need to include when we figure out total acreage. In both cases, these are factors that we'll use as inputs to formulas to tell us how many acres we need in the UGB expansion.

Mary Winters explained that a remand is a different process. There is not a lot regarding a remand process in the rules but we have had discussions with Richard Whitman and looked at other LUBA remands. The governing body has a right to limit the record and the scope of the record. Ours is not a typical LUBA remand. We may be treating different issues in the remand differently. We came up with four areas.

There is one area of remand issues with no need for evidence at all because LCDC is only asking for better findings, to connect it up better with our original findings. In those cases, we don't propose to add any new evidence. The second

is where we use evidence in the record as of 2008 but we need to reanalyze the data. The third is where we use evidence prior to 2008 but we also generate new data. It is very important that we remember the planning period is 2008-28, based on a population forecast that was upheld and acknowledged. Richard said to be careful on this issue. When you look at other remands, if the planning period is extended, a great deal of new work must be done; the Woodburn remand took 10 years.

An example of the fourth issue area is transportation planning, where future vehicle miles traveled (VMT) per capita must be estimated. That will have to make use of current, post-2008 data. We want to make sure as each issue comes up that we tell you, as staff, which one of these categories this evidence falls into.

Brian Shetterly mentions that we'll try to avoid adding new material to the record. We'll rely on analysis on the record that's already been accepted. If it's clear that the findings are already in the record, then we think we're ok.

Discussion was held about public testimony. The Task Force won't cut people off but it should be relying on evidence. A 3 minute time limit was proposed.

Cliff asked the task force to stay on task and noted that their charter wants them to decide by consensus. If it's not apparent, then he will call for a vote. Pursuant to what Brian just talked about, we'll have a deliberation phase so let's try to articulate that, what we're relying upon as evidence for any decision.

Mary Winters says it's important to know what kind of information we're talking about. Brian Shetterly says that staff will send material in memos that will include findings that support the action recommended to be taken by the task force. You will get comprehensive findings for recommendation to City Council at the end of the remand process.

5. Presentation and Deliberation: Draft Findings on "Other" Lands-

Sub-issue 4.1

Brian Rankin discussed the information packet sent to the task force. Also included in the packet were draft findings, four pages long, separate from the memo. After acceptance by the task force, the City staff will take these findings and then lift them out and have a set of findings to address the remand issue for adoption by the City Council. You'll see the legal standard and the City's position. A number of pages are drawn from the existing record. Staff will be making the record available online and hope this format is convenient.

Tom suggests that if points are taken out of the record their location should be highlighted.

Brian Shetterly said staff is requesting that the recommendations and content of each memo be approved by the task force in draft form. Staff is requesting that the task force provide clear action on the recommendations and contents of the memo.

Brian Rankin stated that people in the public were arguing that we need to take into consideration “other” miscellaneous lands when estimating total land needs for the planning period. The City tried to quantify how many of these unique uses existed in the city. We looked at the buildable lands inventory and codes and teased out these lands. They fell into 2 main categories: institutional uses, including churches, utilities, water tanks, open spaces, etc.; and various open spaces. Open spaces was a broad category, and included common areas, golf courses, irrigation districts, parks, canals, cemeteries, RV parks, etc. Summed up, it ended up being about 2,028 acres. This represents about 12.8 percent of our land. Based on the above, we created this 12.8% “other” lands factor. So it’s added on top of what we think we need for housing and employment.

In conclusion, staff is asking the task force to accept staff’s approach on “other” lands, and the draft findings attached to the memo for Sub-Issue 4.1.

Mary Winters says we’ll bring a stormwater ordinance to the City Council for adoption in the future. There’s a lot of work going on with stormwater. This would be an example of new material being entered into the record, and creating unnecessary risks if the Task Force relied on new stormwater regulations to support increasing the 12.8% factor to 15%. Staff does not recommend doing that.

Jim Clinton says he’s on board with staff recommendation to stick with a 12.8% factor for other lands. A unanimous consensus is reached to accept the staff findings and recommendation for Remand Sub-Issue 4.1.

6. Presentation and Deliberation: Draft Findings on Second Homes – Sub-Issue 2.5

Brian Shetterly says this is a sub-issue that is taken up by the commission as Remand Sub-issue 2.5. Staff is recommending that we move ahead with an assumption of acres needed to accommodate second homes based on findings adopted in 2008, and that we don’t intend to revisit or alter those the assumption of the average density is changed.

By way of background, the estimate we settled on for estimating acres needed for second homes, as accepted by the planning commission, was 18% of total needed housing units. We used the density estimate of 6 units/acre, and it came out to be about 500 net acres. This is a sub-issue where the Commission said that they were ok with that. The recommended action that we’ve laid out is that we take this as a given based on findings already in the record.

Cliff asks about the portion of the conclusion that talks about coordination with the county. Brian Shetterly says most of this remand order is directing the City to do something. This is the only sub-issue that directs the county to do something. So we've talked to county staff and they're aware of this as they update their destination resort maps. There is nothing in the order that requires any action on the part of the City for this sub-issue.

During the public comment period, Liz Fancher asks a question about the intention of this sub-issue and how it will work. She notes that the County is doing a comprehensive plan update that will address destination resorts and second homes. Brian Shetterly mentions that the burden is with the county to act in response to this sub-issue.

Brian Shetterly says staff wants to be in the mode of checking off sub-issues as the task force addresses them. Staff is going to try hard to avoid bringing to the task force responses to sub-issues that haven't already been run by DLCD staff.

Cliff asks at what point we will see findings, to which Brian Shetterly says staff doesn't intend to draft new findings for sub-issue 2.5, but will rely on findings already adopted and accepted by LCDC. If we alter the density assumption for second homes, then we'll explain that in the final set of findings. As Liz Fancher brought up, staff may propose a policy that the City will coordinate with the County as the County plans for second homes.

Unanimous consent is reached to accept the staff recommendation for Sub-Issue 2.5, that no corrective action is required at this time.

7. Update on Public Facilities Plans

Damian gives a brief update.

In 2009, when we submitted the UGB proposal to DLCD and the Commission, the submittal package included updated public facility plans for sewer and water. The legal standard that comes into play is Planning Goal 11.

During the review of the UGB expansion, the Commission found that the water master plan and the sewer collection plan did not show how they would provide service to only the prior UGB. There were some areas outside the prior UGB that were included in the service areas for these PFPs. The Commission concluded that revised PFPs should be adopted for the prior UGB only, and that a separate public facilities analysis should then be conducted for the expansion area.

The revised PFPs are being developed now, with the assistance of Public Works and consultants. Both the sewer and water PFPs will focus on the City's current UGB and will include a number of proposed system improvements, as required

by Goal 11. As part of the PFP revisions, there will also be amendments to Chapter 8 of the General Plan, and we'll have findings that address Goal 11 and its administrative rule.

Cliff asks about the adoption of the PFPs and the timeline. Damian responds that the draft PFPs are being completed during May and it should be possible to schedule hearings for Council adoption by the end of June or early July. Public hearings and adoption of those PFPs will likely take place in the summer and into the fall. Mary Winters mentions that those will be post acknowledgement plan amendments (PAPAs).

8. Preparation for Next Task Force Meeting

Brian discusses dates for the next meeting and also mentions that we will continue to cover preliminary items in the remand order. The focus of the next RTF meeting will be Sub-issues 4.2 and 4.3. These are estimates of acres needed for parks and schools inside the UGB and inside the expansion area. We will need to be doing additional findings and additional analysis based on information that's in the record. We will also need to coordinate with the school districts and the parks district. The next meeting will also include discussion of the buildable lands inventory (BLI), which tells us how many buildable acres we have inside the UGB. The next RTF meeting is scheduled for Thursday, June 2, 2011. Treatment of the BLI will take place in two parts: First, the basis of the BLI and the Commission's direction to revise it; then at a subsequent meeting, staff will bring the RTF the updated buildable lands inventory for review and action.

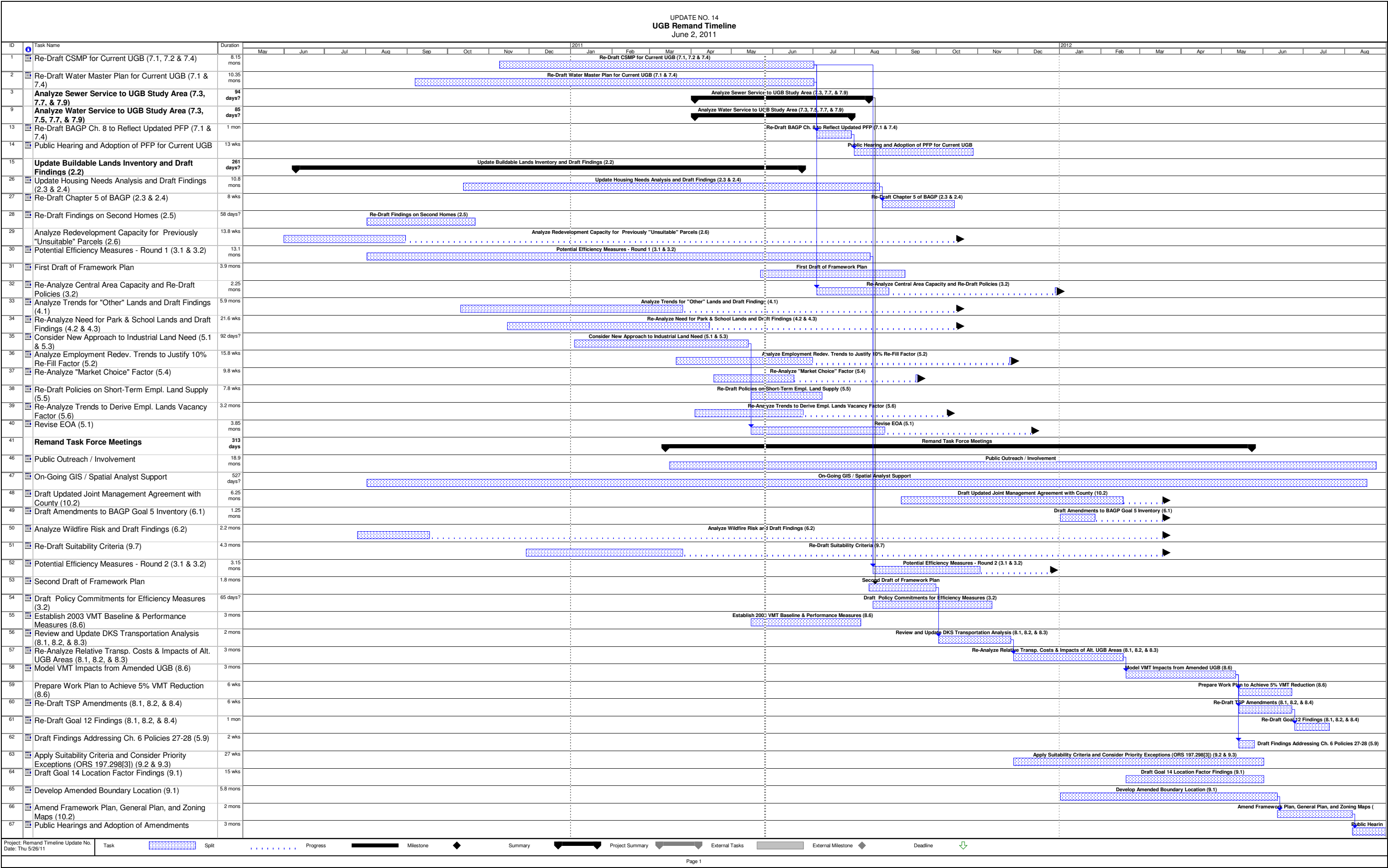
9. Adjourn

The meeting adjourned at 4:30.

Respectfully submitted,

Nancy Flannigan

Nancy Flannigan
Legal Assistant



M E M O R A N D U M

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TO: **BEND UGB REMAND TASK FORCE**
FROM: **DAMIAN SYRNYK, SENIOR PLANNER**
SUBJECT: **WORK SESSION ON BUILDABLE LANDS INVENTORY**
DATE: **MAY 27, 2011**

Introduction

As discussed below, a buildable lands inventory (BLI) is required by state law as an early step in the UGB expansion process¹. A local government is required to develop the BLI as a necessary step in determining whether an expansion of an urban growth boundary (UGB) for housing is needed. If the BLI demonstrates that there is not enough buildable land within the existing UGB, then an expansion of the UGB may be justified. In Bend's case, the BLI adopted in 2009 found that, although the current UGB could accommodate about two-thirds of projected new housing units during the 2008-28 period, it did not contain enough buildable land to meet the entire 20-year need. That was a key finding which justified much of the proposed expansion.

In its order remanding the UGB expansion to the City, LCDC found that the 2008 BLI was inconsistent with state law in several ways. These are outlined in Sub-Issue 2.2 of the remand order. In Sub-Issue 3.1 there is related discussion concerning use of the BLI to estimate capacity of the existing UGB. With the assistance of the City's GIS Program, Long Range Planning Staff are revising the BLI to conform more precisely to requirements in state law. That revised BLI will result in a new estimate of buildable acres which will, in turn, affect the estimated housing capacity of the existing UGB and thereby the amount of land needed for expansion.

Purpose

On June 2, 2011, Staff will conduct a work session with the task force on the buildable lands inventory (BLI) for housing lands in the UGB. This work session will introduce the topic by reviewing:

- the information required to be included in the BLI;
- the statutory and administrative rule requirements for developing a BLI;
- the City's 2008 BLI and LCDC's decisions on this BLI, and;
- the City's proposed approach to address the Remand Order.

¹ For the purpose of this memo, "BLI" refers to a residential buildable lands inventory.

The June 2, 2011 work session will be an introduction to the BLI. The revised BLI – based on the remand order – will be presented at a subsequent RTF meeting, likely during July.

Buildable Lands

The buildable lands inventory for housing is an inventory of the residential lands in the Bend UGB that are suitable and available for housing. Both ORS 197.296(4) and OAR 660-008-005(2) identify and/or define what lands are to be treated as buildable lands for an inventory. The BLI is the basis for the city's analysis on how much land is suitable and available for housing in its current UGB. Before amending a UGB to add land for housing needs, a local government must first inventory residential land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs for population and housing.

ORS 197.296 applies to local governments with a population of 25,000 or more in its UGB, and requires such local governments to inventory buildable lands for housing. In addition, the statute requires the local government to use the inventory data to estimate the capacity of the UGB for housing and describes what constitutes buildable lands to be inventoried. ORS 197.296(4) further defines what lands to consider buildable.

(4)(a) For the purpose of the inventory described in subsection (3)(a) of this section, “buildable lands” includes:

- (A) Vacant lands planned or zoned for residential use;*
- (B) Partially vacant lands planned or zoned for residential use;*
- (C) Lands that may be used for a mix of residential and employment uses under the existing planning or zoning; and*
- (D) Lands that may be used for residential infill or redevelopment.*

OAR 660 Divisions 8 and 24 provide further guidance on the preparation of the inventory and what constitutes buildable lands. OAR 660-008 is the administrative rule that implements Statewide Planning Goal 10, Housing. OAR 660-008-005(2) further defines Buildable Land as follows:

(2) “Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered “suitable and available” unless it:

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
- (b) Is subject to natural resource protection measures determined under statewide Planning Goals 5, 15, 16, 17, or 18;*
- (c) Has slopes of 25 percent or greater;*
- (d) Is within the 100-year flood plain; or*
- (e) Cannot be provided with public facilities.*

Please note that the rule, OAR 660-008-005(2), applies to all cities. The statute at ORS 197.296(4) applies to cities with a population of 25,000 or more, which includes Bend. The statute considers buildable lands those that are planned or zoned for residential use. The rule considers designated (planned) residential land for the BLI. Lands that are zoned residential, but have a non-residential plan designation must be included in the inventory under ORS 197.296(4). In Bend, there are approximately 70 acres of land that currently have a residential zone, but a non-residential (e.g. employment) plan designation. In addition, the statute further requires land in mixed use plan designations that allow housing to be included as buildable land. The City's 2005 BLI found 153 acres of land designated MR, Mixed-Used Riverfront, developed with 87 dwelling units (Record p 1992).

OAR 660 Division 24 is the administrative rule that implements Goal 14, Urbanization, by clarifying the requirements for developing or amending a UGB. OAR 660-024-0050(1) requires when evaluating or amending a UGB, a local government must inventory land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs determined in OAR 660-024-0040. For residential land, the BLI must include vacant and redevelopable land, and be conducted in accordance with 660-008-0010 and ORS 197.296 for local governments subject to that statute. OAR 660-024-0050(4) requires that if the BLI demonstrates that the development capacity of land inside the UGB is inadequate to accommodate the estimated 20-year needs determined under OAR 660-024-0040, the local government must amend the plan to satisfy the need deficiency, either by increasing the development capacity of land already inside the city or by expanding the UGB, or both, and in accordance with ORS 197.296. Prior to expanding the UGB, a local government must demonstrate that the estimated needs cannot reasonably be accommodated on land already inside the UGB.

Therefore, conducting an inventory is a key step in estimating whether additional residential land will be needed in the UGB to accommodate the estimated 20 year needs for housing. The January 2010 Director's Report and Order concluded that the City's 2008 to 2028 population and housing units forecasts complied with relevant state law². LCDC did not come to a different conclusion and approved the Director's decisions on these forecasts. The population and housing unit forecasts and the City's revised BLI will provide the basis for revising the housing needs analysis and determining the amount of residential land available in 2008 for housing, and the extent to which additional land will be needed in the UGB.

² See Director's January 2010 order, pages 25 and 31, respectively.

City's 2008 BLI

In 2009, the City adopted a residential buildable lands inventory, dated March 2008, and included a summary table of the inventory in an amended Chapter 5 of the General Plan, Housing and Residential Lands (Record p. 1280).. The inventory and a map identifying the respective lands in the inventory were submitted to the Department of Land Conservation and Development (DLCD) to be reviewed alongside the other materials submitted in support of the proposed UGB expansion. This memorandum includes a copy of Table 5-4, the 2008 BLI, as it was presented in the 2009 version of Chapter 5 that was submitted to DLCD for acknowledgement (See Attachment 1).

One concern of LCDC in reviewing the 2008 BLI was that in categorizing residential acreage within the existing UGB, the categories used by the City did not match those referenced in state law. To address this concern, Staff is developing a revised BLI which will categorize the various types of buildable residential land in the UGB based on the statute and administrative rule. Recent guidance has been provided by DLCD staff regarding the definitions and application of buildable land types.

The record developed for the UGB expansion includes several documents in which the City defined the categories of land used in the 2008 BLI. These documents include a March 3, 2008 memorandum to the Bend Planning Commission and County Planning Commission liaisons (Record p 8408). The record also includes an October 17, 2008 memorandum (Record P. 2040) that described the methodology and results of the 2008 BLI, including summary tables with the meta-data for the BLI (Record p. 2042). The following definitions were used in 2008 for all lands with a residential General Plan designation (See Attachment 2).

- **Developed Lands.** This category of land represented land that was developed with existing dwelling units and that did not meet the redevelopment criteria described below. It also included residential land that was used for employment, schools, parks, rights of way, open space, institutional uses, or parking lots.
- **Constrained Lands.** This category represented land that was vacant, redevelopable, or developed and that could not be developed further because of lack of infrastructure or because of the presence of areas of special interest, location in a flood plain, or a steep slope on at least 50% of the property.
- **Vacant Acres.** This category of land represented raw, undeveloped land with no constraints.
- **Vacant Acres – Pending Land Use.** This category represented vacant land that was the subject of a land use application for the creation of new lots or parcels.

- **Vacant Acres – Platted Lots.** This category of land included tax lots that had been created through partition or subdivision plats, but were not developed and did not have a pending building permit for new housing units.
- **Redevelopable Acres.** This category of land met scenario B3 for redevelopment purposes. Scenario B3 assumed that lands likely to redevelop were those lots of a half-acre (0.5 acre) in size or larger, that also have land values that are greater than improvement values, that could accommodate twice the number of units on the lot than currently exist, and that do not have deed covenants, conditions, and restrictions (known as CC&Rs) that prohibit further subdivision or development.
- **Redevelopable Acres – Pending Land Use.** This category of land included land meeting Scenario B3 (See above) for redevelopment and for which the City had received a pending land use application for residential development.

LCDC's Decisions on the 2008 BLI

LCDC 2010 Order remanded the BLI back to the City for further work. The Commission's disposition of the BLI is discussed primarily under Subissue 2.2 at pages 18 to 26 of the Order. To summarize, the Commission concluded that:

- The City's findings did not adequately explain the basis for the City's determination of which lands were vacant and redevelopable, as those terms are used in ORS 197.296 and OAR 660 Divisions 8 and 24;
- The City did not examine the amount and types of development that have occurred on vacant and redevelopable land in the UGB since the City's last periodic review of the comprehensive plan, utilize that information to project future infill and redevelopment, and provide findings regarding how that projection was determined;
- The City's findings did not adequately justify the City's exclusion of lots and parcels subject to CC&Rs, and;
- The City's exclusion of City-defined constrained lands, City-defined areas of special interest, and vacant parcels smaller than 0.5 acre was not consistent with state law, and on remand, these lands must be included in the City's BLI.

On remand, the City must develop a new BLI, using the 2008 data, that identifies vacant land, partially vacant land, infill land, and redevelopable land by plan designation. Using this data, the City must also look at trends in the development of land to estimate the capacity of the UGB for additional housing. LCDC's order allows the City to use the same data that it used in the previous BLI.

City's Approach to Develop a Revised BLI

Long Range Planning Staff have coordinated with DLCD staff in Bend and Salem to develop a revised buildable lands inventory, based on the Commission's disposition of Subissue 2.2. To date, this work has involved taking the data in the 2008 BLI and re-classifying it into one of the following mutually exclusive categories:

- **Completely Vacant land.** Residentially planned or zoned land with no development³.
- **Partially vacant land.** Residentially planned or zoned land that is developed with fewer dwelling units than permitted in its zone, and on which additional units can be developed during the planning period. Partially vacant lots or parcels are not large enough to further divide consistent with current zoning standards.
- **Land that may be used for residential infill.** Residentially planned or zoned land with one or more dwelling units on a lot or parcel that can be divided further for additional residential development consistent with the zoning standards.
- **Redevelopable land.** Residentially planned or zoned land that is completely developed, but where there is a "strong likelihood," due to present or expected market forces, that existing units will be removed and the site will redevelop at a higher density during the 20-year planning period.
- **Developed land.** Residentially planned or zoned land that is completely developed, and there is not a strong likelihood of redevelopment during the planning period.

The Order points out a distinction between redevelopable lands and other types of buildable residential land. For redevelopable lands, unlike other categories of land in a BLI, the criteria for determining whether a lot or parcel should be in the BLI are discretionary and subjective, instead of clear and objective. A local government must show there is a strong likelihood of more intensive residential development occurring over the planning period due to present or expected market forces. The local government must do so in order to include additional future capacity from this category of land in determining the residential capacity of the existing UGB over the planning period (See Order Pages 20-21, 24 and OAR 660-008-0005(6)). Redevelopable lands are only categorized as such if there is a strong likelihood that existing development will be converted to more intensive residential development during the planning period.

³ See LCDC Order page 20 for discussion of vacant land and its subcategories completely vacant land and partially vacant land.

The City understands that this first cut at the revised BLI will identify those lands that are redevelopable, based on the definition at OAR 660-008-0005(6). The City will identify additional redevelopable lands after completing the remand work on additional efficiency measures, pursuant to Sub-issues 3.1 and 3.2 of the Remand Order (See Order Pages 48-56).

The City has also reevaluated the constrained lands that were identified as such under the 2008 BLI (See above). The definition of buildable land under OAR 660-0080-005(2) does not define constrained lands in the same manner. Under this definition, lands are considered buildable unless they fall into one of the categories listed under (2)(a) through (2)(e). These categories include, but are not limited, lands that are constrained by natural hazards under Goal 7 or subject to natural resource protection measures under Goals 5, 15, and 16 through 19. For this BLI, the City will evaluate whether only portions of property with slopes of 25% or greater or that are within the 100-year floodplain are considered constrained. The City is no longer considering the presence of areas of special interest or perceived infrastructure limitations as constraints for purposes of the BLI.

Finally, the City has begun analyzing the development capacity of the vacant, partially vacant, land that may be used for residential infill, and redevelopable lands in the UGB by examining the actual trends in redevelopment and infill of developed properties. Additional coordination with DLCD staff will be sought to ensure that the City's methodology for revising the BLI is consistent with state statutes and rules and with the intent of the Order.

Conclusion

For the next Remand Task Force meeting, likely in July, Staff will prepare a revised residential buildable lands inventory, consistent with requirements of the remand order and subsequent guidance provided by DLCD staff. That inventory will summarize the total, estimated amount of buildable residential land within the current UGB in each of the categories discussed above. The updated BLI will then serve as the basis for estimating total residential capacity of the current UGB for the 2008-2028 planning period.

Attachments

1. Table 5-4, 2008 BLI
2. Residential Plan Designations and Zones

/DPS

Table 5-4
Current Inventory of Land for Housing by Plan Designation (March 13, 2008)

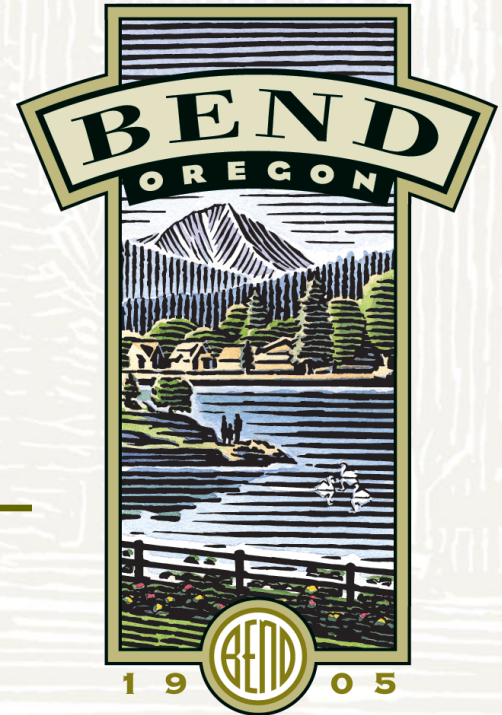
	RL	RS	RM	RH	TOTAL RESIDENTIAL
Total Acres	1,627	9,611	1,336	316	12,890
Total Lots	3,001	24,435	4,618	485	32,539
Developed and Constrained					
Developed Acres	1,436	7,086	920	112	9,554
Developed Lots	2,863	21,110	4,051	312	28,336
Constrained Acres	56	116	0	0	172
Constrained Lots	13	54	1	0	68
Total Developed and Constrained Acres	1,492	7,202	920	112	9,726
Total Developed and Constrained Lots	2,876	21,164	4,052	312	28,404
Vacant and Redevelopable					
Vacant Acres	24	476	130	10	641
Vacant Lots	31	261	149	20	461
Vacant Acres - Pending Land Use	1	513	37	10	561
Vacant Lots - Pending Land Use	1	50	18	6	75
Proposed New Lots/Units - Pending Land Use	1	2,021	217	132	2,371
Vacant Acres - Platted Lots	31	723	33	3	791
Vacant Lots - Platted Lots	64	2,530	265	23	2,882
Redevelopable Acres	54	502	78	1	635
Redevelopable Lots	26	381	48	2	457
Redevelopable-Pending Land Use Acres ⁵	24	195	62	0	281
Redevelopable-Pending Land Use Lots ⁵	3	41	21	0	65
Proposed New Lots/Units on Redevelopable-Pending Land Use Lots ⁵	42	979	655	0	1,676
Total Vacant and Redevelopable Acres	135	2,410	339	25	2,909
Total Vacant and Redevelopable Lots	125	3,263	501	51	3,940

Residential Plan Designations and Zones in Bend UGB

General Plan Designation	Implementing Zones
Urban Area Reserve	Urban Area Reserve (UAR-10) Suburban Residential (SR2.5)
Urban Standard Density	Residential Low Density (RL) Residential Standard Density (RS)
Urban Medium Density	Residential Medium Density (RM-10) Residential Medium Density (RM)
Urban High Density	Residential High Density (RH)

Buildable Lands Inventory

*June 2, 2011 Work Session
with Bend UGB Remand
Task Force*



*Damian Syrnyk,
Senior Planner*

*Long Range
Planning/CDD*

May 27, 2011

00078

Work Session Overview



- Definition of Buildable Lands
- Purpose for the BLI
- Legal framework for BLI
- Direction on revising BLI per LCDC remand
- Next steps to develop revised BLI

The BLI Defined



- An inventory of all buildable lands in the Bend UGB – a table and a map
- Includes land with a residential or mixed use plan designation
- Designates land as developed, vacant, or with potential for future development

Why inventory buildable land?



- Required by Goal 10, statute, and rule
- Need inventory to determine capacity of UGB for needed housing
- Need inventory to determine if UGB includes enough land in the right zones and locations
- Need capacity data to determine whether additional land is needed through re-zoning, UGB expansion, or both to provide enough land for needed housing

Goal 10, Housing



- **Goal 10:** To provide for the housing needs of citizens of the state
- “Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households, and allow for flexibility of housing location, type, and density.”
- **Buildable lands** – refers to lands in urban and urbanizable areas that are suitable, available, and necessary for residential use.

Buildable Lands – defined by rule



- See OAR 660-008-005(2) – applies to all cities
- Residentially designated land within the UGB, including both vacant and land likely to be redeveloped that is suitable, available, and necessary for residential uses. Publicly owned land is generally not considered available for residential uses.
- Land is generally considered suitable and available unless it:
 - Is severely constrained by natural hazards under Goal 7
 - Is subject to natural resource protection measures under Goals 5, 15, 16, 17, or 18
 - Has slopes of 25 percent or greater
 - Is within the 100-year flood plain
 - Cannot be provided with public facilities

Buildable lands – defined by statute



- See ORS 197.296(4)(a) - applies to cities with a population of 25,000 or more
- Requires local governments to inventory buildable lands for housing
- (4)(a) For the purpose of the inventory described in subsection (3)(a) of this section, “buildable lands” includes:
 - (A) Vacant lands planned or zoned for residential use;
 - (B) Partially vacant lands planned or zoned for residential use;
 - (C) Lands that may be used for a mix of residential and employment uses under the existing planning or zoning; and
 - (D) Lands that may be used for residential infill or redevelopment.

LCDC's direction on BLI



- Develop new BLI, using 2008 data
- Identify vacant, partially vacant, infill, and redevelopable lands. Explain in findings why lands were classified as such.
- Look at trends in the development of land from 1998 to 2008
- Use the BLI to estimate the capacity of the current UGB for additional housing.

Changes in BLI Categories



- 2008 BLI
 - Developed Land
 - Constrained Land
 - Vacant Land
 - Vacant Platted
 - Vacant w/Pending Land Use
 - Redevelopable
- 2008 BLI – Revised
 - Completely Vacant
 - Partially Vacant Land
 - Land that may Infill
 - Redevelopable Land
 - Developed Land

Next steps



- Staff working on a revised BLI with estimated release date of late July
- Ongoing communication with Bend and Salem DLCD staff
- Public comment today
- Questions?

Christe C. White
Attorney at Law
Development Services & Land Use Law

June 2, 2011

Damian Syrnyk, AICP
Senior Planner
Planning Division
City of Bend Community Development Department
710 Wall Street
Bend, OR 97709

Dear Mr. Syrnyk:

This office represents Newland Communities. Newland was a party to the City's and LCDC's proceedings under LCDC Order No. 001795 ("Commission Order") pertaining to the City's adoption of an expanded Urban Growth Boundary ("UGB") and is therefore a party to this remand proceeding before the Remand Task Force and eventually the City Council remand hearings.

We have reviewed the memorandum on the Buildable Lands Inventory ("BLI Memo") and offer the comments contained in this letter into the Remand Task Force hearing record on the BLI methodology. We have also provided a few comments on the school land needs analysis and the related conclusions of the Commission Order.

Newland concurs with the City's BLI Memo. We offer these comments as further clarification of a few of the issues discussed in the BLI methodology memo.

BLI

The Commission Order is the controlling precedent on how the City amends its BLI. The Commission Order is clear on what lands are included and excluded from the BLI. The Commission Order and the City's BLI Memo refer to ORS 197.295 for the definition of "buildable lands":

“Lands in urban and urbanizable areas that are *suitable, available and necessary* for residential uses. (Emphasis added). “Buildable lands” includes both vacant land and developed land likely to be redeveloped.

ORS 197.296 and the Commission Order further provide that for purposes of the BLI, the term “buildable lands” includes:

- (A) Vacant lands planned or zoned for residential use;
- (B) Partially vacant lands planned or zoned for residential use;
- (C) Lands that may be used for a mix of residential and employment uses under the existing planning or zoning; and
- (D) Lands that may be used for residential infill or redevelopment.

The Oregon Administrative Rule that implements this housing statute, OAR 660-008-0005 provides even further definition to the term “buildable land”:

“(2) “Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered “suitable and available” unless it:

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;
- (b) Is subject to natural resource protection measures determined under statewide Planning Goals 5, 15, 16, 17, or 18;
- (c) Has slopes of 25 percent or greater;
- (d) Is within the 100-year flood plain; or
- (e) Cannot be provided with public facilities.

OAR 660-008-0005(6) also explains what land in the City is “redevelopable”:

(6) “Redevelopable Land” means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period.

Put simply, land must be included in the BLI if it is: (1) planned or zoned for residential use or a mix of residential and employment uses and is vacant or partially vacant; or (2) is residentially zoned land that the City can prove is “redevelopable land” with a strong likelihood that existing uses will be converted to more intensive residential uses in the next 20 years.

Some of the reasons to exclude land from the BLI are expressly listed in factors (a) through (e) above and include land within the 100-year floodplain or land with natural resource protections.

Importantly here, the rules and statutes provide other reasons to exclude land from the BLI that may be more implied than expressed but are nevertheless highly relevant to the City of Bend’s BLI. For example, the City cannot include in its BLI residentially zoned land that might be redeveloped at a higher density unless the City also demonstrates a strong likelihood that more intensive development of the land will occur during the planning period due to present or expected market forces. This judgment, whether there is a strong likelihood that residentially zoned parcel will redevelop with more housing units in 20 years, will be based in large part on a factual analysis of past trends for similarly situated properties, the cost of infrastructure improvements to increase the density of those lands and the strength or weakness of the present or future market in Bend for those kind of developments. These determinations must be based in fact and they are determinations that the City has the authority to make in the UGB process. The Commission Order recognizes this general proposition when it addresses the City’s need to take another look at its efficiency measures.

“It is up to Bend to determine in the first instance what is reasonable to accommodate its future housing needs within its own UGB. It will make this determination in the context of prior trends, projected needs and adopted policies.” (Commission Order at pages 53-54).

Thus, while the definition of “redevelopable land” does not appear in the list of exclusion factors under (a) through (e), the Commission Order recognizes that land can and must be excluded if it fails to meet the definition of redevelopable land and this determination is the City’s to make in the first instance. The Commission emphasizes this conclusion on pages 22-23 of the Commission Order when it states “under the Commission’s rules ‘redevelopable’ lands are considered “buildable” only if there is a strong likelihood that they will be converted to a more intensive residential use during the planning period....” Otherwise, these lands must be excluded from the BLI.

Further, the City is not only required to create a BLI, it is also required to analyze the capacity of that BLI to accommodate projected housing needs. This is another area

where the City's judgment is critical to the needed housing analysis. Under ORS 197.296 (3), a local government shall:

- (a) Inventory the supply of buildable lands within the urban growth boundary and *determine the housing capacity of the buildable lands*;

The Commission Order found that there is not yet enough evidence in the record to determine how the City compiled its BLI by land category: vacant, partially vacant, constrained, redevelopable. As a result, the Commission could not determine the capacity of the incomplete BLI to meet the housing needs over the next 20 years. (Commission Order at page 25). The Commission directed the City to address prior zoning and density trends and demonstrate that it is "reasonably accommodating" future land needs within the existing UGB. These reasonable accommodations will be based on efficiency measures, prior trends and recent existing steps the City has already taken to increase density and meet its housing needs. (Commission Order at page 51-52). For example, when the City is evaluating mixed zones that permit both residential and employment uses, the City is permitted to evaluate the past trends of each mixed use zone or areas of the City to accommodate residential capacity. Some lands in the same zone may accommodate high density in discrete areas but there may be factual trends that demonstrate that the same zone in a different area may not accommodate more density.

Even in light of these needed revisions, the Commission Order unequivocally states:

"The Commission is *not* asking the City to amend its plan and zoning designations in established residential neighborhoods; the City has several areas of vacant and redevelopable residential lands where it could consider planning for multi-family housing." (Commission Order at page 53).

Excluding the vacant lands, the question for the City in the first instance is whether all, some or none of these lands qualify as redevelopable as that term is defined by statute. Will these lands have a strong likelihood of redevelopment with increased residential densities given present and expected market forces throughout the planning period? If so, how much residential capacity can be accommodate on these lands. That land that meets the test must be included in the BLI, the land that fails the test must be excluded.

The conclusion one can draw from the Commission's Order is that while the City must strictly adhere to the categories of land that must be included in the BLI, there are significant areas of discretion where the City must make factual and policy judgments on the ability of that land to accommodate projected residential capacity. This is particularly true when the City evaluates "redevelopable land" and the capacity of vacant and partially vacant land to "reasonably accommodate" additional density. In the end, the Commission Order concluded that "a significant expansion of the Bend UGB for future

residential growth is justified.” (Commission Order at page 53). The City’s new BLI analysis must simply track the Commission Order through the statutorily prescribed BLI steps and make a factual and legal record to support its discretionary determinations. If the City’s judgment is supported by the record, the Director and LCDC should accept it.

Newland believes that the City’s BLI Memo establishes a method that will meet the Commission’s direction and lead to a BLI that can be approved by LCDC.

School Lands

The Commission Order conclusively determined that the City had provided an adequate factual basis supporting the City’s determination of the overall amount of land needed for parks and schools. (Commission Order at page 60). No further findings or evidence was required by the Commission on this subject.

However, the Commission did direct the City to revise its findings in a few discrete areas:

1. The City’s findings need to be revised to clearly explain what evidence the City relied on for *types of projected school and parks needs*;
2. Revise findings to explain the *siting criteria* for schools and parks;
3. Explain how the City *coordinated* with the Bend-La Pine School District;
4. The City may, *but is not required to*, consider any facilities plan adopted by the school district subsequent to the City’s initial UGB decision.
5. Explain the extent to which the estimated need for future parks and schools *can reasonably be accommodated inside the UGB* accounting for how the needs analysis relates to lands already owned by the District outside of the UGB.

The Commission Order imposed no other remand requirements for school lands.

The City’s pre-remand findings refer to a Sites and Facilities Plan adopted by the School District in December of 2005. The Plan has not been incorporated into the City’s Comprehensive Plan but the City relied on the methodology of the Plan and coordinated with the District to reach its conclusions on school land need. Again, the Commission did not contest the overall amount of land needed for schools in the pre-remand findings. (Pre-Remand Findings at 1088-1089). Rather, our read of the Commission Order is that it will require the City on remand to further coordinate with the District on the types of projected schools, the siting criteria for those schools and an analysis of why those schools cannot reasonably be accommodated inside the UGB including how school location relates to lands already owned by the District outside the UGB.

In short, the City has justified the amount of land, now it must, according to the Commission Order, justify the siting criteria for the schools based on type of school and existing District ownership of land inside and outside of the UGB. If the 2005 District Plan contains this information, then it can expressly and clearly incorporated and analyzed in the record. If it does not, then it can be amended and incorporated or the District can provide an additional memorandum into the record addressing the five remaining areas of inquiry enumerated by the Commission Order and recited above. It will be important of course that the siting criteria and size and types of schools needed be consistent between the District methodology, the new findings on remand and the Bend Area General Plan.

In our view, the most conservative course under the Commission Order would be to revise the 2005 Facilities Plan to incorporate all of the evidence outlined in one through five above and then formally adopt the Facilities Plan as part of the Comprehensive Plan. To the extent this is not possible or desired by the District or the City, revised memorandums from the District addressing each of the evidence requirements seems necessary. These memorandums then should be consistent with the 2005 District Plan or where there are inconsistencies explain with an adequate factual why the distinction is justified.

Best regards,

A handwritten signature in black ink, appearing to read 'Christie C. White', with a stylized, cursive script.

Christe C. White

cc: Mary Ruby, Newland Communities
Val Shewell, Newland Communities
Liz Fancher, Attorney



AGENDA

UGB Remand Task Force

Thursday, July 28, 2011

3:00 p.m. – Bend City Hall – Council Chambers

710 NW WALL STREET
PO BOX 431
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JEFF EAGER
Mayor

JODIE BARRAM
Mayor Pro Tem

TOM GREENE
City Councilor

KATHIE ECKMAN
City Councilor

JIM CLINTON
City Councilor

MARK CAPELL
City Councilor

SCOTT RAMSAY
City Councilor

ERIC KING
City Manager

1. Call to Order
2. Approval of Minutes from June 2, 2011 (3:00 – 3:05)
3. Presentation: Draft Findings on Park/School Land Needs – Sub-Issue 4.2 (3:05 – 3:30)
 - a. Public Comment
 - b. Deliberation and Decision
4. Presentation and Discussion – Availability of Future Park / School Sites, Sub-Issue 4.3 (3:30 – 3:45)
 - a. Public Comment
5. Presentation: Draft Findings on Vacancy Factor for Employment Lands – Sub-Issue 5.6 (3:45-4:30)
 - a. Public Comment
 - b. Deliberation and Decision
6. Presentation and Discussion – Housing Needs Analysis, Sub-Issue 2.3 – Part 1 (4:30 – 4:45)
 - a. Public Comment
7. Update on Public Facilities Plans (4:45 – 4:50)
8. Prep for Next RTF Meeting (4:50 – 5:00)
9. Adjourn

1. Convene Meeting

The Remand Task Force Meeting was called to order at 3:05 PM on Thursday, June 2, 2011 in the Council Chambers at Bend City Hall. Present were RTF members Tom Greene, Jim Clinton, Kevin Keillor, Jodie Barram and Cliff Walkey.

Staff present were Brian Shetterly, Mary Winters, Brian Rankin, Tom Hickmann, Wendy Robinson and Damian Syrnyk.

2. Announcement on Agenda

Brian Shetterly said that Items 3 and 4 on today's agenda have been withdrawn, and will be taken up at the next RTF meeting. These items concerned remand sub-issues 4.2 and 4.3, relating to estimates of needed land for public parks and schools. City staff understood DLCD was in agreement with the City's approach to these sub-issues, but DLCD has requested more time to review and discuss. As a result, the primary topic on today's agenda is an introduction to the Buildable Lands Inventory (BLI)

During today's meeting we will discuss the BLI in general terms and at a subsequent meeting, bring a draft update of the BLI. The preparation of a BLI is a critical step in this process and it is a complex effort. Today's meeting is part one and will discuss some background and information. At the next meeting, we hope to have the updated BLI itself.

3. Approval of Minutes

Minutes from April 28, 2011 were approved unanimously.

4. Presentation and Discussion on BLI – Sub-issue 2.2

Damian Syrnyk mentioned that the purpose of the overview is to explain how the inventory process works. He discussed the definition of buildable lands, the purpose for the BLI, the legal framework for the BLI, the direction on revising the BLI per the LCDC remand and the next steps to develop a revised BLI. The basic purpose of the BLI is to tally up how much land is available for new housing inside the current UGB.

Damian went on to discuss the definition of BLI which includes land with residential or mixed-use plan designations and designates land as developed, vacant or with potential for future development.

The legal framework is Goal 10, Housing. The goal states that buildable lands for residential use shall be inventoried, etc. It is defined by rule OAR 660-008-005(2) and applies to all cities. Publicly owned land is usually considered not available, even if it's zoned for residential uses. Constrained land is also excluded if it has one of a few different criteria such as slopes of 25 percent or greater, is within the 100-year flood plain, is severely constrained by natural hazards under Goal 7, or cannot be provided with public facilities. Further, buildable lands are defined by statute 197.296(4)(a) and applies to cities with a population of 25,000 or more.

The LCDC gave us detailed direction for revising the BLI, and said we could use the 2008 data. We need to identify vacant, partially vacant, infill and redevelopable lands; look at trends in the development of land from 1999 to 2008; and use the BLI to estimate the capacity of the current UGB for additional housing.

The next steps are to classify residential land into specific categories and prepare preliminary estimates of housing capacity for the 2008-2028 planning period. We hope to have this completed by late July and will continue to review our work with ongoing communication with the Bend and Salem DLCD staff so that we're all on the same page.

Jodie Barram asked about Table 5.4, summarizing data from the 2008 BLI. Do we see those acreage figures just moving into the required categories and making a neater package, or do we see actual acreage figures dropping? It wasn't clear where it's headed.

Damian explained that developed lands will probably be pretty much the same, although some land that was considered fully developed might now be considered as partially vacant, or infillable. Constrained land estimated in 2008 will look different because only an actual slope or floodplain area will be considered unbuildable. The previous BLI considered some entire parcels to be constrained even if only a portion of the parcel was affected by steep slope or floodplain. Further, redevelopable lands will look different because in the 2008 BLI, the criteria for redevelopable lands were less restricted. However, the revised BLI will be based on 2008 data, and will not reflect changes in land categories since that time.

Kevin Keillor asked if the total acreage shown in Table 5.4 will change. Damian said the acreage figures in that table will be shifted into different categories, but that the overall total should be the same. Constrained land will be considered not buildable only if it's on an actual slope or a flood plain. We expect the bottom line number to change a little bit also as we reconsider unavailable public lands. Any differences from the 2008 BLI will have to be carefully explained in findings.

Public Comment: Christe White 1308 NW Everett, Portland OR 97232

Christe represents Newlands Communities. The BLI inventory is an important first step so they wanted to show up and say we've read the commission order and we concur with it, just so you get a sense that parties are still paying attention. She submitted a letter and offered a couple of comments:

As Damian stated, there are 2 big steps. First, what are the BLI categories, what land fits within those categories, and then what is the capacity?

Newland has reviewed the City's BLI analysis and think it tracks what the remand asked for. Newland sees the City's BLI as establishing a BLI that is consistent with the LCDC's recommendation.

Brian Shetterly mentioned that we are as careful as possible in allocating acreage but the definition of most of these categories are less than crystal-clear, as Christe pointed out. We are relying on DLCD staff and their interpretations, but we can't just look these up in a dictionary. There will be further discussion about how to define the categories and allocate acreages to them.

Jodie mentioned that the letter Christe presented had parks information in it and will be discussed next time. Cliff further mentioned that there will be ample opportunity to comment at a later date.

Public Comment: Toby Bayard, 20555 Bowery Lane, Bend, OR 97701

She would like to bring to attention that there was a newspaper article today regarding a state panel on global warming and the article recommends that Oregon's six largest cities curb growth. It recommends that cities keep the footprint small and they recommend cities grow vertically and expand transportation options. She asked that this article be entered into the record.

5. Update on Public Facilities Plans

Damian discussed that the engineering documents for water and sewer for the current UGB were completed. We are preparing a 45- day notice to DLCD that includes the draft PFP planning amendments and schedules the first public hearing before the Bend Planning Commission. That scheduled hearing date is August 22, 2011. The remand order allows us to adopt the sewer and water PFPs separate from the UGB Plan. We hope to get these draft PFP amendments out in the next two weeks and once we do, we'll have the notice and the draft facilities plan documents on which they're based available for review.

Tom Green mentioned that the Council recently annexed 26-acres for the Forest Service and asked if that will affect us in any way.

Damian responded that the PFP is for the City's water and sewer systems, and will not address individual public buildings such as Forest Service, etc. It will include elements for storage, distribution, fire flow, etc. As part of our PFP, we'll draw on Avion and Roats water systems so we know who is providing water to all areas within the UGB. Sewer will focus more on the collection system because LCDC already acknowledged the plan for future expansion of the wastewater treatment plant.

Tom Hickmann discussed the Forest Service annexation and mentioned that they are very close to where the large sewer pipes are and that they do take up some additional capacity in some lines that are approaching full capacity. In terms of the sewer collection plan, his biggest concern is that there is some very significant investment needed to service the lands identified on the BLI. The City will have to look at how we'll fund the projects.

Brian Shetterly mentioned that adoption of the water and sewer PFP is not required specifically by the UGB remand, but in practical terms, it's necessary as these systems will be extended into any UGB expansion area. So, it's a necessary first step.

8. Preparation for Next RT Meeting

Brian Shetterly remarked that we would like to schedule the next meeting around the updated BLI. We hope to have that in July and be able to talk to the DLCD about it. Let's look at a late July meeting date. In addition to the BLI, we'd like to go back to the park and school land findings that we'll be working on with the DLCD.

Tom Greene asked if we are staying on track with our flowchart.

Brian Shetterly discussed the flowchart and the updates and mentioned that we need the PFP's in order to do the expansion. Because these are only now being completed, and some remaining tasks are dependent on them, it pushes the estimated remand completion date to early fall of 2012.

9. Adjourn

Motion to adjourn by Cliff Walkey and seconded by Tom Greene. The meeting was adjourned at 4:10 p.m.

UPDATE NO. 15
UGB Remand Timeline
July 28, 2011



M E M O R A N D U M

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TO: **BEND UGB REMAND TASK FORCE**
FROM: **DAMIAN SYRNYK, SENIOR PLANNER**
SUBJECT: **WORK SESSION ON HOUSING NEEDS ANALYSIS**
DATE: **JULY 22, 2011**

Introduction

This memorandum describes a housing needs analysis (HNA), and its relationship to determining the amount of land needed for meeting Bend's housing needs over the planning period. The purpose of conducting the HNA is to analyze the housing needs by type and by density to determine the amount of land needed in the urban growth boundary (UGB) for each housing type for the next 20 years. State law requires cities with a population of 25,000 or more to complete an HNA during periodic review or any legislative amendment that concerns the UGB and buildable lands for residential use. The City previously prepared two housing needs analyses that were submitted to the Oregon Department of Land Conservation and Development in 2009 with the UGB expansion proposal. One HNA was completed in 2005 to fulfill a DLCD-grant award. This HNA was updated in 2008 to reflect the work completed on the UGB expansion, and was incorporated in the 2008 version of Chapter 5, Housing and Residential Lands, of the General Plan.

In its November 2010 order remanding the UGB expansion to the City, LCDC concluded that the 2008 Housing Needs Analysis did not meet state law in several respects. These are outlined in sub-issues 2.3 and 2.4 of the Remand Order, found at pages 26 through 36. Long Range Planning Staff are working to revise and update the 2008 HNA to comply with the Remand Order. The revised HNA will include a new housing mix that will affect the estimated capacity of the UGB for additional housing and thereby the amount of land needed for the UGB expansion.

Purpose

On July 28, 2011, Staff will conduct a work session with the Remand Task Force on the HNA. This work session will introduce the topic by reviewing:

- the statutory and administrative rule requirements for developing an HNA;
- the required steps to follow in completing an HNA;
- the City's 2008 HNA and LCDC's decisions on this HNA, and;
- the City's proposed approach to address the Remand Order.

Housing Needs Analysis

As mentioned above, the purpose of conducting the NHA is to analyze the housing needs by type and by density to determine the amount of land needed in the UGB for each housing type for the next 20 years. A number of statutes and rules direct and provide sideboards for the completion of an HNA. ORS 197.296 provides direction on information that must be included in an HNA. ORS 197.303 further defines the types of housing that must be considered in such an analysis. Finally, Goal 10 and its implementing rule at OAR Chapter 660 Division 8 provide a definition of a "housing needs projection" that is often used synonymously with housing needs analysis.

ORS 197.296 applies to any local government with a population of 25,000 or more in its UGB. This statute requires such local governments to inventory buildable lands for housing. This statute also requires a local government to conduct an analysis of housing needs by type and density range, in accordance with ORS 197.303 and the statewide planning goals and rules relating to housing. ORS 197.296 (2), (3), (5), and (7) - (9) further provide that:

(2) At periodic review pursuant to ORS 197.628 to 197.650 or at any other legislative review of the comprehensive plan or regional plan that concerns the urban growth boundary and requires the application of a statewide planning goal relating to buildable lands for residential use, a local government shall demonstrate that its comprehensive plan or regional plan provides sufficient buildable lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years. The 20-year period shall commence on the date initially scheduled for completion of the periodic or legislative review.

(3) In performing the duties under subsection (2) of this section, a local government shall:

(a) Inventory the supply of buildable lands within the urban growth boundary and determine the housing capacity of the buildable lands; and

(b) Conduct an analysis of housing need by type and density range, in accordance with ORS 197.303 and statewide planning goals and rules relating to housing, to determine the number of units and amount of land needed for each needed housing type for the next 20 years.

(5)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity and need pursuant to subsection (3) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater. The data shall include:

(A) The number, density and average mix of housing types of urban residential development that have actually occurred;

(B) Trends in density and average mix of housing types of urban residential development;

(C) Demographic and population trends;

(D) Economic trends and cycles; and

(E) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

(b) A local government shall make the determination described in paragraph (a) of this subsection using a shorter time period than the time period described in paragraph (a) of this subsection if the local government finds that the shorter time period will provide more accurate and reliable data related to housing capacity and need. The shorter time period may not be less than three years.

(c) A local government shall use data from a wider geographic area or use a time period for economic cycles and trends longer than the time period described in paragraph (a) of this subsection if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to paragraph (a) of this subsection. The local government must clearly describe the geographic area, time frame and source of data used in a determination performed under this paragraph.

(7) Using the analysis conducted under subsection (3)(b) of this section, the local government shall determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years. If that density is greater than the actual density of development determined under subsection (5)(a)(A) of this section, or if that mix is different from the actual mix of housing types determined under subsection (5)(a)(A) of this section, the local government, as part of its periodic review, shall adopt measures that demonstrably increase the likelihood that residential development will occur at the housing types and density and at the mix of housing types required to meet housing needs over the next 20 years.

(8)(a) A local government outside a metropolitan service district that takes any actions under subsection (6) or (7) of this section shall demonstrate that the comprehensive plan and land use regulations comply with goals and rules adopted by the commission and implement ORS 197.295 to 197.314.

(b) The local government shall determine the density and mix of housing types anticipated as a result of actions taken under subsections (6) and (7) of this section and monitor and record the actual density and mix of housing types achieved. The local government shall compare actual and anticipated density and mix. The local government shall submit its comparison to the commission at

the next periodic review or at the next legislative review of its urban growth boundary, whichever comes first.

(9) In establishing that actions and measures adopted under subsections (6) or (7) of this section demonstrably increase the likelihood of higher density residential development, the local government shall at a minimum ensure that land zoned for needed housing is in locations appropriate for the housing types identified under subsection (3) of this section and is zoned at density ranges that are likely to be achieved by the housing market using the analysis in subsection (3) of this section.

ORS 197.303 provides further direction on what types of housing to consider in an HNA.

(1) As used in ORS 197.307, until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" also means:

(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;

(b) Government assisted housing;

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

ORS 197.307 further requires the following, in particular (3)(a);

(1) The availability of affordable, decent, safe and sanitary housing opportunities for persons of lower, middle and fixed income, including housing for farmworkers, is a matter of statewide concern.

(2) Many persons of lower, middle and fixed income depend on government assisted housing as a source of affordable, decent, safe and sanitary housing.

(3)(a) When a need has been shown for housing within an urban growth boundary at particular price ranges and rent levels, needed housing, including housing for farmworkers, shall be permitted in one or more zoning districts or in zones described by some comprehensive plans as overlay zones with sufficient buildable land to satisfy that need.

Statewide Planning Goal 10, Housing, provides that:

"Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."

* * *

"Needed Housing Units – means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing units" also includes government-assisted housing. For cities having populations larger than 2,500 people and counties having populations larger than 15,000 people, 'needed housing units' also includes (but is not limited to) attached and detached single-family housing, multiple-family housing, and manufactured homes, whether occupied by owners or renters."

Finally, **OAR 660 Division 8**, the rule interpreting Goal 10, provides the following definition of housing needs projection:

(4) "Housing Needs Projection" refers to a local determination, justified in the plan, of the mix of housing types and densities that will be:

(a) Commensurate with the financial capabilities of present and future area residents of all income levels during the planning period;

(b) Consistent with any adopted regional housing standards, state statutes and Land Conservation and Development Commission administrative rules; and

(c) Consistent with Goal 14 requirements.

These laws and regulations describe what must be considered and included in a housing needs analysis. In 1997, DLCD published a guidebook, "Planning for Residential Growth," that outlined what steps to perform to complete a housing needs analysis that satisfies state law¹. These six steps include:

Step 1 – Project the number of new housing units needed in the next 20 years.

Step 2 – Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year project of structure type mix.

Step 3 – Describe the demographic characteristics of the population, and, if possible, household trends that related to demand for different types of housing.

Step 4 – Determine the types of housing that are likely to be affordable to the projected households based on household income

¹ See pages 25 through 33, Planning for Residential Growth: A Workbook for Oregon's Urban Areas. Transportation and Growth Management Program, Lane Council of Governments, and ECO-Northwest (1997). Available online at: http://www.oregon.gov/LCD/docs/publications/planning_for_residential_growth.pdf.

Step 5 – Estimate the number of additional needed units by structure type.

Step 6 – Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

To summarize, the City is required to consider its needs for future housing based on type and density over a 20-year planning period. This analysis of housing must examine current and future demographic and economic trends that will influence the types of housing produced and purchased or rented. In addition, this analysis must consider the types of housing needed at price ranges and rent levels. One of the final steps in this process is an estimate of the number of additional units that will be needed by structure type. Once the City has done this, the City must show that adequate land has been or will be planned and zoned within the existing UGB and in the expansion area to demonstrate that the General Plan satisfies Goal 10.

City's 2008 HNA

In 2009, the City adopted an HNA (dated 2008) that was incorporated in Chapter 5 of the Bend Area General Plan, Housing and Residential Lands (Record p. 1720)². The HNA itself begins at Record page 1728. This work built on two previous analyses: a 2005 Housing Needs Analysis (Record p. 2046) and a 2007 Residential Land Need Analysis (Record. p. 2137).

The 2008 HNA included the following key elements:

- a housing unit projection of 16,681 needed housing units to house the forecasted population growth of 38,512 people between 2008 and 2028;
- an analysis of demographic and economic trends influencing the demand for and the supply of housing between 1999 and 2007;
- an identification of housing needs for special needs, very low, low, and moderate income households based on definitions of area median income in 2008 by the Department of Housing and Urban Development (HUD);
- a projected housing mix of 65% detached units and 35% attached units over the planning period. Detached units included single family detached units and manufactured homes sited on individual lots. Attached units included single family attached units, duplexes, triplexes, fourplexes, buildings with five or more dwelling units, and manufactured homes in parks, and;
- a proposed mix of RS, RM, and RH zoning in the UGB expansion area, along with additional measures inside the current UGB, to provide an adequate supply of land for all needed housing types during the planning period.

² See Pages 5-6 through 5-31 of Chapter 5, Housing and Residential Lands, of the General Plan for the 2008 Housing Needs Analysis submitted to DLCD in 2009.

The projected housing mix of 65%/35% differed from the existing 2008 mix of 77%/23%, representing a choice to encourage the development of more attached housing by 52%. This decision was also reflected in the estimates of land needed in the RM and RH plan designations that allow these types of housing.

LCDC's Decisions on the 2008 HNA

The November 2010 order from LCDC remanded the City's HNA for further work. The Commission's disposition of the HNA is discussed under Sub-issues 2.3 and 2.4 at pages 26 through 36. To summarize, the Commission concluded that:

- the City had carried out much of the analysis required by the commission's rules and the needed housing statutes;
- the City is not required to analyze housing needs by tenure (owner-occupied vs. renter-occupied) because the City does not regulate housing by tenure;
- the City must consider and evaluate housing needs for at least three types of housing: single family detached, single family attached, and multi-family. This conclusion was based on ORS 197.303(1)(a). The City may separate these three basic types of housing into subcategories for further analysis, but cannot collapse categories;
- the City must revise its analysis, findings, and Chapter 5 of the General Plan consistent with the Commission's disposition of sub-issue 2.3, including the consideration of past and future trends that may affect the needed density and mix of housing, and;
- the City must revise its analysis and findings consistent with the analysis under sub-issue 2.4 and plan lands within the existing UGB and any expansion area so that there are sufficient buildable lands in each plan district to meet the city's anticipated needs for particular needed housing types. This may result in an alteration to the previous housing mix of 65% detached and 35% attached.

The 2008 HNA included a housing unit forecast of 16,681 needed units between 2008 and 2028. The Director found that this forecast complied with applicable state law in the January 2010 Director's Report and Order³. The Commission did not come to a different conclusion; therefore the revised HNA will continue to forecast an overall housing need of 16,681 new housing units during the 2008-2028 planning period. As with the previous buildable land inventory, we expect that the majority of those needed housing units will be built within the existing UGB.

³ See page 31 of 156 from Director's Report and Order 001775, January 8, 2010.

City's Approach to Develop a Revised HNA

Long Range Planning staff have coordinated and will be coordinating with DLCD Staff in Bend and Salem to develop a revised HNA, based on the Commission's disposition of sub-issues 2.3 and 2.4. To date, the work to develop a revised HNA has included the following:

- Updating the demographic and economic trend data to ensure consistency in the period of 1999 to 2007.
- Revising the data on housing mix so that at least four (4) types of housing are considered in the HNA: single family detached, single family attached, multi-family attached, and manufactured homes, and;
- Re-examining the trend data on housing density and mix between 1999 and 2007.

The housing needs analysis will be further informed by the City's recent work on a revised buildable lands inventory. To plan for an adequate supply of needed housing of different types and densities, Staff will need to consider the existing land supply in the current UGB, and to what extent that need can be accommodated in the current UGB. The HNA will also inform future work on efficiency measures to determine to what extent the city can also provide additional capacity for needed housing through measures. Such measures must demonstrably increase the likelihood that residential development will occur at the housing types and density and at the mix of housing types required to meet housing needs over the next 20 years (See ORS 197.296(7)).

Conclusion

This memorandum provides important background material on the housing needs analysis. For the next RTF meeting, Staff will prepare draft products that address Steps 1 through 3 of the housing needs analysis process (See page 5) Staff will consolidate the data from the 2005, 2007, and 2008 housing needs analyses into one document for the RTF and the public to review. At a subsequent RTF meeting, Staff will prepare draft products that address Steps 4 through 6 of the process and present a preliminary HNA.

/DPS

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TO: **REMAND TASK FORCE (RTF)**
FROM: **BRIAN RANKIN, SENIOR PLANNER; LRP; LEGAL DEPARTMENT**
SUBJECT: **DISCUSSION AND RECOMMENDATION OF REMAND TASK 4.2:
PARK AND SCHOOL LAND NEEDS**
DATE: **7/22/2011**

Introduction

This memo responds to Sub-issue 4.2 of the City of Bend Remand and Partial Acknowledgment 10-Remand-Partial Acknow-001795 (hereafter referred to as Remand and Sub-issue). This Sub-issue is found on pages 59-61 of the Remand order.

This memo includes a discussion of the sub-issue and a staff recommendation. Attached to this memo is a separate document with proposed findings for Sub-issue 4.2 and Pre-remand Record references used in the findings. The findings provide the applicable legal standard, substantial evidence, and an explanation of compliance with the legal standard.¹ The contents of this memo and the attached findings have been reviewed by DLCD staff. Based on discussions with DLCD staff, the City believes that adopting the draft materials contained in the findings will be supported by DLCD staff as satisfactorily addressing the concerns expressed under the sub-issue. The memoranda and findings pertaining to Sub-issues 4.2 and 4.3 have also been reviewed and approved by the staff and legal counsel representing Bend-La Pine Schools and Bend Metro Parks and Recreation District.

Remand Sub-issue 4.2

*"Whether the submittal includes adequate findings to support the amount of land identified as needed for parks and schools"*²

Conclusion:

"The Commission remands the decision to the City to adopt revised findings explaining what evidence it relied on in determining the amount of land needed for parks and schools, and how that evidence relates to the districts

¹ Oregon Land Conservation and Development Commission, Remand and-Partial Acknowledgement Order 10-Remand-Partial Acnow-001795, November 2, 2011, p.14.

² Ibid, p. 59.

plans and analyses. The City may, but is not required to, consider any school district plan adopted under ORS 195.110.”³

Discussion of Conclusion

The Sub-issue states the need for the City to “adopt revised findings explaining what evidence it relied on in determining the amount of land needed for parks and schools and how that evidence relates to the districts plans and analyses.”⁴ The Sub-issue does not require a new or modified factual basis or evidence, but does require new findings based on evidence already in the Pre-remand Record. The City’s new findings should also explain the relationship between the factual information relied upon and the districts’ plans and analyses in the Pre-remand Record.

Discussion and Staff’s Recommendation

The City has worked cooperatively with Bend Metro Park and Recreation District and Bend-La Pine Schools to proactively plan for and construct new park and school facilities for decades. This cooperation is formally demonstrated by policies in the City’s General Plan which recognize the park and school districts’ plans for new facilities as well informally by all three entities participating in ongoing planning and construction projects. The City of Bend and Bend Metro Park and Recreation District have entered into an Urban Services Provider Agreement (IGA) pursuant to ORS 190.003 to share pertinent information, collaborate in planning, land acquisition, development, and maintenance of parks, open space, trails, and related facilities.

These partnerships were also manifested in the City’s original UGB proposal. Representatives from the park and school districts formally participated on the City’s Technical Advisory Committees leading up to the last UGB expansion proposal. During the TAC process and public hearings, the districts provided the City with formal comments regarding their land needs that were incorporated into the City’s UGB expansion proposal. Based on the districts’ testimony, the City proposed to add 474 net acres for new park lands for Bend Metro Park and Recreation District and 192 net acres for new schools operated by Bend-La Pine Schools.

LCDC had questions regarding the City’s factual basis for the land need estimates, some objectors questioned if the park and school land was needed at all, and both LCDC and objectors questioned if some or all of the land need could be met on land already owned by the districts. During hearings before LCDC, the Commission agreed the factual basis was adequate to justify the “overall amount” of land needed for parks and schools, but nonetheless established two sub-issues in the remand related to park and school land need: 1) Sub-issue 4.2 requiring additional findings explaining the land need for the districts, and 2) Sub-issue 4.3 requiring the City to demonstrate the extent the need could be met by lands owned by the districts located inside and outside of the current UGB. Sub-

³ Oregon Land Conservation and Development Commission, Remand and-Partial Acknowledgement Order 10-Remand-Partial Acnow-001795, November 2, 2011, p. 61.

⁴ Ibid, p. 61.

issue 4.3 will be addressed in a separate memorandum and findings that explain how the land needs determined in Sub-issue 4.2 are met inside and outside the current UGB.

The options available to the Remand Task Force on this sub-issue include the following:

1. Use the existing factual basis and land need estimates for park and school land needs “as is,” add no new factual evidence to the record, and revise the findings to clarify how the City arrived at the estimate. In the case of park land need, the evidence presents two land need estimates: one for 362 acres based on Bend Metro Park and Recreation District’s Level of Service Standards; another estimate of 474 acres based on the previous UGB expansion proposal. See Pre-remand Record 2724-2727 for the evidence related to park land need. The RTF could recommend using either estimate, but staff is recommending the 362-acre need estimate for reasons discussed below and in the proposed findings.
2. Use some other land need estimates and analysis resulting in a possibly larger or smaller estimate based on a combination of existing information in the Pre-remand Record and new information.

The evidence and factual basis relied upon resulting in the land need estimates has not been challenged and is not the subject of the sub-issue. At issue are the findings explaining the need estimate and the relationship between the need estimate and the districts’ plans. In the case of parks, since two different land need estimates exist in the Pre-remand Record, the City must explain why one need estimate is more reliable than the other. If new evidence is entered into the record on this subject, then it may be the subject of a future appeal.

Staff recommends using the 362-acre need estimate rather than the higher 474-acre park land need estimate. The 474-acre estimate is based on the previous UGB expansion proposal. It therefore may not accurately represent the need for Community and Neighborhood Parks and trails associated with any new UGB expansion. Given the location dependent nature of the 474-acre land need estimate for parks, the lower 362-acre land need estimate based on population increases during the 20-year planning period and Level of Service standards is more practical at this stage and is what staff is recommending the City rely upon for the current UGB expansion proposal.

The conclusion also references “any school district plan adopted under ORS 195.110”.⁵ The *2005 Sites and Facilities Plan*, which is the evidentiary basis for Bend-La Pine Schools’ land need estimate, was not a plan adopted under ORS 195.110. This Statute essentially specifies required elements in a new school facility plan, nearly all of which are addressed by the *2005 Sites and Facilities Plan*. However, since the *2005 Sites and Facilities Plan* was not adopted under ORS 195.110 as such, it is not possible to go back in time to revise and re-adopt the *2005 Sites and Facilities Plan* per these requirements. Even if it were possible, using a new plan would represent new evidence. Bend-La Pine Schools has since completed a new sites and facilities study per ORS 195.110 in

⁵ Ibid, p. 61.

2010, but has not been formally adopted by the Bend La-Pine Schools Board of Directors. However, in both cases, since new evidence is not required in this remand sub-issue and would require re-opening the record, also introducing the threat of new appeals, the City recommends not electing to “consider any school district plan adopted under ORS 195.110.”⁶

Conclusion

Staff recommends option 1, above; using an estimate of 192 acres for public schools, and using the 362-acre park land need estimate. This option does not require additional evidence. LCDC has already concluded the existing factual basis supports this option, and the factual basis would therefore not be the subject of further appeals. Any option that requires adding new information to the record presents risks that may outweigh their benefits. This recommendation is also supported by Bend-La Pine Schools and the Bend Metro Park and Recreation District. The attached findings further explain the reasons why the factual basis for the land need estimates are reasonable, related to the districts’ planning documents, demonstrate coordination between the City and districts, and is likely to be acceptable to LCDC.

⁶ Ibid, p. 61.

Remand Sub-issue 4.2 - Conclusion

“The Commission remands the decision to the City to adopt revised findings explaining what evidence it relied on in determining the amount of land needed for parks and schools, and how that evidence relates to the district’s plans and analyses. The City may, but is not required to, consider any school district plan adopted under ORS 195.110.”¹

Applicable Legal Standard

“The Commission concluded above that submittals under ORS 197.626 must be supported by substantial evidence and adequate findings that explain the City’s reasoning connecting the evidence in the record with the legal standard(s). OAR 660-024-0040(1) requires the UGB to include land for needed urban uses, including parks and schools. ORS 195.110 requires large school districts to prepare and adopt a school facility plan in consultation with affected cities and counties. ORS 197.296(6)(a) requires a city to include sufficient lands for new public school facilities the need for which is derived from a coordinated process between the affected public school district and the city and county that adopt the UGB.”²

City’s Position

Remand Sub-issue 4.2 requires additional findings explaining the evidence it used to determine the amount of land needed for parks and schools and how the evidence relates to the districts’ plans and analyses. The City is not changing the evidentiary basis for the school and park land need analysis and is not considering subsequent facility planning done by the school and park districts after December 22, 2008 because this represents new information that was not available when the City adopted the UGB expansion. The City is relying on evidence that was provided by Bend-La Pine Schools specifically for the purpose of predicting public school land needs as part of the City’s UGB expansion proposal. Therefore, the City’s new findings simply explain the evidence relied upon by the City, and how the evidence is related to school and park plans that existed as of December 22, 2008.

As explained in detail by the findings, the amount of land needed for K-12 schools in the 20 year planning period is 192 acres and the amount of land needed for parks in the planning period is 362 acres. The acreage for parks has been reduced from the 474 acres used in the City’s original decision, based on a land need analysis tied to population growth explained in the new findings included in this report. The acreage for schools remains the same as the City’s original decision because the same evidentiary basis is being used.

¹ Oregon Land Conservation and Development Commission, Remand and-Partial Acknowledgement Order 10-Remand-Partial Acknow-001795, November 2, 2011, p. 61.

² Ibid, p. 59.

FINDINGS FOR REMAND SUB-ISSUE 4.2

Findings

1. The conclusion of Remand Sub-issue 4.2 does not require any new evidence be added to the record.
2. OAR 660-024-0040(1) describes three broad types of land uses:
 - a. Housing
 - b. Employment
 - c. Other urban uses such as public facilities, streets and roads, school, parks, and open space
3. The City's residential land need analysis determines the amount of land needed for housing. (Add record cite once final.)
4. The City's employment land need analysis (Employment Opportunities Analysis or EOA) and related findings determine how much land is needed for employment uses. The EOA and related findings do not consider land needs for public parks and schools. (Note: the City will add the proper record cite once these findings are compiled in a final form.)
5. The City's "Other (non-employment) Land" analysis does not include public schools or public parks owned by Bend Metro Park and Recreation District. (Note: the City will add the proper record cite once these findings are compiled in a final form.)
6. A land need analysis was prepared by Bend-La Pine Schools and relied upon by the City to determine the public school land need between years 2008-2028 and does not include private schools. Pre-remand Record 10560.
7. A land need analysis by the Bend Metro Park and Recreation District computed net land needs for their park facilities based on the City's forecasted population increase between 2008 and 2028 of 38,512 people and the Park District's Comprehensive Plan Target Levels of Service. Pre-remand Record 2724.
8. An estimate of public and private rights-of-way for roadways did not include any of the lands included for public parks and public schools. Pre-remand Record 2168-2178.
9. These forgoing findings demonstrate the land need estimates for Bend-La Pine Schools and Bend Metro Park and Recreation District do not involve double counting with other components of the City's land need analyses.

Consistency between City and School District Plans Demonstrating Compliance with ORS 197.296(6)(a)

10. Pre-remand Record page 10560 contains a letter from Bend-La Pine Public Schools illustrating the methodology used to determine public school land needs. The City relied on this methodology to estimate the 20-year land needs for Bend-La Pine Schools. The estimate developed by Bend-La Pine School District and relied on by the City is based on selected data contained in the Bend-La Pine Schools *2005 Sites and Facilities Plan*, but does not exactly duplicate the land need analysis of the *2005 Sites and Facilities Plan*. The following reasons describe why the City and Bend-La Pine School District are relying upon the methodology and estimates included in Pre-remand Record page 10560 rather than simply adopting and using the *2005 Sites and Facilities Plan*:

- a. The *2005 Sites and Facilities Plan* has not been adopted in its entirety into the evidentiary Pre-remand Record, but the evidence in Pre-remand Record 10560 relied upon to determine the 20-year need for school land is part of the Pre-remand Record. Since additional evidence is not required in this remand sub-issue and the City is not adding the *2005 Sites and Facilities Plan* to the record, the information in Pre-remand Record 10560 is the best available information in the Pre-remand Record to determine the 20-year land need for school between the years 2008-2028. The remand order does not require new evidence, rather, it requires the City explain the relationship between the *2005 Sites and Facilities Plan* and evidence in Pre-remand Record 10560. The City also finds that no evidence was submitted into the Pre-remand Record that undermined the credibility of this data.
- b. The *2005 Sites and Facilities Plan* time period is years 2005-2025, rather than the Remand Order's 20-year planning period of years 2008-2028. The evidence and methodology contained in Pre-remand Record page 10560 allows the City to more accurately predict land needs for the 2008-2028 planning period because it ties the need for new acres of schools by level to numbers of occupied housing units that will be built in the planning period. Numbers of occupied housing units is a measurement unit that is known and has been approved by LCDC.³ The method for calculating school land need in Pre-remand Record page 10560 is better adapted to the analysis of estimating future land needs for the Bend UGB than the *2005 Sites and Facilities Plan*. Rather than using a static land need estimate from the 2005-2025 time period as is afforded by the *2005 Sites and Facilities Plan*, the

³ See page 31 of January 8, 2010 DLCD Directors Report.

FINDINGS FOR REMAND SUB-ISSUE 4.2

methodology developed by the Bend-La Pine School District included in the Pre-remand Record page 10560 enables the City to relate the land need estimate for schools to the number of new housing units in the planning period regardless of the exact dates of the 20-year planning period.

11. The methodology outlined in the letter (Pre-remand Record 10560) is based upon, but not identical to the *2005 Sites and Facilities Plan* conducted by Bend-La Pine Schools. This plan and its recommendations are described in Chapter 3 of the City's General Plan. Pre-remand Record 1279.
12. The General Plan recognizes the need to add up to six additional elementary schools, two new middle schools, and one new high school in the planning area by 2025. Pre-remand Record 1276. The District's land need estimate in Pre-remand Record 10560 corresponds to six new elementary schools. The evidence relied upon to calculate the school land need in Pre-remand Record 10560 does not exactly match the estimate of land need in the *2005 Sites and Facilities Plan* referenced by the General Plan for reasons discussed in Finding #9, but is generally consistent with the need for six new elementary schools, two new middle schools, and an additional high school.
13. The General Plan recognizes the importance of coordinating with Bend-La Pine Schools on a regular basis to place new schools in residential areas and create consistency between the City's General Plan and District's *2005 Sites and Facilities Plan*. Pre-remand Record 1276.
14. The City's General Plan policies numbers 13, 14, 17, and 18 in Chapter 3 pertain to Bend-La Pine Schools and are not the subject of the Remand Order. Pre-remand Record 1279.
15. The policies listed above discuss the need for the City and Bend-La Pine Schools to work together to find ideal sites and locations for new schools, recognize the Bend-La Pine Schools' *2005 Sites and Facilities Plan* as the document governing the Bend-La Pine Schools' development of schools, the need to provide safe routes to school, and need for timely construction of school facilities. Pre-remand Record 1279.
16. The General Plan text and policies are also generally consistent with the District's methodology to determine school land needs (in Pre-remand Record 10560) because the factors used in the District's methodology are based on the District's *2005 Sites and Facilities Plan*. Much of the data relied upon in the *District's 2005 Sites and Facilities Plan* is based on data supplied by the City of Bend and found in the General Plan.

FINDINGS FOR REMAND SUB-ISSUE 4.2

17. The District's *2005 Sites and Facilities Plan* was not adopted under ORS 195.110. The District and City are not required to consider a plan under ORS 195.110. Since the evidence being relied upon to determine school land needs was found to be adequate by LCDC and it is not possible to retroactively prepare and adopt the *2005 Sites and Facilities Plan* per ORS 195.110, the City finds it is not necessary to add new evidence in the form of a new school siting plan to the record. Similarly, any new plans prepared by Bend-La Pine Schools consistent with ORS 195.110 would represent new evidence that is not required by the conclusion of Sub-issue 4.2. For these reasons, the City is relying on evidence contained in the existing Pre-remand Record pertaining to school land need.
18. The preceding General Plan text and referenced policies demonstrate that there has been sufficient coordination and cooperation between the City of Bend and Bend-La Pine Schools to adequately address future school land needs through the 20-year planning period.
19. The preceding findings demonstrate consistency between City's General Plan text, policies, the Bend-La Pine School District's *2005 Sites and Facilities Plan* to the extent it is utilized in evidence found in Pre-remand Record 10560, and the approach to determine land needs for schools. These findings demonstrate a "coordinated process between the affected public school district and the local government" as required by ORS 197.296(6)(a).

Methodology to Determine 20-year Land Needs for Public Schools Demonstrating Compliance with OAR 660-024-0040(1)

20. Consistent with the Remand, the City and Bend-La Pine Schools estimate a need for 192 net acres of land for new school facilities between the years 2008 and 2028. The approach to determine the 20-year land need for Bend-La Pine Schools described in Pre-remand Record 10560, and in Findings 20 through 24 below, uses the following three-step equation:

Step 1: (Acres of Land Needed for K-12 Schools per Occupied Housing Unit) X

Step 2: (Number of Occupied Housing Units in 20-year Planning Period) =

Step 3: Acres of Land Needed for K-12 Schools in 20-year Planning Period

21. **Step 1:** Acres of Land Needed for K-12 Schools per Occupied Housing Unit is calculated by using the following equation and data described below:

(Acres of Land Needed per Student in K-12 Schools) X

(Number of Students in K-12 Schools per Occupied Housing Unit) =

Acres of Land Needed (for K-12 Schools) per Occupied Housing Unit

- a. Acres of Land Needed per Student in K-12 Schools is calculated by averaging the different amounts of land needed for schools per

FINDINGS FOR REMAND SUB-ISSUE 4.2

student at the elementary, middle, and high school grade levels. The school site size and design capacity for schools by level below are based on the *2005 Bend-La Pine Schools Sites and Facilities Plan*.

- i. 15 acres per elementary school / 600 students per elementary school (grades K-5) = .025 acres per elementary student
- ii. 25 acres per middle school / 800 students per middle school (grades 6-8) = .03125 acres per middle school student
- iii. 50 acres per high school / 1,500 students per high school (grades 9-12) = .0333 acres per high school student
- iv. The average acres per student for grades K-12 is calculated by averaging .025 acres per elementary student, .03125 acres per middle school student, and .0333 acres per high school student. The resulting Acres of Land Needed per Student in K-12 Schools is .029 acres.

- b. A Portland State University study for the Bend-La Pine School district determined the Number of Students in K-12 Schools per Occupied Housing Unit is .397. Pre-remand Record 10560. According to Pre-remand Record 10560, this statistic is from the *2005 Bend-La Pine Schools Sites and Facilities Plan*.

- c. Using the resulting figures from a. and b. above, it is possible to calculate the Acres of Land Needed (for K-12 Schools) per Occupied Housing Unit as follows:

$$\begin{aligned} & (.029 \text{ Acres of Land Needed per Student in K-12 Schools}) \times \\ & (.397 \text{ Students in K-12 Schools per Occupied Housing Unit}) = \\ & .011513 \text{ Acres of Land Needed (for K-12 Schools) per Occupied Housing Unit} \end{aligned}$$

22. Step 2: The Number of Occupied Housing Units in the 20-year period approved by LCDC is 16,681.⁴

23. Step 3: The 20-year land need for Bend-La Pine Schools K-12 students is calculated based on the data explained in Steps 1 and 2, above, as follows:

$$\begin{aligned} & \text{Step 1: } (.011513 \text{ Acres of Land Needed for K-12 Schools per Occupied Housing Unit}) \times \\ & \text{Step 2: } (16,681 \text{ Occupied Housing Units in 20-year Planning Period}) = \\ & \text{Step 3: } 192 \text{ Acres of Land Needed for K-12 Schools in 20-year Planning Period} \end{aligned}$$

24. The foregoing findings demonstrate substantial evidence required by ORS 197.626 and Statewide Planning Goal 2.

⁴ Department of Land Conservation and Development, Director's Report Bend UGB Order 001775, January 8, 2010, p. 31.

FINDINGS FOR REMAND SUB-ISSUE 4.2

25. The foregoing findings demonstrate how the 20-year need for public school land is calculated in order to satisfy OAR 660-024-0040(1) and the conclusion of the Remand Sub-issue 4.2 with respect to public school land needs.

Consistency between City and Bend Metro Park and Recreation District Plans Demonstrating Compliance with ORS 197.296(6)(a)

26. Pre-remand Record page 2724-2727 contains a letter from Bend Metro Park and Recreation District illustrating the methodology to determine the District's park land needs. The City is relying on this data as an element of the Goal 2 adequate factual base to estimate the 20-year land needs for Neighborhood Parks, Community Parks, and trails owned and maintained by the Bend Metro Park and Recreation District.
27. The methodology outlined in the letter (Pre-remand Record 2724-2727) is based on the District's *2005 Park, Recreation and Greenspaces Comprehensive Plan*. This plan is recognized by the City's General Plan. This plan and its recommendations are described in Chapter 3 of the City's General Plan. Pre-remand Record 1268-1273. (Note: The discussion of park land needs and Table 3-2 of the General Plan in Pre-remand Record 1268-1273 will be revised to reflect the park land need estimates once the estimate of park need is approved by DLCD and the RTF. The text and table in the General Plan are not the subject of the remand order.)
28. The General Plan text and policies recognize the need to add 475 acres of new Neighborhood and Community Parks and trails to meet the needs of a growing population during the 2008-2028 planning period. Pre-remand Record 1273 (text) and 1278 (policies). (Note: The discussion of park land needs and Table 3-2 of the General Plan in Pre-remand Record 1268-1273 will be revised to reflect the park land need estimates once the estimate of park need is approved by DLCD and the RTF. The text and table in the General Plan are not the subject of the remand order.)
29. Neighborhood Parks have service radii of ¼ to ½ miles, are to be located as centrally as possible to the neighborhoods which they serve, and also to be conveniently accessible within a 10-15 minute walk. Pre-remand Record 2725. The text and policies of the City's General Plan support developing a system of parks and other park facilities consistently with the Bend Metro Park and Recreation District's *2005 Park, Recreation and Greenspaces Comprehensive Plan*. Pre-remand Record 1271 (text) and 1278 (policies numbered 5 and 8).
30. Community Parks have service radii of 1 to 2 miles and are to be centrally located in the portion of the community being served, may be designed

FINDINGS FOR REMAND SUB-ISSUE 4.2

- and located so as to serve the entire community, and should be strategically located and uniformly dispersed throughout the community. Pre-remand Record 2725. The text and policies of the City's General Plan support developing a system of parks and other park facilities in a manner consistent with the Bend Metro Park and Recreation District's *2005 Park, Recreation and Greenspaces Comprehensive Plan*. Pre-remand Record 1271 (text) and 1278 (policies numbered 5 and 8).
31. The text and policies of the City's General Plan support developing a system of trails along the Deschutes River, Tumalo Creek, major canals, and along routes shown on the Bend Urban Area Bicycle and Primary Trail System Plan in a manner consistent with the Bend Metro Park and Recreation District's *2005 Park, Recreation and Greenspaces Comprehensive Plan*. Pre-remand Record 1271 (text) and 1278-1279 (policies numbered 9 through 12).
32. The text of the City's General Plan recognizes the importance of coordinating with the Bend Metro Park and Recreation District to provide sufficient land for new parks as the city grows in a manner consistent with the Bend Metro Park and Recreation District's *2005 Park, Recreation and Greenspaces Comprehensive Plan*. Pre-remand Record 1270 (text) and 1278-1279 (policies numbered 5 through 12 and policy 19). This text demonstrates consistency with the requirements of Goal 2 and ORS 197.015(5) to coordinate with affected local governments.
33. The General Plan recognizes the importance of coordinating with the Bend Metro Park and Recreation District to provide sufficient land for new trails such as completing a 96-mile off-street recreational trail system and the Bend Urban Area Bicycle and Primary Trail System Plan consisting of recreational and transportation trails connecting neighborhoods, parks, and schools consistent with the City's Transportation Systems Plan. Pre-remand Record 1270 (text) 1278-1279 (policies numbered 9 through 12 and policy 19).
34. Policy number 20 of Chapter 3 of the City's General Plan discusses the City's encouragement of co-locating parks and schools. Pre-remand Record 1279.
35. The text of the City's General Plan recognizes the importance of coordinating with the Bend Metro Park and Recreation District to provide sufficient land for new parks as the city grows. Pre-remand Record 1270 (text) and 1278-1279 (policies numbered 5 through 12 and policy 19).
36. The Intergovernmental Agreement (IGA) between the City of Bend and Bend Metro Park and Recreation District specifies each entity's responsibilities with respect to coordinating, planning, constructing, and

FINDINGS FOR REMAND SUB-ISSUE 4.2

maintaining park and trail facilities within the Bend UGB and parks district. Pre-remand Record 2524-2528.

37. The General Plan text and policies are also consistent with the Bend Metro Park and Recreation District's methodology to determine park land needs (in Pre-remand Record 10560) because the factors used in the District's methodology are based on the *2005 Park, Recreation and Greenspaces Comprehensive Plan*.
38. The preceding referenced General Plan text and policies and IGA demonstrate that there has been sufficient coordination and cooperation between the City of Bend and the Bend Metro Park and Recreation District to adequately address future park land needs through the 20-year planning period.
39. The preceding findings demonstrate consistency between City's General Plan text, policies, the Bend Metro Park and Recreation District's *2005 Parks, Recreation and Green Spaces Comprehensive Plan* and the approach to determine land parks and trails. These findings demonstrate a "coordinated process between the affected park district and the local government" as required by ORS 197.296(6)(a).

Methodology to Determine 20-year Land Needs for Neighborhood and Community Parks and Trails Owned and Maintained by Bend Metro Park and Recreation District Demonstrating Compliance with OAR 660-024-0040(1)

40. The Bend Metro Park and Recreation District's *2005 Park, Recreation and Greenspace Comprehensive Plan* contains target Levels of Service (LOS) standards for Neighborhood and Community Parks as well as trails based on ratios of these facilities to population. Pre-remand Record 2724.
41. Pre-remand Record 2724 presents the LOS ratios from the *2005 Park, Recreation and Greenspace Comprehensive Plan* as follows:
 - a. Neighborhood Parks LOS of 2 acres per 1,000 person population
 - b. Community Parks LOS of 5 acres per 1,000 person population
 - c. Trails LOS of 2.4 acres per 1,000 person population (based on a BMPRD's standard of 1 mile of trails per 1,000 persons assuming a 20' wide trail right-of-way resulting in 2.4 acres/mile of trail)
42. Between the years 2008 and 2028 in the 20-year planning period, Bend's population is forecasted to increase by 38,512. Pre-remand Record 2724. (Note: an additional citation to revised findings containing this population increase will be added once the final findings are prepared.)

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43. Applying the LOS standards to the additional population that will need to be served in the 20-year planning period results in the following 20-year land needs for these specific park types:
 - a. Neighborhood Parks: 77 acres
 - b. Community Parks: 193 acres
 - c. Trails: 92 acres
 - d. Total Neighborhood and Community Park and Trail land needs: 362 acres
 - e. (Note: text in the General Plan (Pre-remand Record 1271 and 1273) describing needed acres of parks will be updated to reflect these revised figures.)
44. Community Parks have service radii of 1 to 2 miles and are to be uniformly dispersed throughout the community. Pre-remand Record 2725.
45. Neighborhood Parks have service radii of $\frac{1}{4}$ to $\frac{1}{2}$ miles and are to be sited to be as central as possible to the neighborhoods which they serve. Neighborhood Parks should also be conveniently accessible within a 10-15 minute walk of the neighborhood which they serve. Pre-remand Record 2725.
46. Bend Metro Park and Recreation District provided a land needs assessment for Neighborhood and Community Parks, and trails based on the previously adopted UGB expansion. This assessment of need showed a need for 474 acres of land for these facilities after subtracting land for these facilities owned by Bend Metro Parks and Recreation District. This land need estimate is not being relied upon because it is based on the size and location of the prior-UGB expansion and is no longer valid. Pre-remand Record 2726.
47. Since the 475-acre land need estimate is based on a UGB expansion that was not acknowledged and the new boundary will likely be smaller and in a different location, the park land need estimate of 475 acres is no longer valid. In addition, the 475-acre need estimate is based on a slightly higher population estimate of 118,335 people in 2028 than the City's estimate of 115,063. Pre-remand Record 2726. However, the approach relied upon by the City to predict future land need for parks described in Finding 42, above, continues to be accurate because it is based on Levels of Service and accommodating additional population growth as approved by LCDRC (see page 25 of Director's Report, January 8, 2010).
48. Therefore, the City is relying upon the 362-acre land need estimate for Community and Neighborhood Parks and trails derived from the LOS standards, and also recommended by Bend Metro Park and Recreation District (see last paragraph of Pre-remand Record 2727).

FINDINGS FOR REMAND SUB-ISSUE 4.2

49. The foregoing findings demonstrate substantial evidence required by ORS 197.626.
50. The foregoing findings demonstrate how the 20-year need for park land for Bend Metro Park and Recreation District is calculated in order to satisfy OAR 660-024-0040(1) and the conclusion of the Remand Sub-issue 4.2.

BEND AREA GENERAL PLAN

CULTURAL AMENITIES

Central Oregon's abundance of scenic and recreational amenities is complemented by a rich and diverse cultural climate of theater, music, and art in Bend. Performing arts can be seen throughout the year at the *Community Theatre of the Cascades* in downtown Bend. The Community Theatre has been putting on professional caliber productions since the early 1980s. In addition, the Central Oregon Community College *Magic Circle Theatre* is the venue for both college and community programs. In recent years, the downtown *Tower Theater* building was renovated and is now used for lectures, concerts and other community events.

The Munch & Music series of evening concerts in the park during the summer is another opportunity for the community to gather together to enjoy free music, fine food, and friends in beautiful surroundings. The community college Central Oregon Symphony, jazz band, and choir perform several times a year for area residents.

The visual arts are represented with public art on street corners, at public buildings, and through exhibits at several public and private galleries in downtown Bend and elsewhere in the community. Several times each year the downtown merchants sponsor "Art Hops" when painters, sculptors, weavers and other artisans demonstrate their craft in the downtown stores. In addition to these amenities, the community supports other cultural events to celebrate cultural and ethnic diversity in Central Oregon.

Just south of the urban area is The High Desert Museum, a nationally renowned, living, participatory museum with a wide variety of indoor and outdoor exhibits on nature, art, science, pioneer life, and Native American life on the high desert plateau. The museum also offers a year-round education program of classes, lecture series, and field excursions.

PARK AND RECREATION FACILITIES

The City of Bend has a long history of park development, beginning with the creation of Drake and Shevlin Parks in 1921. Drake Park, including Mirror Pond on the Deschutes River, has become part of the identity and heart of the community. For decades Bend's citizens and visitors have enjoyed the many parks for their beauty, for sporting events, for community celebrations, and for casual recreation.

Since 1974 all of the public parks and recreation facilities within the urban area have been developed and managed by the Bend Metropolitan Park and Recreation District, a separate special district that serves the Bend area. The Park and Recreation District's 2005 *Parks, Recreation and Green Spaces Comprehensive Plan* assesses the district's



BEND AREA GENERAL PLAN

services and operations, and establishes the framework for park and recreation facility planning and development within and adjacent to the Bend urban area. The classification, development and delivery standards in the district's *Parks, Recreation and Green Spaces Comprehensive Plan* as they may be amended, have been incorporated by reference as policies in this chapter of the Bend Area General Plan.

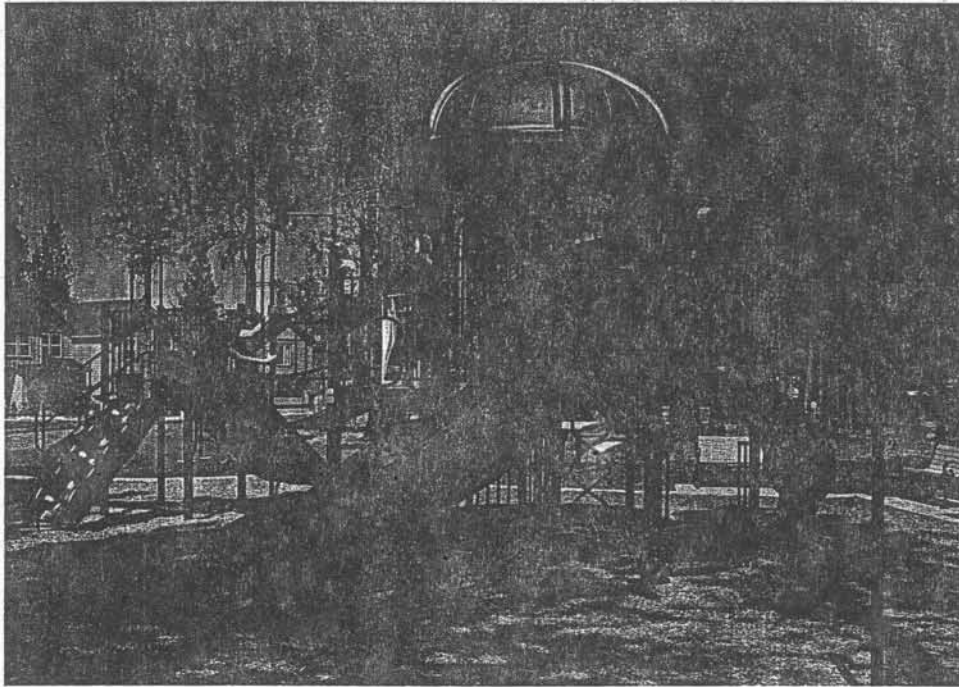


Figure 3-2

The playground at Hollygrape Park completed in 2003, located within the River Canyon Estates neighborhood.

The Bend Metropolitan Park and Recreation District operates more than 70 park and open space sites in the urban area, and more than 2,400 acres of park land and open space in and around the urban area including two large regional park sites. The older neighborhoods in the central part of the urban area are generally well represented with parks that were developed before the 1970's. The district's 1995 Serial Levy funded significant rehabilitation and expansion of the older parks. Rapid residential growth has resulted in increased SDC funded park development in the newer areas of Bend since 2000. In the period 2000 – 2008, the district added 18 small neighborhood parks, 5 large community parks and 25.5 miles of recreation trail. The Bend Senior Center was completed in 2001 and the Juniper Swim and Fitness Center was extensively renovated in 2005-2006. In addition to the local park and recreation district facilities, Pilot Butte State Park—a volcanic cinder cone in the center of town with a commanding view of the urban area—is a favorite spot for residents and visitors.

The Bend Metropolitan Park and Recreation District also provides a large and diverse recreation and fitness program for Central Oregon residents. These programs offer a wide



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range of year-round activities for youngsters and adults. The park and recreation district cooperates with the Bend La Pine School District through a joint use agreement to share indoor facilities and operate recreational programs.

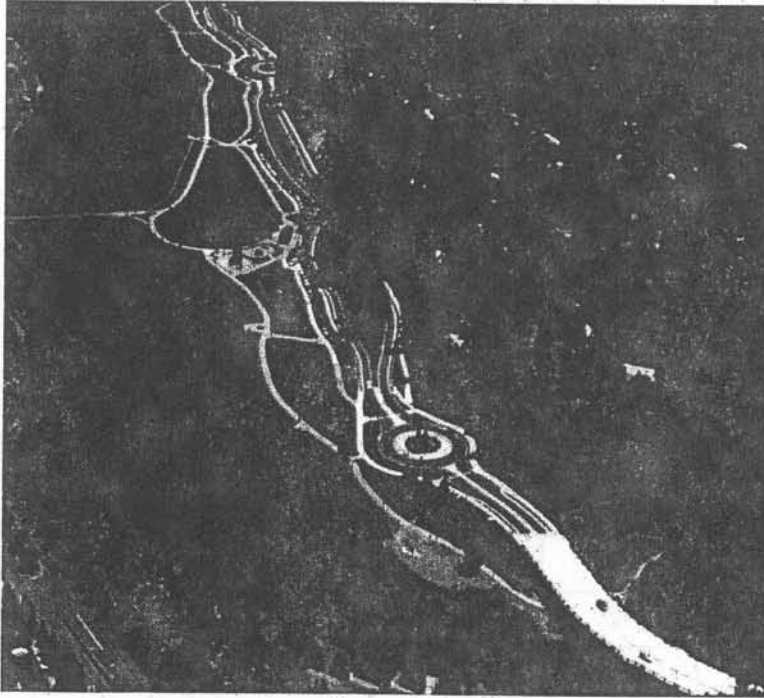


Figure 3-3

Farewell Bend Park, Reed Market Road extension and the Healy Bridge were co-developed in 2002-2006

There is strong community interest in adding more park and recreation facilities to meet the ever increasing needs created by the expanding urban population. The Bend Metropolitan Park and Recreation District Board has identified the following priorities for future development:

- ☐ acquisition of new parks, natural areas and open space to meet the needs of a growing community;
- ☐ completion of a 96-mile off-street recreation trails system as identified in the district's Trails Master Plan;
- ☐ development of new neighborhood parks as identified in the district's Neighborhood Parks Plan;
- ☐ development of community parks and sports fields as identified in the BMRPD Comprehensive Plan;
- ☐ development of a new community recreation center to provide for a broad range of recreation and fitness activities.

The General Plan recommends the development of a trail system along the Deschutes River in order to provide public access to Bend's most outstanding natural feature. The district has developed and manages the 16 miles of river trail and is working with the city and property owners to develop the remaining planned river trail segments. Several miles of riverfront trails in the Old Mill District are also open to the public. In addition to the river trails, the Bend Urban Area Bicycle and Primary Trail System Plan recommends a system of recreation and transportation trails, connecting neighborhoods, parks, and schools. More information on the urban area trails and a map of the trail system are included in Chapter 7, *Transportation System*.

The Bend Area General Plan also supports and recommends a park and recreation



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system which would place a neighborhood or community park within convenient walking distance of every Bend residence, provide for active recreation space and sport fields as well as protect natural sites within the area. The Bend Metropolitan Park and Recreation District, the Bend-La Pine School District, the city and county work together to coordinate the planning and location of park and school facilities to serve the growing urban population.

Table 3-2 below provides a summary of the area's existing public park and recreation facilities managed by the Bend Metropolitan Park and Recreation District. The number and type of facilities planned by the district through 2020 are also listed in the table. Figure 3-4 is a map of developed park sites in the urban area.

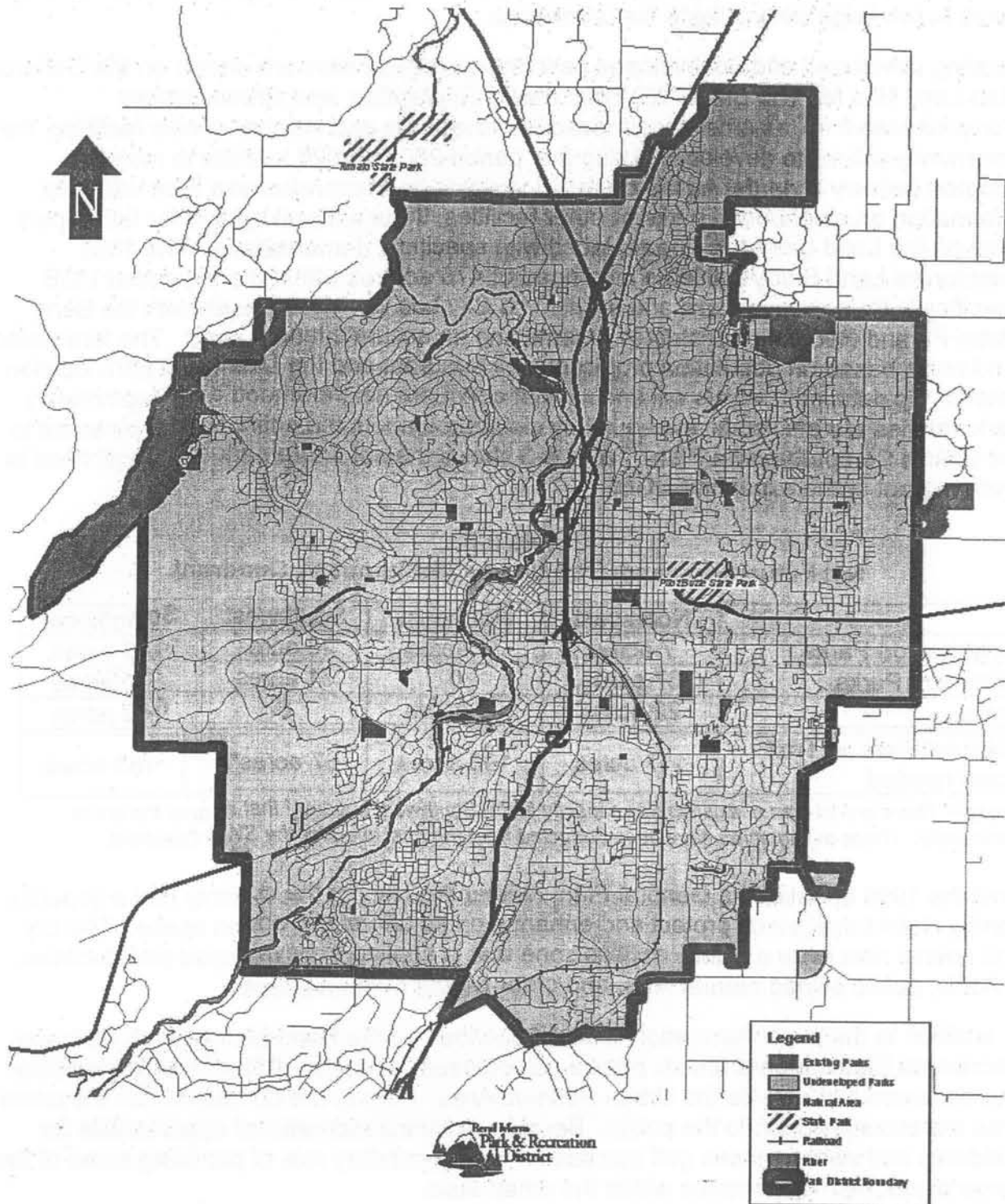
Table 3-2 Public Park and Recreation Facilities in the UGB and Urban Reserve				
TYPE OF FACILITY	EXISTING FACILITIES (2008)		PLANNED 2008-2020	
	Quantity	Acres	Quantity	Acres
PARKS AND NATURAL AREAS				
Neighborhood Parks	29	100.6	8	44.3
Community Parks	12	377.2	3	74.1
Community River Parks	7	78.9	2	6.8
Regional Parks	1	603.0	0	0
Urban Plaza	1	0.15	0	0
Natural Areas	15	123.7	0	0
Total Parks and Natural Areas	65	1,515.4	13	125.2
COMMUNITY FACILITIES	EXISTING		PLANNED	
	Quantity	Sq. Ft.	Quantity	Sq. Ft.
Recreation Centers	3	103,300	0	0
Meeting Centers	2	7,540	0	0
Total Community Facilities	5	110,840	0	0
Bikeways / Pathways / Trails		Miles		Miles
	28	55	6	41

Source: Bend Metropolitan Park and Recreation District *Parks, Recreation and Green Spaces Plan*, City Planning Department parks and open space inventory



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**Figure 3-4
Developed Parks in the Bend Urban Area**



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More detailed descriptions and information on existing and planned park district facilities are found in the district's 2005 *Parks, Recreation and Green Spaces Comprehensive Plan*, available on the BMPRD website. In addition to the facilities listed in the table and shown on the map, the Bend Metropolitan Park and Recreation District has title to more than 982 acres in two large sites outside the urban area.

Existing developed and undeveloped park and recreation sites are shown on the General Plan Land Use Map. The BMPRD 2005 *Parks, Recreation and Green Spaces Comprehensive Plan*, as amended, describes the types and number of new facilities the community will need to develop during the period 2005 – 2020 in order to maintain adopted delivery standards. As the District updates its *Comprehensive Plan* with new information on neighborhood parks or other facilities, the general symbol for future park sites on the Land Use Map will be replaced with specific demarcations. The 2008 Residential Land Study identified a land need of 475 acres within the expanded UGB specifically for new public parks and trails. The City has worked closely with the Bend Metro Park and Recreation District in determining an accurate land need. The forecasted land need is based on population projections by quadrant and the District's park location criteria. This detailed analysis will ensure that adequate neighborhood and community park amenities are efficiently and equitably distributed about the entire UGB pursuant to the District's *Comprehensive Plan*. Table 3-3 shows the net future park and trail need in each quadrant of the expanded UGB.

Table 3-3
Net Future Park and Trail Need at Build-out by Quadrant

	Northwest	Northeast	Southwest	Southeast
Neighborhood Parks	7 acres	31 acres	20 acres	47 acres
Community Parks	87 acres	0	71 acres	73 acres
Trails	22 acres	78 acres	0	62 acres
Total net Park and Trail acres needed	117 acres	108 acres	67 acres*	183 acres

*note – There are 24-acres of existing trail capacity in the Southwest quadrant that serve the entire community. These existing acres have been deducted from the total need for the SW Quadrant.

Until the 1998 update of the General Plan, neither the city nor the county had a separate zoning district designed to protect and enhance parks and public open space. The city and county now have a Public Facilities zone that is applied to developed park facilities, schools, public owned natural areas, and other types of open space.

In addition to the public recreation facilities provided by the Bend Metropolitan Park and Recreation District, there are six private golf courses within the Urban Growth Boundary, and two more just outside the Urban Reserve Area. Four of the courses within the urban area are currently open to the public. Besides providing recreational opportunities for residents and visitors, these golf courses serve a secondary role of providing some of the "large developed" open space within the urban area.



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PUBLIC EDUCATION

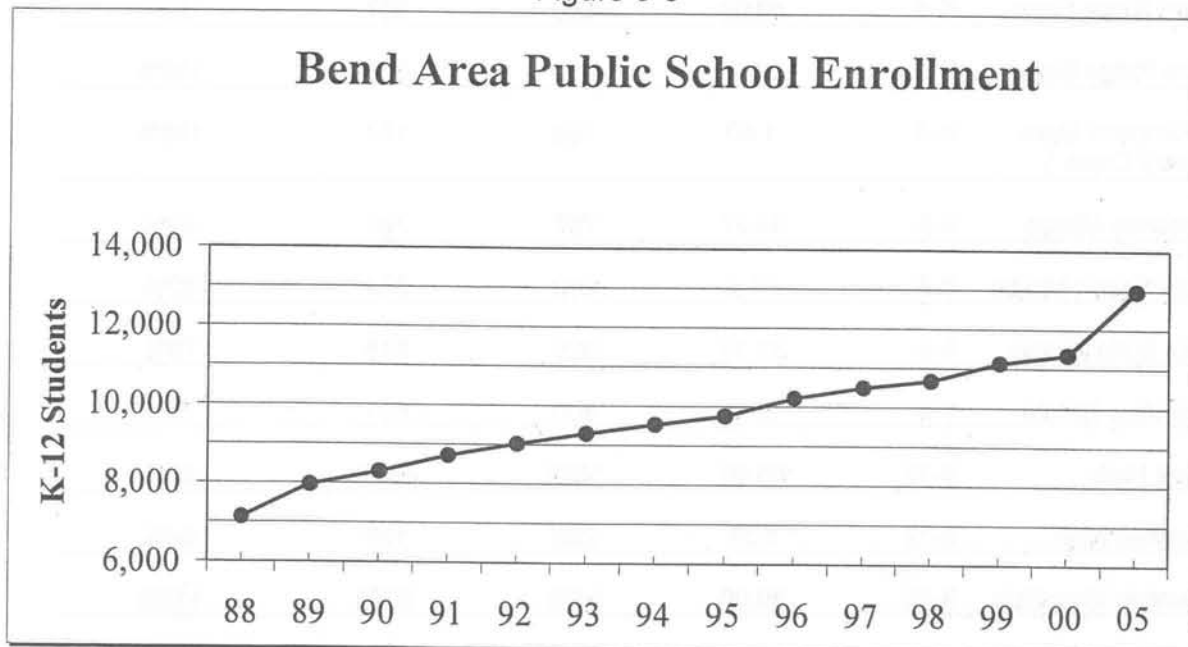
The sections below describe the existing and planned public education facilities in the urban area. In addition to the public school system, there are several private and parochial schools that provide elementary and secondary education.

Bend - La Pine Schools

The Bend-La Pine Schools is the only public school district serving the urban area. As of 2005, the Bend-La Pine Schools operated twelve elementary schools, four middle schools, three comprehensive high schools within or adjacent to the Urban Growth Boundary. These schools serve the Bend urban area and several thousand households outside the urban area. Roughly two-thirds of the students in the Bend schools are from within the urban area. In addition to the Bend schools, Bend-La Pine Schools has schools in Sunriver and La Pine that served about 2000 students in 2005.

During the high growth period of 1988 through 2005, enrollment in the Bend-La Pine Schools increased almost 55 percent. This dramatic increase in students is another indicator that the majority of people moving to Central Oregon are not elderly, but younger families with school age children. Figure 3-5 shows the increase in total enrollment in the Bend schools for period ending in 2005.

Figure 3-5



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**Table 3-4
Bend Urban Area Public School Facilities**

Facility Name	Grades	Site Acres	Existing Capacity	Enrollment Fall 2005	Percent of Capacity
Bear Creek Elem.	K-5	37.40	600	575	96%
Buckingham Elem.	K-5	20.50	600	679	113%
Elk Meadow Elem.	K-5	13.00	600	573	95%
Ensworth Elem.	K-5	9.68	300	267	89%
Jewell Elem.	K-5	16.74	600	674	112%
Juniper Elem.	K-5	30.41	575	409	71%
Kenwood Elem. (Highland)	K-5	4.17	375	365	97%
Kingston Elem. (Westside Village)	K-8	3.00	150	179	119%
High Lakes Elem.	K-5	15.00	600	763	127%
Lava Ridge Elem.	K-5	40.00	600	637	106%
Pine Ridge Elem.	K-5	12.3	300	360	120%
Thompson Elem. (Amity Creek)	K-3	1.40	150	157	105%
Cascade Middle	6-8	34.37	757	707	93%
High Desert Middle	6-8	74.4	800	654	82%
Pilot Butte Middle	6-8	33.13	825	645	75%
Sky View Middle	6-8	25.0	800	601	75%
Bend High	9-12	68.00	1550	1437	93%
Marshall High	9-12	5.34	250	160	64%
Mountain View High	9-12	30.00	1400	1578	113%
Summit High	9-12	48.10	1500	1403	94%

Source: Bend-La Pine School District. Acreage figure may include additional land held by the district.



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Table 3-4 on the previous page compares the student load in 2005 with the design capacity of each school.

In December 2005, the school board accepted an updated Bend-La Pine Schools' Sites and Facilities Plan ("Sites and Facilities Plan") prepared for Bend-La Pine Schools in cooperation with the city and county. This study provides information on enrollment, siting needs, and other factors to help Bend-La Pine Schools determine long term facility improvements or acquisitions during the next 20 years.

Bend La-Pines Schools' estimate of future enrollment levels and school needs is based on the forecast population levels in the urban area and nearby rural lands.

Table 3-5
Enrollment Forecast for the Bend-La Pine School District
By Grade Level and Year

Grade Levels	2005	2010	2015	2020	2025
Grades K to 2	3,173	3,387	3,809	4,419	5,035
Grades 3 to 5	3,267	3,706	4,053	4,624	5,186
Grades 6 to 8	3,398	4,102	4,332	4,820	5,591
Grades 9 to 12	4,911	5,361	6,222	6,527	7,435
Other (non-graded students)	26	30	33	36	40
Totals	14,775	16,586	18,449	20,427	23,286

* Totals may not sum exactly due to rounding

Source: Data provided by the Bend La Pine School District 2005 Sites and Facilities Plan

Table 3-5 shows the student grade levels and the forecast enrollment level for the public schools based on the Sites and Facilities Plan. It can be seen from the data in this figure that total enrollment in the Bend area public schools is expected to increase about 45 percent by the year 2015.

If the population growth and demographic patterns follow the forecasts in the Sites and Facilities Plan, there will be a need for three to six additional elementary schools (depending on size and location), two new middle schools, and one new high school in the planning area by 2025. In 2006 local voters approved a \$119 million bond levy to help meet the need for more schools.

Although the location for new public schools is an important function of the Sites and Facilities Plan, the need for new schools is closely related to residential development and housing densities in the community. The 2008 Residential Land Study identified a land need of 192 new acres within the expanded UGB specifically for public schools. It is extremely important that schools be located with reference to the development pattern indicated on the General Plan. The Bend-La Pine Schools and the City of Bend should continue to coordinate and cooperate so that the General Plan and the Sites and Facilities Plan are consistent.



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Elementary schools in particular can have a significant influence on the location or direction of growth in any given area, and will in themselves attract residential development. They should be centrally located in their service area, and spaced in a way that will permit reasonable locations for future schools as the area continues to grow. The city, county and Bend-La Pine school district will use the most recent studies to evaluate ways to ensure the timely development of new schools in the urban area.

Central Oregon Community College

Central Oregon Community College is the state's oldest two-year college, having been created in 1949. Located on the west slope of Awbrey Butte, the 200 acre campus features a 102 student residence hall, a 38,000 volume college/community library, a 300-seat performing arts center, and several lecture halls. The college has a long-standing policy to encourage community use of its buildings and facilities.

The college enrolls about 3,200 full-time and part-time students each term, plus another 3,000 to 4,000 community education students taking non-credit courses. Degrees offered by COCC include the Associate of Arts degree, the Associate of Science degree, and the Associate of Applied Science degree covering several technical and professional fields. The college serves more than just the Bend area, and its instructional programs extend to a 10,000 square mile service area through a network of community centers in Christmas Valley, La Pine, Madras, Prineville, Redmond, Sisters, and Warm Springs.

In a cooperative arrangement with public and private colleges and universities, the Central Oregon University Center at COCC offers both bachelor's and master's degrees in Bend through traveling professors and video computer. Because of the great interest in the region for a local college that offers bachelor's and master's degrees, the college board and members of the community have set a goal to expand Central Oregon Community College into a fully accredited four year college.

Oregon State University – Cascades Campus

In 2001, Oregon State University established a branch campus on the campus of Central Oregon Community College, in partnership with the University of Oregon and COCC. OSU-Cascades offers 20 different degree options, and had an enrollment of some 700 students in 2007. A strategic plan adopted in 2006 calls for aggressive growth in coming years, with expansions in program and degree offerings to support that growth.



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POLICIES

Historic sites

1. The city shall encourage the preservation, rehabilitation, and reuse of historic structures whenever practical.
2. The city will continue to encourage identification and preservation of significant historical and cultural sites.
3. The preservation of exterior facades shall be the emphasis of the city's and county's encouragement of historic preservation.
4. The city and county will encourage public educational institutions to promote the importance of Bend's history and historic landmarks.

Parks and recreation facilities

5. Subject to the City Development Code , Framework Plan (see Chapter 1) and an Urban Services Provider Agreement with the Bend Metro Park and Recreation District ("BMPRD"), the district has the responsibility to design and build parks, recreation facilities and trails in accordance with its Parks, Recreation and Green Spaces Comprehensive Plan ("Comprehensive Plan") as it may be amended. The City recognizes BMPRD's Comprehensive Plan as the document governing the District's location, design and development of public parks, recreation facilities and open spaces. BMPRD, with the support of the City and County has the responsibility to ensure an equitable distribution of parks and open spaces throughout the District's jurisdiction.
6. Developers are required to meet with BMPRD in advance of designing residential or commercial developments that may affect existing or planned BMPRD facilities. Developers of property in areas where BMPRD has identified the need for additional neighborhood park service shall include a neighborhood park in their development plan of a particular size and in the specific location agreed to by BMPRD.
7. Areas in need of additional neighborhood park development are shown on the BMPRD Neighborhood Parks Plan Map. The city shall encourage private or public parties to develop additional neighborhood parks.
8. The city shall refer to the BMPRD, for its review and recommendations, of all development proposals that include or are adjacent to existing or proposed parks or trails.

Urban Trails

9. The city shall work cooperatively with, irrigation districts, state and BMPRD to develop a series of trails along the Deschutes River, Tumalo Creek, and the major canals so that these water features can be retained as an asset in the urban growth boundary.



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10. The city shall work with the irrigation districts to limit development within the canal easements that would impair the maintenance and operation of the canals.
11. The trails designated on the Bend Urban Area Bicycle and Primary Trail System Plan shall be the basis for developing a trail system that serves the recreation and transportation needs of the community.
12. The city, when practical, shall require connecting links to the urban trail system from all adjacent new developments.

Schools

13. It is in the best interest of the Community to have schools that provide a safe, nurturing environment conducive to learning and to ensure all students receive an excellent education and are prepared for their future. The City shall cooperate with Bend-La Pine Schools to achieve these goals through the proper location of schools throughout the community.
14. The City shall recognize the Bend-La Pine Schools' Sites and Facilities Plan ("Sites and Facilities Plan") as the document governing the Bend-La Pine Schools' development of schools, as it may be amended.
15. The city shall promote the location of a four year university within the UGB and provide a special site location on the General Plan map.
16. The city shall coordinate and facilitate the development of the Central Oregon Community College campus consistent with their adopted master plan.
17. The City shall coordinate with the school district to provide safe routes to school by ensuring that sidewalks, crosswalks and bicycle paths and lanes are provide in the vicinity of all schools wherever practicable.
18. The City shall coordinate with the school district to ensure that new schools are constructed in a timely manner.

Public Agency Coordination

19. City of Bend shall cooperate and communicate with Bend Metro Park and Recreation District and the Bend-La Pine Schools in order that their respective comprehensive planning documents are coordinated and updated to take into account the goals of all three entities.

Co-location of Parks and Schools

20. The city shall encourage the Bend Metro Park and Recreation District and Bend-La Pine Schools to co-locate parks and schools that provide a benefit to the community where appropriate and feasible.
 - Elementary Schools and Neighborhood Parks are suitable for co-location.
 - Community Parks and Middle Schools are suitable for co-location.



M E M O R A N D U M

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TO: BEND CITY COUNCIL
FROM: BRIAN RANKIN, SENIOR PLANNER
SUBJECT: RIGHTS-OF-WAY FOR ROADWAYS VARIABLE: FINAL
MEMORANDUM POST DLCD COMMENTS
DATE: 12/4/08

Summary

This memorandum is the final analysis calculating the amount of existing public and private rights-of-way for roadways in the City of Bend UGB to use as a basis for estimating rights-of-way for roadways in the proposed UGB expansion area. For purposes of this analysis and methodology, rights-of-way are public and private areas used for public and private roadways, including: local roads, roundabouts, collectors, arterials, highways, and rail roads. Public parks, private common areas, public and private parking areas, Areas of Special Interest, public plazas, and public and private schools are not included in this analysis.

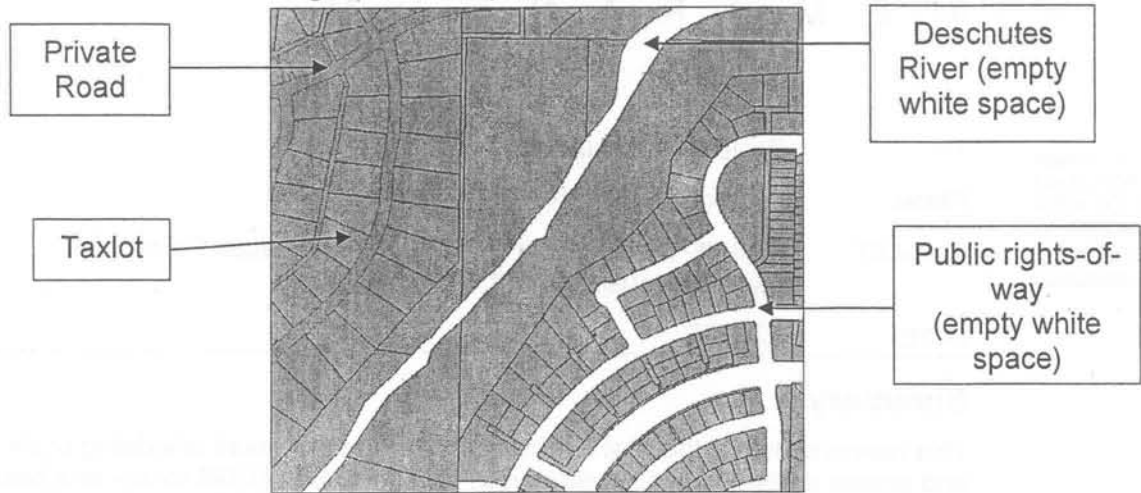
This memorandum has been prepared to replace previous memoranda on the subject. Notably, the methodology has been modified to address refinements suggested by DLCD in their November 21, 2008 letter commenting on the Bend UGB proposal. The data sources used in the methodology are based on the finalized Buildable Lands Inventory (BLI) dated 2/25/08 and summarized 9/2/08. The result of the analysis is a public and private right-of-way for roadways estimate of 21% for the existing Bend UGB.

Estimating Rights-of-Way in the Current UGB

Staff used the city's Geographic Information System (GIS) to calculate critical variables in the rights-of-way analysis. It is important to understand the how lands are represented in GIS data so the subsequent analysis makes sense.

The Deschutes County GIS "taxlots" dataset represents every taxlot inside the Bend UGB. These are polygons that have a discrete area and shape. Examples of the taxlots are shown as red polygons with black borders in Figure 1. The absence of red polygons, or empty white spaces, in Figure 1 represents public rights-of-way and the Deschutes River. Figure 1 also represents taxlots that are used for private roads or private rights-of-way as blue parcels. Throughout the entire UGB, public rights-of-way and ODOT highways are generally represented by the empty white space described above. Some exceptions to this include taxlots owned by ODOT or private Home Owners Associations (HOAs) used for roadways that do not show up as empty white space.

Figure 1: Example of G.I.S. taxlot data



The following methodology is based on the city's original approach with some modifications suggested by DLCD. This methodology does not duplicate DLCD's approach, since staff believes the DLCD methodology is slightly less accurate than what is described below. Generally, the approach is to identify net developed acreage inside the existing UGB and divide it by the appropriate gross acreage associated with the net developed acres. This approach requires establishing an accurate numerator (net developed acres) and a denominator (gross acres associated with net developed acres), to calculate a corresponding percentage of land that is developed. Once the percent of developed land is known, it is possible to assume the remaining fraction of land is "undeveloped", and in this case, used as rights-of-way as previously defined. DLCD suggested omitting a consideration of gross vacant acres in the calculation. Staff believes a better approach is to consider gross vacant acres in calculating net-developed acres by subtracting gross vacant acres from the supply of net developed and gross vacant acres (resulting in the numerator). Staff agrees with DLCD that gross vacant acres should also be subtracted from the total of gross acres associated with the net developed acres (resulting in the denominator). Other minor modifications to the numerator and denominator are required to result in an accurate estimate of rights-of-way for roadways.

The following define the critical variables needed to perform the calculation to estimate rights-of-way for roadways in the Bend UGB. Acreages below are from the Final BLI dated 9/2/08. Other acreage figures are from a GIS analysis conducted by the City of Bend GIS coordinator. Where possible, figures are provided to illustrate the acreage totals summarized below. These figures are also helpful to illustrate that other analysis performed by the city to estimate land uses for institutional/open spaces, do not duplicate or double count lands in these analyses. Variables used in the rights-of-way analysis are described below and figures are included at the end of this memorandum:

1. Calculate the total gross area of the Bend UGB. This area is 21,247 gross acres. This area is shown in Figure 2: Gross Acres of Bend UGB.

2. Calculate the total area of lands in net developed and gross vacant parcels (taxlots) inside the UGB. This area is 17,691 acres and is shown in Figure 3: Net Developed and Gross Vacant Parcels.
3. Calculate the area of taxlots that are serving as private rights-of-way used for roadways and parcels owned by ODOT that are used for the Bend Parkway or other state rights-of-way. This area is 446 acres and is shown in Figure 4: Tax Lots Serving As rights-of-way for Roadways. These parcels are included in the analysis because they are used as roadways, not open spaces or common areas, and if not included would underestimate the amount of land used for public and private roadways.
4. Calculate the area of the Deschutes River, which is not represented as a taxlot, but as empty white space. Since the empty white space is otherwise used to depict rights-of-way for roadways, the area of the river must be subtracted from the area of the UGB so as not to overestimate areas used for rights-of-way. The gross acres shown as the Deschutes River is 175 acres. This acreage was calculated by city staff and is shown in Figure 5: Deschutes River.
5. Calculate "vacant acres" and "vacant acres-pending land use" for all land inside the UGB since development of these lands will require additional rights-of-way and rights-of-way have not been dedicated from these lands. DLCD suggested removing these lands from this methodology altogether. Staff believes these acres should be removed from the lands shown in Figure 3 so the resulting acreage represents only net developed acres. These acres should also be removed from the acreage shown in Figure 2, so the gross acres associated with net developed lands are not overestimated. The acreage totals for "vacant acres-platted lots" and "redevelopable" are not considered because, in general, these lands have already dedicated rights-of-way or are otherwise considered "developed".

The "vacant acres" and "vacant acres-pending land use" variables have two main constituents: residential and economic lands. Residential lands have General Plan designations of RL, RS, RM, and RH. Economic lands have General Plan designations of CB, CC, CG, CL, IG, IL, IP, ME, MR, PF, PO, PO/RM/RS, and SM. Acreage totals include lots with split zones.
 - a. There are 640 gross acres of "vacant" residential land in the UGB excluding the Medical District Overlay Zone. The Medical District Overlay Zone contains 49 gross acres of "vacant" land. There are 689 total gross acres of "vacant" residential land including the MDOZ.
 - b. There are 561 gross acres of residential "vacant - pending land use" lands and 12 gross acres of "vacant acres-pending land use" in the MDOZ. The residential "vacant acres-pending land use" total is 573 gross acres.
 - c. The 689 gross acres of "vacant" and 573 gross acres of "vacant acres-pending land use" are shown in Figure 6: Residential Vacant and Vacant-Pending Land Use Acres.

- d. The Final BLI demonstrates there are 1,108 gross acres of "vacant" economic lands and 126 gross acres of economic "vacant – pending land use" in the Bend UGB. Therefore, the total gross acreage of economic land is 1,234 acres.
- e. The 1,234 gross acres of "vacant" and "vacant-pending land use" economic lands are shown in Figure 7: Economic Vacant and Vacant-Pending Land Use Acres.

The calculation to determine the area representing rights-of-way for roadways in the Bend UGB is described below.

1.	Total net developed and gross vacant acres of taxlots in Bend UGB:	17,691
2.	Minus net acres of private rights-of-way and ODOT parcels that are represented as taxlots in the GIS data:	446
3.	Minus gross acres of "vacant" and "vacant acres – pending land use" residential and MDOZ land:	1,262
4.	Minus gross acres of "vacant" and "vacant acres – pending land use" economic lands:	1,234
5.	Equals the total <u>net developed</u> acres of taxlots in Bend UGB:	14,749
6.	Total gross acres in the Bend UGB:	21,247
7.	Minus the gross acres of the Deschutes River not represented as a taxlot, but as empty white space in the GIS data:	175
8.	Minus the gross acres of residential and economic "vacant" and "vacant acres – pending land use":	2,496
9.	Equals the total gross acres of the Bend UGB not including the area Deschutes River associated with the net developed acres:	18,576
10.	% of UGB in developed taxlots (#5 divided by #8):	79%
11.	% of UGB in public and private rights-of-way (100 minus #9):	21%

The analysis illustrates that approximately 21% of the Bend UGB is used for public and private rights-of-way for roadways. This is further supported by research done by the Victoria Transport Policy Institute's October 25, 2005 study titled *Transportation Land Valuation, Evaluating Policies and Practices that Affect the Amount of Land Devoted to Transportation Facilities*, by Todd Litman. Page 4, Table 2, of this study illustrates the road supply as a percentage of urbanized area for a variety of cities throughout the world, but is similar to the estimate for the Bend UGB. For example, New York has 22%, London, UK 23%, Tokyo, Japan 24%, and Paris, France 25% of their urban areas used for roadways. The estimate established for the Bend UGB of 21% is within these ranges.

Figure 2: Gross Acres of Bend UGB

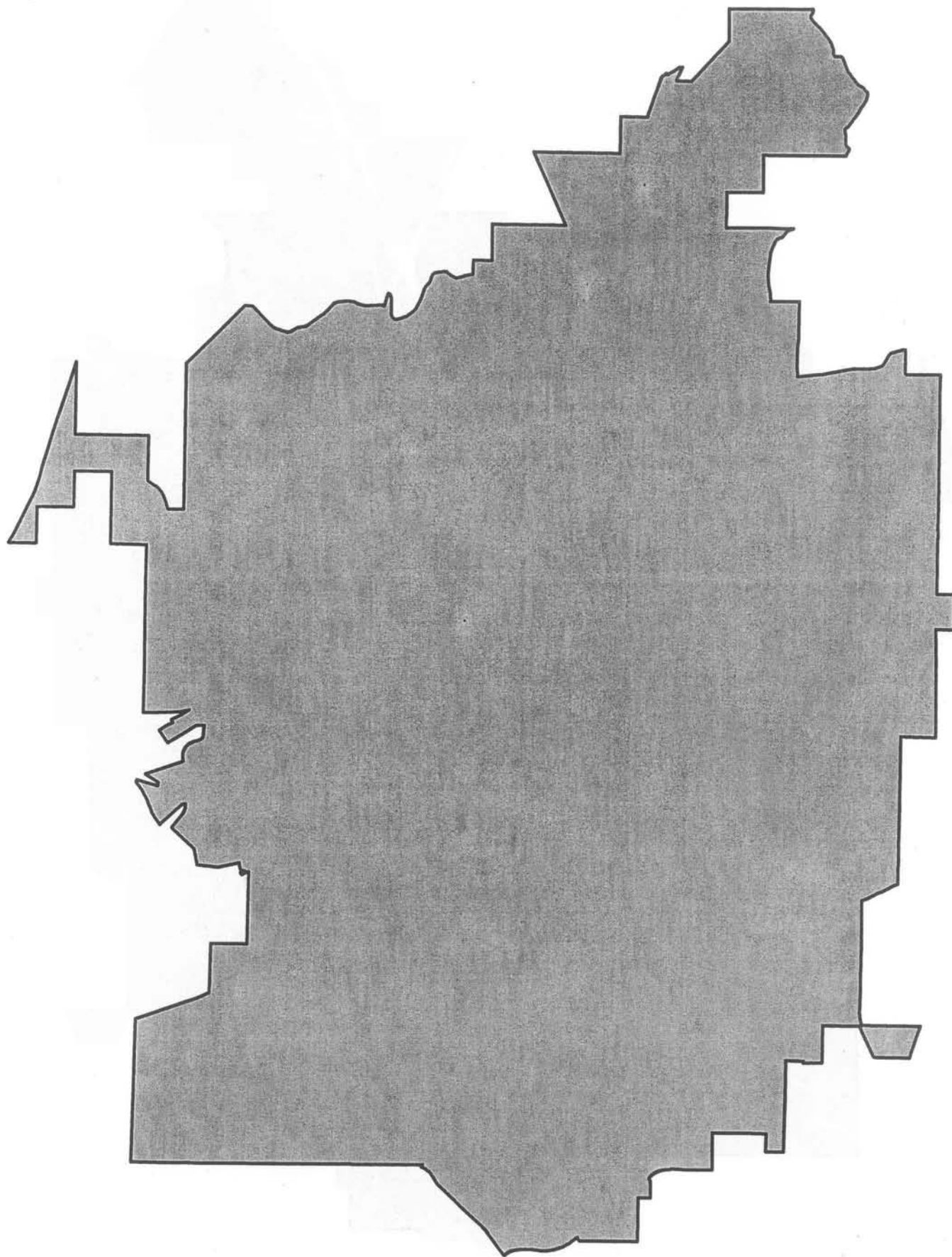


Figure 3: Net Developed and Gross Vacant Parcels

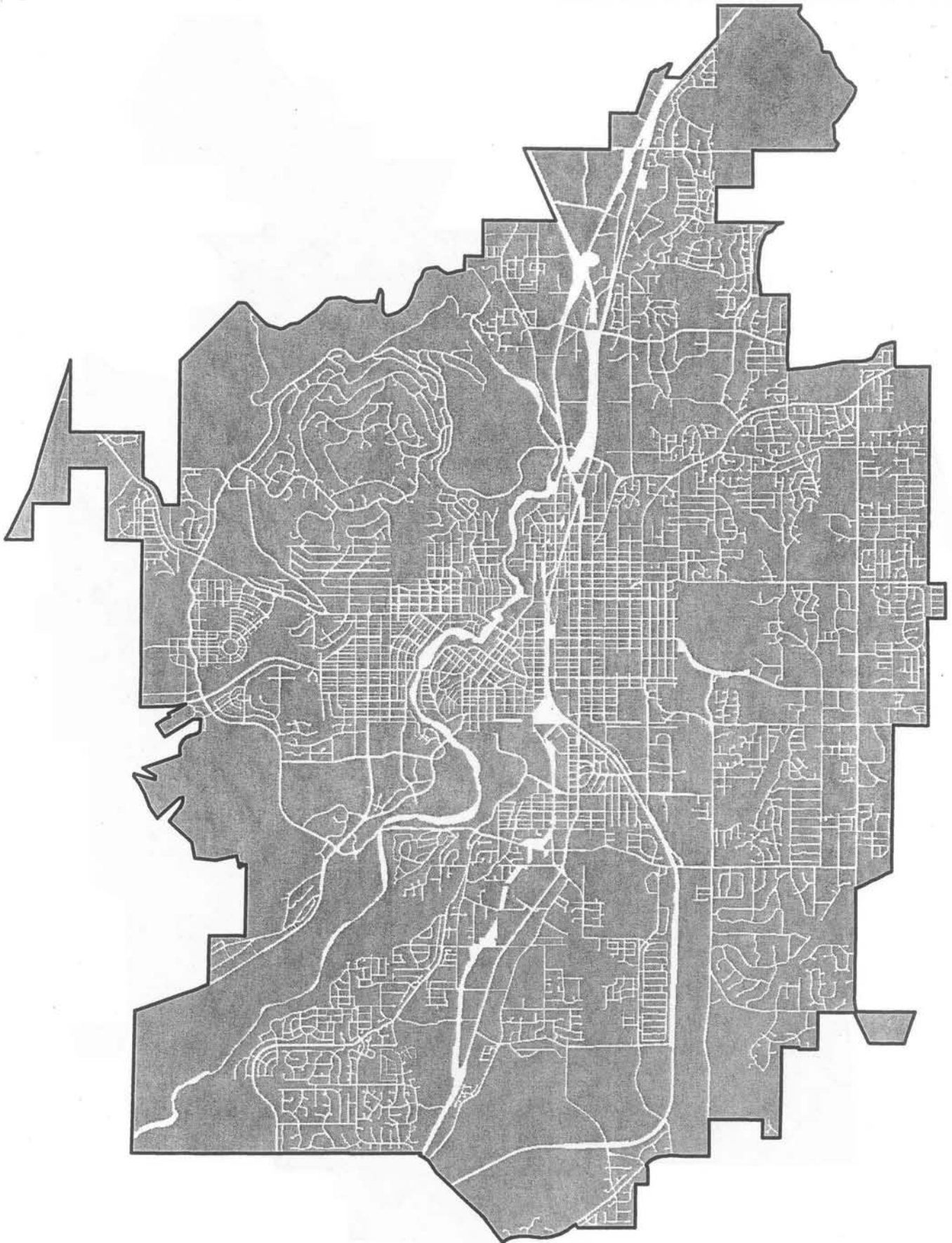


Figure 4: Taxlots Serving as Rights-of-Way for Roadways

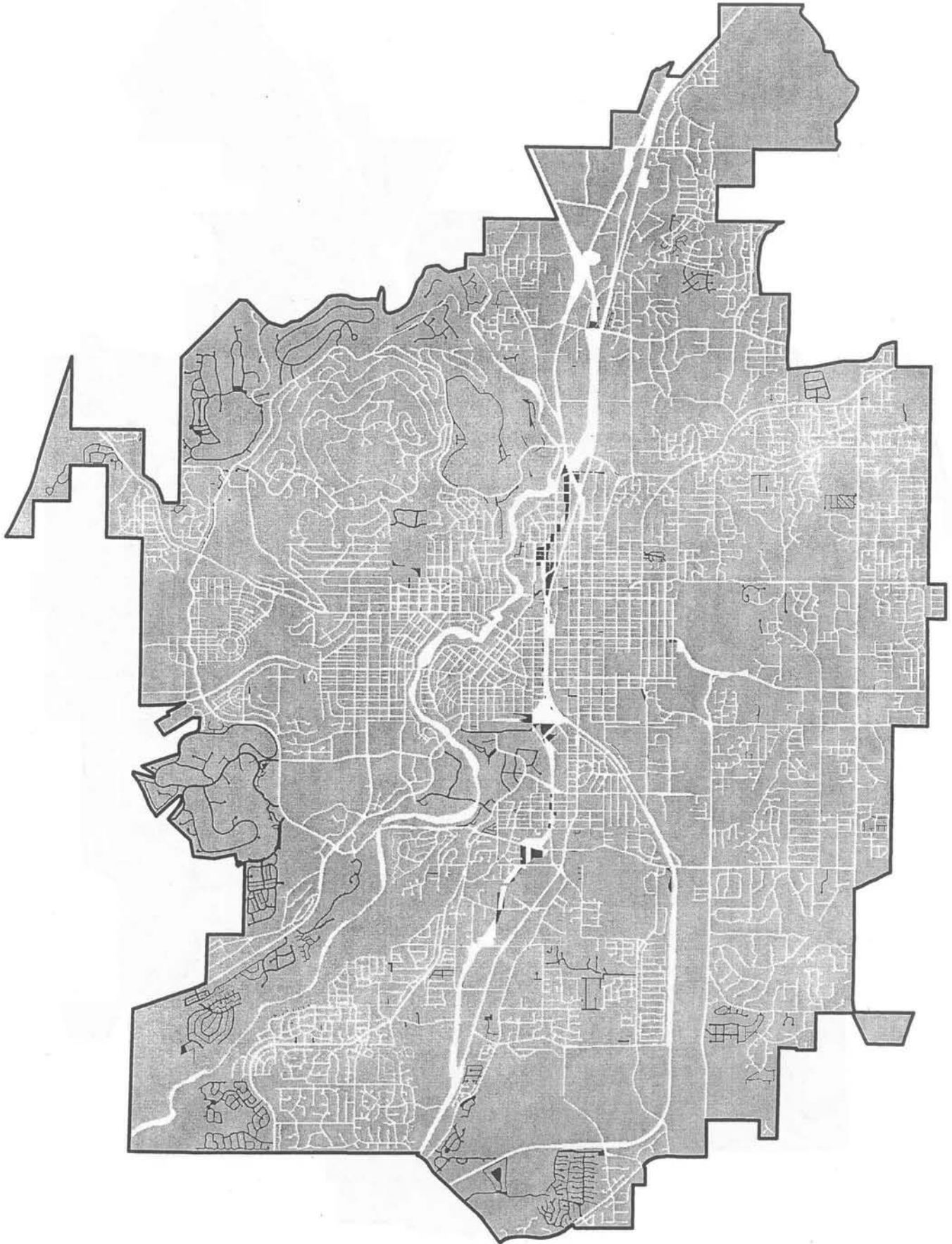


Figure 5: Deschutes River

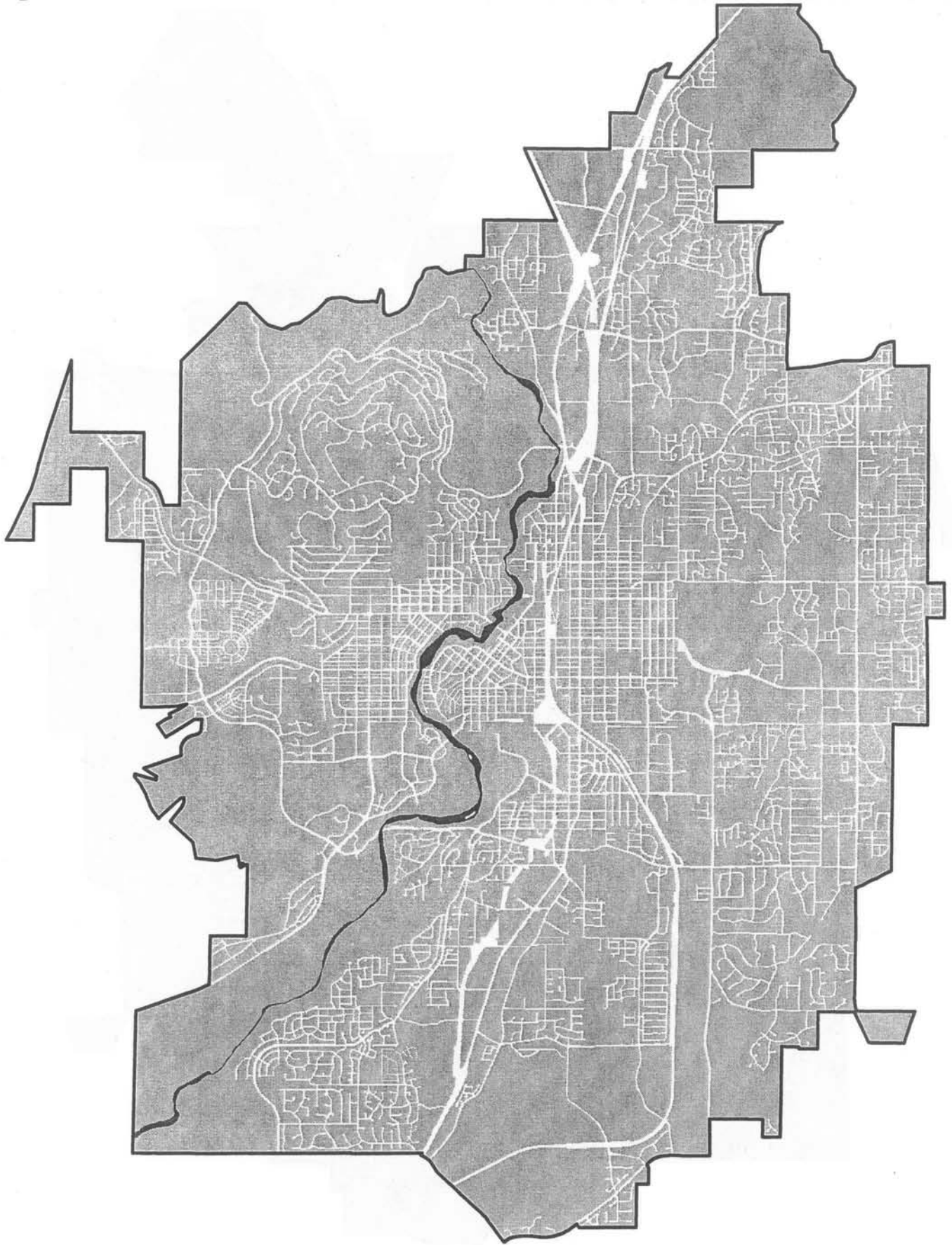


Figure 6: Residential Vacant and Vacant-Pending Land Use Acres

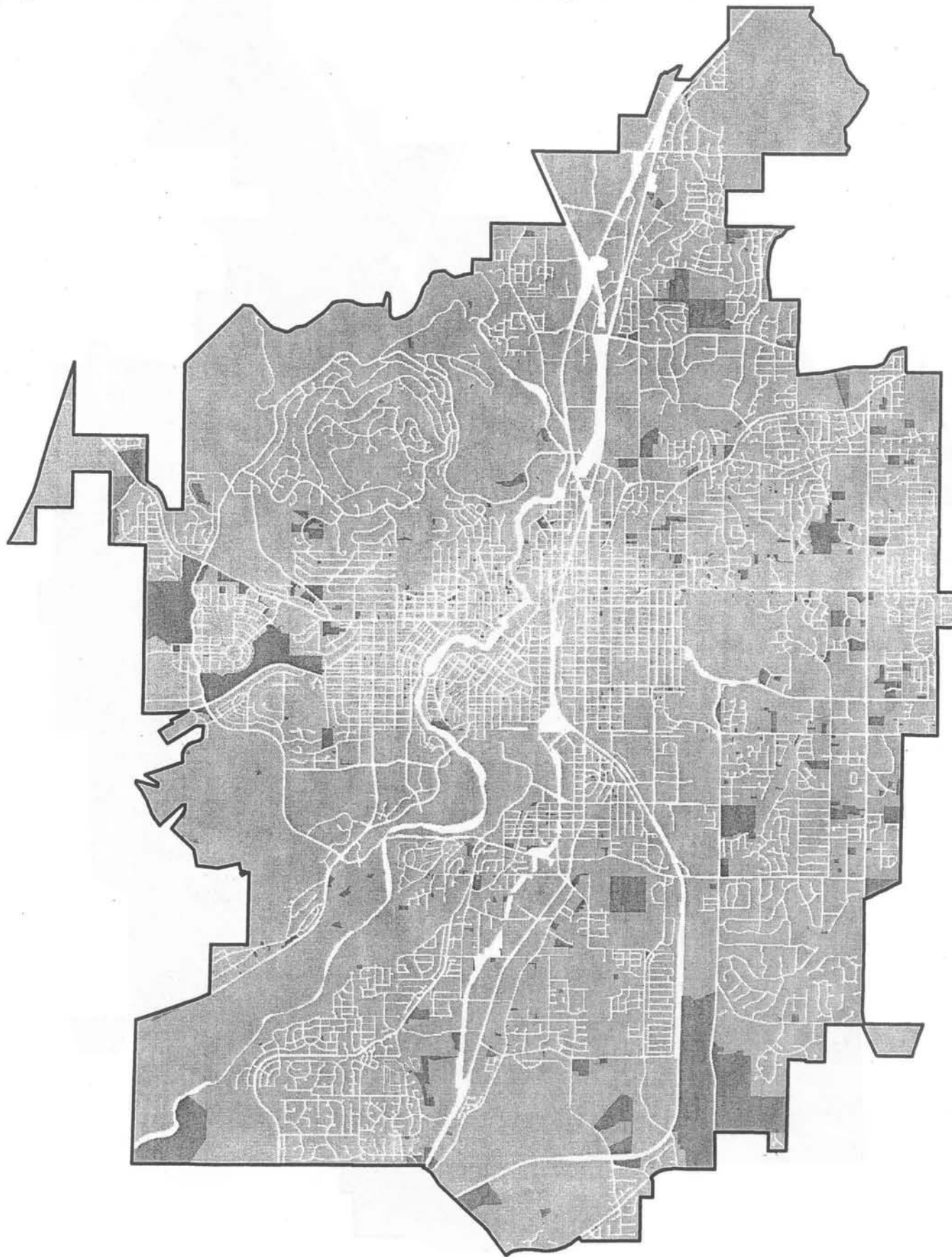


Figure 7: Economic Vacant and Vacant-Pending Land Use Acres

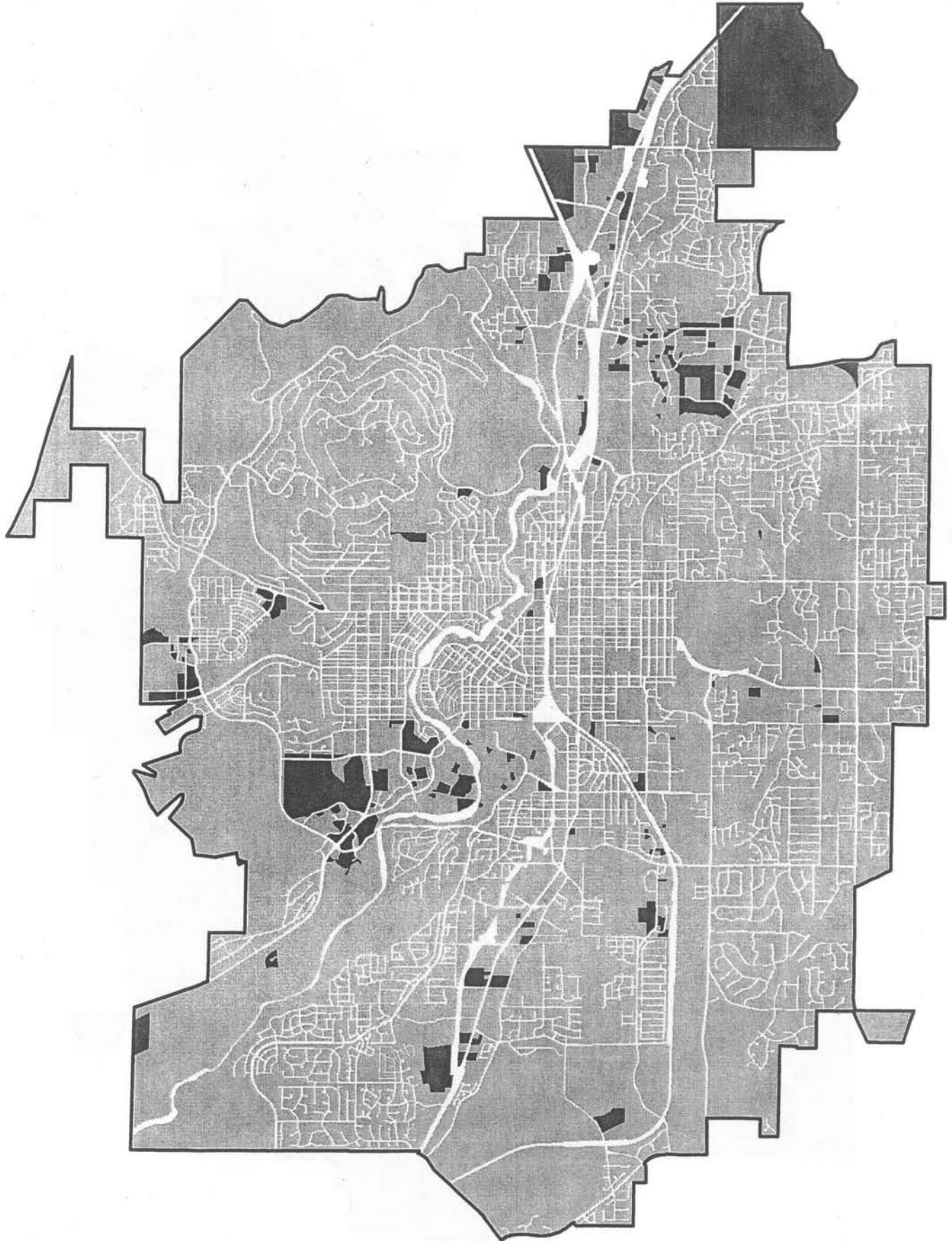
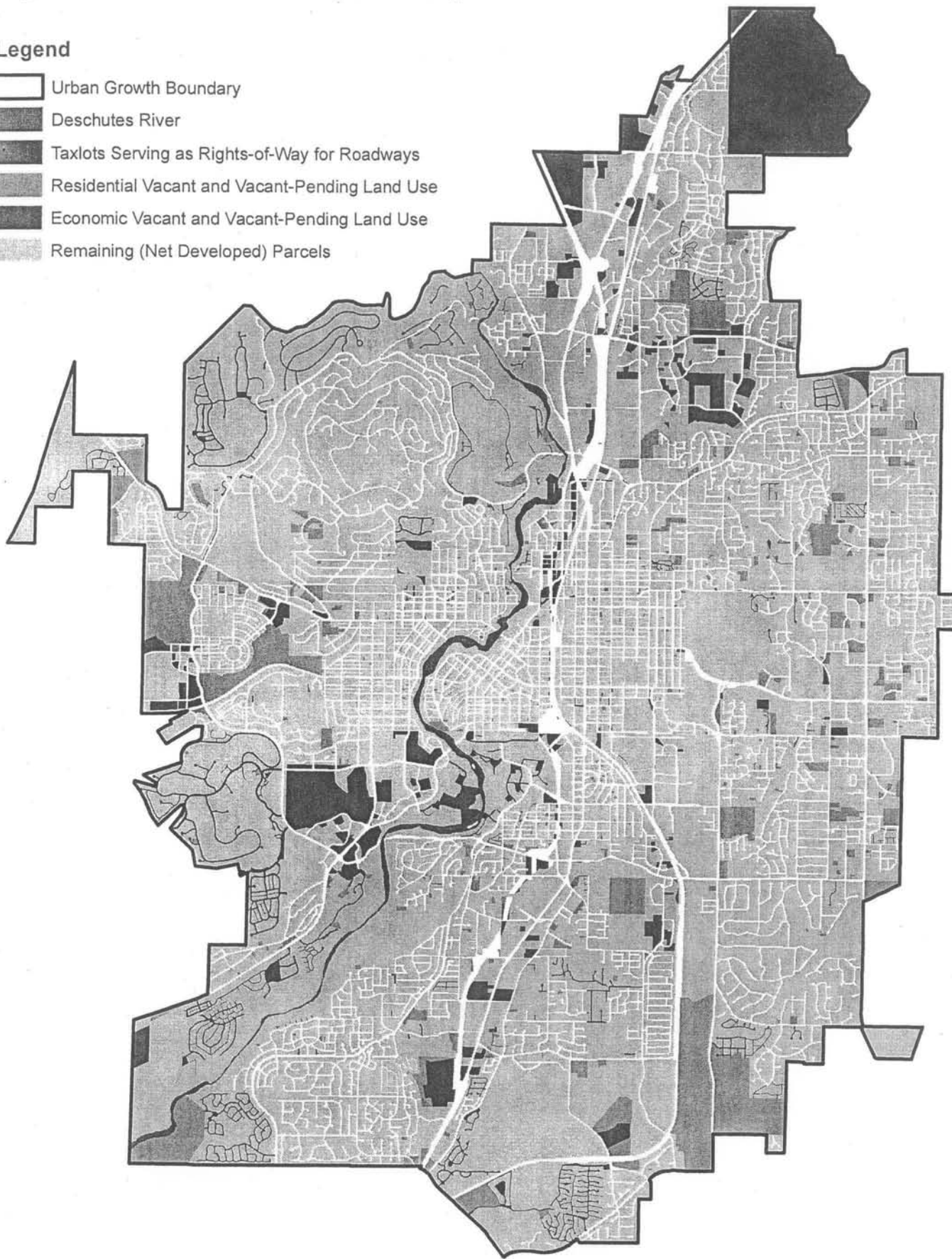


Figure 8: All Lands Used in ROW Analysis

Legend

-  Urban Growth Boundary
-  Deschutes River
-  Taxlots Serving as Rights-of-Way for Roadways
-  Residential Vacant and Vacant-Pending Land Use
-  Economic Vacant and Vacant-Pending Land Use
-  Remaining (Net Developed) Parcels



**INTERGOVERNMENTAL AGREEMENT
REGARDING COORDINATED PLANNING AND URBAN SERVICES**

PARTIES:

THIS AGREEMENT is entered into by and between Bend Metropolitan Park And Recreation District, a special district of the State of Oregon, hereinafter referred to as DISTRICT and THE CITY OF BEND, a municipal corporation of the State of Oregon, hereinafter referred to as CITY. This agreement amends the previous Intergovernmental Agreement Regarding Coordinated Planning and Urban Services between CITY and DISTRICT.

RECITALS:

- A. CITY is a municipal corporation of the State of Oregon, authorized to provide services to citizens living within its boundaries.
- B. DISTRICT is a parks and recreation special service district organized in accordance with the provisions of ORS 266.010 et. seq. formed to provide park and recreation facilities and services for the inhabitants of DISTRICT.
- C. CITY and DISTRICT have entered into this Agreement pursuant to ORS 190.003 et. seq. to carry out their respective responsibilities under ORS Chapter 195 and ORS 197.175.

NOW, THEREFORE, IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

AGREEMENTS CONCERNING EXCHANGE OF INFORMATION:

1. DISTRICT and CITY will exchange planning related information:
 - (a) To the extent that such information is reasonably available to the CITY, it will provide to DISTRICT available information concerning economic growth, building activity, population trends and projections, and maps; location and characteristics of natural resources and hazards; planned transportation improvements, opportunities for joint development of sites; long-range land use plans; and availability of public services.
 - (b) DISTRICT will provide CITY available information concerning recreation needs, level of use, service capacity, new site acquisitions, transportation facility needs, availability of facilities for community use, maps, and planned construction or closure of facilities.

2. DISTRICT and CITY will consult with each other and consider the information provided by each other when planning for sites, facilities and services. In particular, the information provided will be taken into account when evaluating potential sites and when planning for the construction of new facilities, additions to existing facilities, and closure of facilities, as well as when developing or amending comprehensive plans, zoning plans, and the development code.

AGREEMENTS CONCERNING PLANNING ROLES AND RESPONSIBILITIES:

3. DISTRICT and CITY will collaborate in planning for the parks, recreation and open space needs of the City of Bend and adjacent urbanizable area.

4. CITY shall be responsible for preparing, maintaining, updating and administering a comprehensive plan, within the planning area and developing ordinances for the area within its jurisdiction. These elements shall satisfy the statewide planning goals and shall be coordinated with all providers of urban services.

5. DISTRICT shall be responsible for preparing, maintaining and updating a comprehensive parks, recreation and open space plan for the area within its boundaries, including the City of Bend and adjacent urbanizable area for the purposes of meeting statewide Planning Goal 8 requirements and ensuring long-range public parks, recreation and open space facilities/services.

6. CITY is responsible for the planning, land acquisition, development, construction and maintenance of on-street and off-street bikeways for the purpose of implementing the transportation element of the Comprehensive Plan. DISTRICT is responsible for the planning, land acquisition, development, construction and maintenance of off-street bikeways that meet recreation needs within the area covered by the Park and Recreation Plan. DISTRICT and CITY shall coordinate their plans to maintain consistency in identifying these bikeways and in carrying out those goals.

7. CITY is responsible for the planning, land acquisition, development, construction and maintenance of urban trails, as identified in the Urban Trail Plan, for the purpose of implementing the transportation element of the Comprehensive Plan. DISTRICT is responsible for the planning, land acquisition, development, construction and maintenance of urban trails and recreation needs within the area covered by the Park and Recreation Plan. DISTRICT and CITY shall coordinate their plans to maintain consistency in identifying these trails and in carrying out those goals.

AGREEMENTS CONCERNING LAND USE ORDINANCES AND ACTIONS:

8. CITY's and DISTRICT'S staffs shall cooperate with each other in achieving the best solutions to the community's public parks, recreation and statewide land use Goal 8 open

space needs. In order to do so, each party shall use best efforts to give notice of activities covered by this Agreement at the earliest possible date to facilitate early and meaningful involvement by the other party. CITY will assist DISTRICT in scheduling, facilitating and participating in work sessions with CITY's Planning Commission and Council regarding DISTRICT issues.

9. CITY will give DISTRICT the opportunity to actively participate in all land use decisions by CITY which relate to or affect parks, recreation and related open space within the area covered by the Bend Area General Plan, which is subject to CITY's planning authority, prior to the decision by CITY. For purposes of this Agreement, the term: "land use actions" includes applications for land divisions, planned unit developments and zone changes, and proposed amendments to the comprehensive plan map or policies, zoning map or ordinance, or the development code. For purposes of this agreement, the term "actively participate" includes the following:

(a) CITY will promptly deliver to DISTRICT a copy of each proposed land use action. CITY staff shall deliver to DISTRICT a copy of all proposals for Development Code, Comprehensive Plan, and facilities plan amendments in a timely manner allowing DISTRICT a minimum of 14 days for review and comment prior to any public hearing on them.

(b) DISTRICT may propose amendments to the Development Code, zoning map or ordinance, or comprehensive plan map or policies which implement adopted DISTRICT policies found in the Park and Recreation Plan.

10. DISTRICT will give CITY the opportunity to actively participate in the preparation and updating of its comprehensive parks, recreation and open space "plan", prior to the final decision by DISTRICT. For purposes of this agreement, the term "actively participate" includes the following:

(a) DISTRICT will give CITY a copy of each proposed amendment to its plan as well as notice of the commencement of the process of an update of the plan, in a timely manner, not less than 14 days prior to any public hearing on the proposals, to allow CITY to review and comment on the proposals.

(b) CITY may propose amendments to the plan which implement adopted policies found in the CITY's comprehensive plan.

(c) The CITY will invite the DISTRICT to participate in pre-application meetings for land use decisions that affect parks, recreation and related open space.

11. DISTRICT shall notify CITY of DISTRICT proposals which relate to or affect land use or development within the area covered by the Bend General Area Plan which is subject to CITY's planning authority, prior to final action by DISTRICT.

12. DISTRICT and CITY shall provide notice under Sections 9(a) and 10 sufficiently in advance of any action to allow the notified party an opportunity to review and comment on the subject matter of the notice before publication of the staff report. If the notified party has concerns about the proposed action, DISTRICT's and CITY's staffs shall meet in an effort to resolve such concerns. Unresolved concerns shall be described in an attachment to the staff report.

13. DISTRICT and CITY will promptly respond to any notice to avoid unnecessary delay in action by the other. Either party may proceed with proposed actions in the absence of a timely response.

14. CITY and DISTRICT will each designate staff members to receive notices and to serve as liaison to each other and provide prompt response to review requests.

AGREEMENTS CONCERNING URBAN SERVICES:

15. CITY is designated in the Bend General Area Plan as the appropriate general services provider to citizens residing within its boundaries. By agreement of the parties, DISTRICT is designated as the service provider for parks and recreation and open space for the area covered by the Bend General Area Plan subject to CITY's planning jurisdiction.

16. CITY and DISTRICT may enter into intergovernmental agreements to share responsibility for providing certain park and recreational services, including planning, constructing and maintaining service facilities. No such agreement shall be inconsistent with this Agreement.

AGREEMENTS CONCERNING REVIEW AND MODIFICATION OF THE AGREEMENT:

17. This Agreement commences immediately and will automatically renew every year on July 1 unless terminated by one party giving the other party, prior to May 1, written notice of intent to terminate on the following July 1. In the event such notice is given, the parties will meet not later than June 1 to discuss the reasons for termination. If agreement to continue is not reached by June 30, this Agreement shall terminate.

18. The parties will meet to negotiate resolution of problems or conflicts concerning interpretation or implementation of the terms of this Agreement. A neutral third party may be used, if the parties agree, to help facilitate the negotiations.

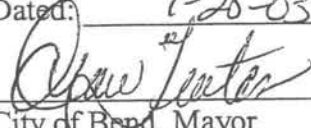
19. This Agreement may be amended by written application from one party to the other, and written concurrence by the responding party. Amendments shall be ratified by each governing body or delegated signatories, and made part of this Agreement.

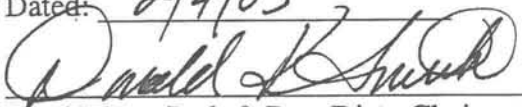
20. The parties shall jointly review this Agreement at least every three (3) years from the date of signing hereof, to evaluate the effectiveness of the processes set forth herein and to propose any necessary amendments. The results of the evaluation and any proposed amendments will be reviewed with each governing body.


ANNEXATION:

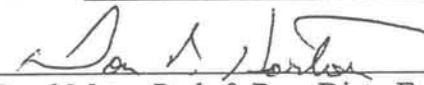
21. DISTRICT and CITY recognize that the CITY will be annexing part or all of the urban growth boundary. Further, this agreement is made to expressly allow the CITY to annex territory to the CITY pursuant to a voter approved annexation plan as provided for in ORS 195.220.

22. DISTRICT AND CITY recognize that the DISTRICT may annex part or all of the area within the urban growth boundary. Further, this agreement is made to expressly allow the District to Annex territory to the District Pursuant to a voter approved annexation plan as provided for in ORS 195.220.

Dated: 1-28-03

City of Bend, Mayor

Dated: 2/4/03

Bend Metro Park & Rec. Dist., Chairman
VICE

Dated: 1-22-03

City of Bend, City Manager

Dated: 2/5/03

Bend Metro Park & Rec. Dist., Exec. Dir.



Received
11/24/2008

Don Horton, Executive Director
200 NW Pacific Park Ln
Bend, OR 97701
tel: 541.389.7275 fax: 541.388.5429
www.bendparksandrec.org

November 24, 2008

Via: E-mail and Hand Delivery

BEND CITY COUNCIL
DESCHUTES COUNTY COMMISSION
c/o Damian Syrnyk, AICP, Senior Planner
City of Bend
710 NW Wall Street
Bend, OR 97701

**RE: Park and Trail Framework Plan
Urban Growth Boundary (UGB) Amendment
City of Bend Planning File No. PZ 07-361**

The Bend Metro Park and Recreation District ("District") has been working closely with the City and County Staff throughout the UGB planning process.

Land Needs Estimate

Based on the UGB population forecast and adopted target levels of service ("LOS") in the District's 2005 Park, Recreation and Greenspaces Comprehensive Plan ("Comprehensive Plan"), the gross need for future park and trail need, within the expanded UGB was estimated at 362 acres.

Park and Trail Framework Plan

The District's Comprehensive Plan target LOS standards for neighborhood and community parks as well as trails were used to establish the gross (i.e. non-locational) estimate of future park and trail need. Figure 1. shows the gross estimate of future need for each class of facility based upon an adjusted 2028 population forecasted increase of 38,512.

Figure 1. Estimated Gross Park Need

Facility Class	Comp Plan Target LOS	Future Need (acres)
Neighborhood Parks	2 acres/1,000	77 acres
Community Parks	5 acres/1,000	193 acres
Trails	2.4 acres/1,000	92 acres
Total acres needed		362 acres



National Gold Medal Award Winner

00151

Because the gross estimates of future park need were made prior to the release of the October 10, 2008 Alternative 4 UGB map (later reiterated), which included final draft boundaries and zoning designations, no park location planning had been done. More refined, quadrant-based planning has now been done by the City and District Staff. This quadrant-based location planning has been previously referred to in the record as the “park framework plan”.

The park framework plan will function to ensure that adequate neighborhood and community park amenities are efficiently and equitably distributed about the entire UGB pursuant to the Bend Urban Area General Plan and the District’s Comprehensive Plan. It is critical to refine the future park need based upon “location criteria” included in the Comprehensive Plan.

Community parks have service radii of 1 to 2 miles and the relevant location criteria are:

- Individual community parks should be centrally located in the portion of the community being served;
- Some community parks may be designed and located so as to serve the entire community;
- Collectively, community parks should be strategically located and uniformly dispersed throughout the community.

Typically, with the exception of the larger sites along the Deschutes River, community parks are located to serve specific areas of the District. Therefore the UGB was divided into quadrants.

Neighborhood parks have service radii of $\frac{1}{4}$ to $\frac{1}{2}$ miles and the relevant location criteria are:

- Located as central as possible to the neighborhood which it serves;
- Conveniently accessible within 10 – 15 minutes on foot.

Because neighborhood parks serve much smaller areas than community parks, their distribution and total net need is not as sensitive to the quadrant based analysis. However, the analysis can reveal the equity of neighborhood park service across the District and can help refine overall future need. Calculating only the gross level of neighborhood park service needed does not effectively reveal localized service deficiencies. Final locations of future neighborhood parks in the new UGB areas will be largely determined through the development process pursuant to policies and analysis in the District’s Neighborhood Parks Plan, an element of the Comprehensive Plan.

With the release of the UGB map and with the population data for each quadrant the District along with City Staff’s assistance has begun park framework planning. The quadrants used in the framework plan analysis are defined as either east or west of Hwy 97 (the Bend Parkway) and; as either north or south of the Hwy 20 – Greenwood/Newport Avenue – Shevlin Park Rd line. Figure 2 shows the net future park and trail need in each of the four expanded UGB quadrants.

Figure 2. Net Future Park and Trail Need at Build-out by Quadrant

Population at Build-out	Total UGB:	118,335				
- Per Quadrant:			18,350	38,275	30,279	31,432
NEIGHBORHOOD PARKS	Acres		NW	NE	SW	SE
Developed Neighborhood Park acres:	97	29	28	30	10	
Undeveloped Neighborhood Park acres:	34	0	18	10	6	
Existing Neighborhood Park total acres:	131	29	46	40	16	
Additional net Neighborhood Park acres needed to meet 2ac./1,000 target:	105	7	31	20	47	
COMMUNITY PARKS	Acres		NW	NE	SW	SE
Developed Community Park acres:	245	5	109	80	51	
Undeveloped Community Park acres:	184	0	151	0	33	
Existing Community Park total acres: ¹	429	5	260	80	84	
Additional net Community Park acres needed to meet 5ac./1,000 target:	231	87	0²	71	73	
TRAILS	Miles/Acres		NW	NE	SW	SE
Existing Trail Miles	61	9.0	5.9	40.4	5.5	
Trail Acres (20' wide ROW = 2.4 ac./mile)	146	22	14	97	13	
Additional net Trail acres needed to meet 2.4ac./1,000 target:	138	22	78	-24³	62	

Figure 3 shows the net total acres needed for parks and trails within the entire future UGB and within the individual quadrants.

Figure 3. Net Park and Trail Acres Needed

	UGB	NW	NE	SW	SE
Total additional net Park and Trail Acres Needed:	474	117	108	67	183

It is our understanding from discussions with the City Staff, that this information in Figures 2 and 3 will be added to the adopted UGB Framework Plan Map

Analysis and Conclusion

The 474 net acres of park and trail need shown in the quadrant-based analysis demonstrates that locational factors significantly impact future needs within the expanded UGB. This is particularly true for community parks where the excess 69 acres of existing capacity in the NE quadrant cannot be practically redistributed to the other three quadrants. It is also true for

¹ Community River Parks that do not provide the full range of basic community park amenities have been adjusted out. (See BMPRD Comprehensive Plan, Community River Parks, pg. 7-16)

² While the analysis shows an excess of 69 acres of community park service in the NE quadrant, this service cannot be distributed to other quadrants and therefore it is not deducted from the total net need.

³ A disproportionate amount of the Deschutes River Trail which serves the entire community is located within the SW Quadrant. This excess river trail acreage has been deducted from the net trail need.

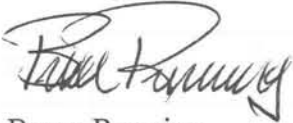
neighborhood parks because of their much smaller service areas. The combined need for neighborhood and community park acres when determined by quadrant is 336 net acres as compared to 270 gross acres shown in the earlier analysis. However, the overall need for residential lands includes 327 surplus acres, some of which might be used to accommodate the additional 66 acres of park need identified in the quadrant-based analysis.

The overall, 474 acre quadrant-based prediction of park and trail need is also somewhat skewed by the large amount of future trail acreage identified. Some of the needed trail right-of-way will be acquired in fee title and therefore will decrease the total of buildable acres in the expanded UGB. Other future trail acres, however, may be accommodated on easements across otherwise buildable parcels and therefore should not be deducted from the overall total of available acres. In addition, a significant portion of future trail routes follow canal ditch roads that are otherwise accounted for in the provision for 15% open space in the overall UGB land need. While it is impossible to say exactly how much of the predicted need for trail acreage is excessive, it seems safe to assume that the quadrant-based analysis results in some over prediction of combined park and trail need. It appears from the framework plan analysis that 362 acres of gross park and trail need may be sufficient although the quadrant-based prediction shows a greater need.

Recommendation

The District recommends retaining the 362 acres estimate of future park and trail need within the UGB. It will be necessary to review particular UGB areas as they are proposed for annexation in order to ensure that adequate parks and trails are provided for future users. The General Plan and Development Code amendments submitted jointly by the Bend Metro Park and Recreation District and the Bend La Pine School District are critical in facilitating implementation of the park and trail framework plan.

Sincerely,



Bruce Ronning
Director of Planning and Development

c: City of Bend and Deschutes County Planning Staff



520 NW Wall Street
Bend, Oregon 97701-2699
(541) 383-6000



December 5, 2005

To: Damian Syrnyk, Senior Planner
City of Bend
From: John M. Rexford, Assistant Superintendent-Operations
Bend-La Pine Public Schools
Re: School Land Requirements for UGB Expansion
Cc: Sharon Smith, Legal Counsel
Bryant, Lovlien & Jarvis

As you review the needs for additional residential lands and related public spaces, please consider the following concept for calculation of school land requirements. It is based on Dr. Richard Lycan's "Enrollment Forecasts for the Bend-La Pine School District 2005-2020" dated March 31, 2005. This document developed through the Population Research Center at Portland State University estimates .397 public school (K-12) students will be generated per occupied housing unit. In addition, consistent with most state guidelines and the adopted facilities plan of the District, the school district identifies the need for 15-acre school sites to serve 600 Grade K-5 students; 25-acre sites to serve 800 Grade 6-8 students; and 50-acre school sites to serve 1,500 Grade 9-12 students.

Based on these guidelines:

15 acres/600 K-5 students	=	.025 acres per student
25 acres/800 6-8 students	=	.03125 acres per student
50 acres/1,500 9-12 students	=	.0333 acres per student

Pro-rated by grade level	=	.029 acres per student (K-12)
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.397 K-12 Students per Occupied Housing Unit	*	
.029 acres per K-12 Student	=	.011513 acres School Land per Occupied Housing Unit

Thank you for your consideration of this concept.

010560

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TO: **UGB REMAND TASK FORCE (RTF)**
FROM: **BRIAN SHETTERLY, SENIOR PLANNER; LRP; LEGAL DEPARTMENT**
SUBJECT: **DISCUSSION AND RECOMMENDATION OF REMAND TASK 4.3:
PARK AND SCHOOL LAND NEEDS IN UGB EXPANSION AREA**
DATE: **JULY 22, 2011**

Introduction

This memo addresses Sub-issue 4.3 of the City of Bend Remand and Partial Acknowledgment 10-Remand-Partial Acknow-001795 (hereafter referred to as Remand and Sub-issue). This Sub-issue is found on pages 61-63 of the Remand order.¹

This memo includes a discussion of this sub-issue, but there is no staff recommendation at this time. We are introducing this sub-issue to the Remand Task Force at this time, since it is linked to Sub-Issue 4.2. However, as discussed below, it will not be possible to draft final findings addressing Sub-Issue 4.2 until later in the remand process, when tentative decisions about the size and location of the UGB expansion have been made. At that time, as with other sub-issues, draft findings will be prepared for Task Force review, providing the applicable legal standard, substantial evidence, and an explanation of compliance with the legal standard for Sub-Issue 4.3. This memo has been reviewed by DLCD staff, who are in agreement with its contents.

Remand Sub-issue 4.3

*"Whether the submittal includes adequate findings concerning whether the need for land for parks and schools may be accommodated within the prior UGB and (for parks) on lands outside of the UGB."*²

Conclusion:

"The Commission concludes that the City must make findings to address OAR 660-024-0050(4), regarding the extent to which the estimated need for future parks and schools can reasonably be accommodated inside the existing UGB. The required findings must address how the needs analysis accounts for lands already owned by the districts that are outside of the prior

¹ Oregon Land Conservation and Development Commission, Remand and-Partial Acknowledgement Order 10-Remand-Partial Acnow-001795, November 2, 2011, p.61.

² Ibid. p. 61.

UGB, particularly if those lands were determined to not be suitable for urbanization.”³

Discussion of Conclusion

Draft findings for Sub-Issue 4.2 establish the estimated amount of land that will be needed for park and school facilities during the planning period, and the methodologies used to calculate those estimates. Findings for Sub-Issue 4.2 also show that the City coordinated with the parks and school districts in considering needed land for these uses. Findings for Sub-Issue 4.2 do not consider the extent to which these needed acres may be found within the existing UGB or in the proposed expansion area.

In Sub-Issue 4.3, which is the subject of this memo, LCDC requires findings demonstrating how much of the estimated land need for parks and schools can be reasonably accommodated inside the existing UGB. These additional findings will take into account undeveloped properties owned by Bend Metro Parks and Recreation District (BMPRD) or Bend-La Pine Schools (BLPS), either within the existing or proposed UGB (or outside of it, in the case of certain rural park needs) that are available to meet the estimated need. The boundary determination will not be influenced by the presence or absence of park- or school-owned lands, and will be conducted per Goal 14, ORS 197.298, OAR 660-024-0060 as directed by the Remand Order.

Addressing Sub-Issue 4.3

In its remand order, LCDC does not dispute the City’s estimates of acreage that will be needed for future schools and parks. Those estimates were based on formulas provided, respectively, by Bend-La Pine Schools (Pre-remand Record 10560) and the BMPRD (Pre-remand Record 2724). The school district’s recommended formula resulted in an estimated a need of 192 total acres, and the park district’s methodology resulted in a final, estimated need for 362 acres to accommodate forecast growth during the planning period.

Rather than objecting to these estimates, the Commission agreed with the Director’s Decision, which “remanded the submittal because it lacked findings to establish that the identified need for land for parks and schools could not be accommodated (in part or in whole) within its (the City’s) prior UGB, and (for parks) whether some portion of the need (rural facilities) could be located on lands outside of the UGB.”⁴ For this sub-issue, on remand, the Council will need to adopt new findings that:

- Confirm or adjust estimates of needed acreage for public parks and schools during the planning period;
- Clearly explain the extent to which the needed acres may be accommodated on existing district ownerships inside and outside the

³ Ibid., p. 63.

⁴ Ibid., p. 61

current UGB consistent with the goals and laws pertaining to the UGB boundary analysis and Remand Order; and

- Note that any new land acquisitions intended to help meet needs within the existing UGB will displace acreage that is currently designated to accommodate either housing or employment and related uses, thus adding to the amount of acreage needed for those uses in the expansion area.

Based on the previous Buildable Lands Inventory and discussions with the park and school districts' staff, we expect to find that existing ownerships of BMPRD and BLPS, either within the current UGB or in the expansion area, will not be sufficient to meet the estimated needs. That amount of excess demand will become an additional increment of total acres needed for expansion.

As discussed in findings for Sub-Issue 4.2, the estimates of acres needed for parks and schools are based on increases in either population or housing units in the Bend urban area. However, the facilities provided by both BMPRD and BLPS are also location-sensitive. Depending on where an expanded UGB is located, it's possible that some part of the needed acreage for new facilities may be met by existing facilities. For example, the forecast growth in the number of housing units between 2008 and 2028 (16,681) indicates the need for several new elementary schools. If the expanded UGB were located in the vicinity where BLPS owns land suitable for a new elementary school and the *2005 Sites and Facilities Study* recommends siting a new elementary school in this area, then the need for additional acreage for a new elementary school in that area might be reduced. As with school facilities, the land need for new parks is based in part on the location of existing and future neighborhoods. Again, depending on the specific location of an expanded UGB, the estimated acreage need for parks may be somewhat lower or higher than an estimate based solely on population growth.

In its 2009 UGB adoption, the City did not make any distinction between acres needed within the current UGB and acres that would be needed in the expansion area for parks and schools. Any new land that either district might acquire within the current UGB to accommodate needed facilities would be designated for employment or housing purposes in the City's Buildable Lands Inventory, and thus assumed to be used for residential or employment uses. When acreage assumed to be used for residential or employment land uses is used for park or school uses, an equivalent amount of new land would need to be made available for either residential, or employment uses. That additional acreage would be found within the UGB expansion area. Thus, the amount of acres needed for future parks and schools need not be broken down into categories of acres needed within the current UGB and acres needed within the expansion area. The total estimated amount of needed acreage remains the same, regardless of the degree to which the need is met within the current UGB or in the expansion area. This makes sense from the districts' standpoints as well, since once the UGB expansion is complete, they will locate new facilities to optimally serve the entire area within new UGB rather than distinguish between the current UGB and expansion area.

Nevertheless, findings responding to this sub-issue will consider and account for properties within the current and new UGB that are already owned by BMPRD and BLPS and are available to help meet future needs.

Conclusion

Staff recommends that no action be taken by the Remand Task Force with respect to Sub-Issue 4.3 at this time. Rather, as it becomes clearer where the UGB will be located, this issue will be re-visited and resolved. Findings drafted at that time will be very clear as to the total acreage need for parks and schools, the extent to which that need is expected to be met on current ownerships or future acquisitions, and whether those will be within the current UGB or in the expansion area. Staff anticipates there will be sufficient evidence in the record in the form of the revised Buildable Lands Inventory and parcel database pertaining to the lands outside the UGB to address this sub-issue without adding new information to the record.

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TO: **REMAND TASK FORCE (RTF)**
FROM: **BRIAN RANKIN, SENIOR PLANNER; LRP; LEGAL DEPARTMENT**
SUBJECT: **DISCUSSION AND RECOMMENDATION OF REMAND TASK 5.6:
VACANCY FACTOR FOR EMPLOYMENT LAND NEED DETERMINATION**
DATE: **7/22/2011**

Introduction

This memo responds to Sub-issue 5.6 of the City of Bend Remand and Partial Acknowledgment 10-Remand-Partial Acknow-001795 (hereafter referred to as Remand and Sub-issue). The Sub-issue is found on pages 78-80 of the Remand order.

This memo includes a discussion of the Sub-issue and a staff recommendation. Attached to this memo is a separate document with proposed findings for Sub-issue 5.6 and Pre-remand Record references used in the findings. The findings provide the applicable legal standard, substantial evidence, and an explanation of compliance with the legal standard.¹ The contents of this memo and the attached findings have been reviewed by DLCD staff. Based on discussions with DLCD staff, the City believes that adopting the draft materials contained in the findings will be supported by DLCD staff as satisfactorily addressing the concerns expressed under the Sub-issue.

Remand Sub-issue 5.6

*"Whether the record supports the conclusion that Bend will experience a fifteen percent vacancy rate in its employment lands over the 20-year planning period."*²

Conclusion:

"The Commission concluded that under division 9, the long-term vacancy factor should be based on past and projected future trends over the planning period. The City has not established that a 15 percent vacancy factor is based on substantial evidence."³

¹ Oregon Land Conservation and Development Commission, Remand and-Partial Acknowledgement Order 10-Remand-Partial Acnow-001795, November 2, 2011, p.14.

² Ibid, p. 78.

³ Ibid, p. 80.

Discussion of Conclusion

The direction in the conclusion is clear, yet less prescriptive than other conclusions previously reviewed by the RTF. The Sub-issue states the “long-term vacancy factor should be based on past and projected future trends over the planning period”⁴. The conclusion also states a rate of fifteen percent, and presumably higher vacancy rates, would not be supported by substantial evidence in the Pre-remand Record. Neither the conclusion, nor the preceding discussion (analysis, summary of local actions, and legal standard) mentions or requires new sources of evidence. Therefore, the Sub-issue does not require a new or modified factual basis or evidence, but does require new conclusions and findings based on evidence already in the Pre-remand Record. The conclusion does not suggest the vacancy rate be removed or applied in a different manner.

Discussion

The vacancy factor is one of many factors used to determine the 20-year employment land need. Its importance is relatively minor compared to other variables used to determine the 20-year need for employment land. However, assuming a higher vacancy factor will result in the City demonstrating a greater employment land need; while assuming a lower vacancy factor will have the opposite effect.

This Sub-issue is a case of LCDC disagreeing with a conclusion made by the City, and LCDC directing the City to revise the conclusion to be more in line with trend data available in the Pre-remand Record. The Remand provides a brief explanation of the history on the subject:

“The City identified the vacancy rate for office and industrial land between 1993 and 2005. R. at 1562, Figure 23. During that time, the identified vacancy rate for industrial fluctuated between four and nine percent; the identified vacancy rate for office ranged from four to 13 percent. R. at 1562, 1616. The City acknowledged that a 15 percent vacancy rate is higher than Bend has experienced, but reasons that the rate is only slightly higher than historic and current conditions. R. at 1616. Further, the City decided the higher rate is warranted to both “lower land and rent prices for businesses” and “the desire of the Planning Commission and the City Council to increase land supplies in the expanded UGB.” R. at 1617...The Director determined that the City had not established an adequate factual base for the assumed 15 percent vacancy rate...and the effects of availability on rents and land prices, are legitimate considerations in planning for growth, assigning an across the-the board vacancy rate that is significantly above trends (R. at 1562) does not comply with the Goal 9 rule.”⁵

The existing factual basis is found in the City of Bend Economic Opportunities Analysis (EOA) in the form of a figure showing approximate vacancy rates for

⁴ Ibid, p. 80.

⁵ Ibid, p. 79.

office and industrial land from 1993 to 2005 (Pre-remand Record 1562), and vacancy rate figures for office and industrial space in years 2006 and 2008 (Pre-remand Record 1616-1617). The exact vacancy rates (out to one or two decimal places) between the years 1993 to 2005 are not in the Pre-remand Record, but approximate rates rounded to the closest whole number can be determined based on Figure 23 in Pre-remand Record 1562. Other relevant information in the EOA discusses “ideal” vacancy rates (between 8-10 percent), rates as low as 3-5 percent creating supply limitations and price increases, and rates of larger municipalities such as Los Angeles, Phoenix, and Salt Lake City having actual vacancy rates between 14 and 17 percent. Pre-remand Record 1617. Staff is not aware of other evidence in the Pre-remand Record outside of objections and DLCDC comments providing additional data related to vacancy rates. Staff believes the existing evidence is adequate for the purpose of demonstrating past trends and inferring an appropriate long-term vacancy factor over the planning period.

Given the data is acceptable and the direction from LCDC to recalculate the vacancy factor, the next step is to determine how to recalculate the vacancy factor consistent with past trends. LCDC will not support a single vacancy factor as high as 15 percent and that a lower vacancy factor will result from the new analysis. The City previously argued that vacancy rate data from 2006 and 2008 illustrate that vacancy rates were rapidly increasing, so while a sustained vacancy rate of 15 percent was not observable; it was possible to justify the 15 percent factor in the context of observable rapid increases in vacancy rates. In staff’s opinion, it is unlikely that using a similar line of reasoning and analysis will be supported by LCDC. The City also argued for the 15 percent factor partially to increase land supplies and decrease rents and land prices. This approach also fell short and staff assumes a similar approach will not be supported by LCDC. The remaining approach that seems simplest and most supportable to staff is calculating an average vacancy rate, or rates, based on the data in the Pre-remand Record spanning 15 years, and to use this as a basis for future vacancy factors.

Once a new vacancy factor is calculated, it must be applied to result in the revised 20-year employment land need. The total 20-year employment land need estimate was comprised of employment land categories including commercial, industrial/mixed employment, public facilities, residential, and medical. The City previously applied a single vacancy factor of 15 percent to all employment land types. Staff now recommends calculating two average vacancy rates (one for office and another for industrial), and then applying each rate to the most similar and appropriate employment land category. Staff recommends this approach because the available trend data on vacancy rates illustrates a difference between the 15-year average vacancy rate for industrial and office space. Observable vacancy rates for office uses have almost always been higher than for industrial land since 1993. Staff believes it is more accurate to apply the industrial vacancy factor to industrial and mixed employment land types and the office vacancy factor to commercial, public facilities, employment uses in residential areas, and medical land use types.

The following options are available to the Remand Task Force on this Sub-issue:

1. Use the existing factual basis or new information to recalculate a new expected vacancy factor, or factors, for the 20-year planning period based on past vacancy rate trends.
2. Recalculate the vacancy factor as an average of the data in the Pre-remand Record, or use an alternative approach such as attempting to predict future vacancy rates cycles (increases and decreases over the 20-year planning period).
3. Apply a single vacancy factor to all employment land types or one of two vacancy factors to the most appropriate employment land type.

Conclusion and Recommendation

Staff recommends calculating an average vacancy rate for industrial space for the years 1993-2005, 2006, and 2008 based on trend data available in the Pre-remand Record. This average would represent the past trend to use as a factor to apply to industrial and mixed employment land needs for the 20-year planning period. Staff recommends the same approach for office vacancy rates and determining the office land need factor, but would apply the factor to commercial, public facilities, economic uses in residential areas, and medical land use types because these uses are more similar to office use than industrial uses. This approach relies on existing data and therefore lowers the risk of appeal based on new evidence. This approach would also lower the vacancy factor from the original proposal of 15 percent to 9.8 percent for office/commercial uses, and 6.5 percent for industrial/mixed-use properties.

Remand Sub-issue 5.6 - Conclusion

"The Commission concluded that under division 9, the long-term vacancy factor should be based on past and projected future trends over the planning period. The City has not established that a 15 percent vacancy factor is based on substantial evidence."¹

Applicable Legal Standard

"...The Goal 2 requirement of an adequate factual base applies to identification of the "vacancy rate" and requires that the record, viewed as a whole, would permit a reasonable person to make the findings. Here, because the vacancy rate involves both basic findings of fact and inference drawn from those facts, substantial evidence review involves two related inquiries: "(1) whether the basic facts are supported by substantial evidence, and (2) whether there is a basis in reason connecting the inference to the facts from which it is derived." *City of Roseburg v. Roseburg City Firefighters*, 292 OR 266, 271, 639 P2d 90 (1981)."²

City's Position

Remand Sub-issue 5.6 requires the City to determine a new long-term vacancy factor based on past and projected future trends over the planning period that is supported by substantial evidence. The City is not adding new evidence to the record to make this determination, but is recalculating the long-term vacancy factor based on existing evidence in the Pre-remand Record. The new long-term vacancy factor must be supported by substantial evidence and also be based on a reason connecting the new long-term vacancy factor to the facts in the Pre-remand Record.

As explained in detail by the findings, the recalculated long-term vacancy factor for industrial and mixed employment lands is 6.5 percent and the long-term vacancy factor for commercial, public facility, employment uses in residential areas, and medical uses is 9.8 percent. These factors are based on actual vacancy rates for office and industrial uses in Bend observed between 1993-2005, 2006, and 2008. The Pre-remand Record does not include data for 2007. Both long-term vacancy factors are a reduction from the previously assumed long-term vacancy factor of 15 percent which was applied to all employment uses.

Findings

1. The conclusion of Remand Sub-issue 5.6 does not require any new evidence be added to the record.
2. Figure 23 of the City of Bend Economic Opportunities Analysis (EOA) shows the approximate vacancy rates for office and industrial space in Bend between 1993 and 2005. This information is from Compass

¹ Oregon Land Conservation and Development Commission, Remand and-Partial Acknowledgement Order 10-Remand-Partial Acknow-001795, November 2, 2011, p. 80.

² Ibid, p. 59.

FINDINGS FOR REMAND SUB-ISSUE 5.6

Commercial Real Estate Services, *Points* publication. Pre-remand Record 1562.

3. Figure 23 does not contain the actual vacancy rate in numerical terms, but the figure does contain enough accuracy to determine the vacancy rates by year for industrial and office space if rounded to the closest whole number. Pre-remand Record 1562.
4. Compass Commercial Real Estate Services, *Points* publication determined 2nd quarter vacancy rates for office and industrial uses in 2006 and 2008. The 2006 office space vacancy rate in Bend was 9.0 percent, and increased to 13.5 percent in 2008. The 2006 industrial space vacancy rate in 2006 was 2.9 percent, and increased to 12.1 percent in 2008. Pre-remand Record 1616. Data for the year 2007 is not in the Pre-remand Record.
5. Table 1, below, presents data from Figure 23 (Pre-remand Record 1562) and from Pre-remand Record 1616, as well as the average for the 15 years shown. Vacancy rates for years 1993-2005 are approximated to the closest whole number from the graph in Figure 23 found in Pre-remand Record 1562. The exact rates for years 1993-2005 are not in the Pre-remand Record, so it is necessary to approximate the vacancy rates from Figure 23 for this time period. The City finds approximations of this nature are appropriate given the intended use is to determine the average vacancy rate over a 15-year period for purposes of illustrating historical trends and estimating vacancy factors for industrial and office type uses. Precision to one or two decimal places has little impact on the general trends in vacancy rates in this 15-year time period.

FINDINGS FOR REMAND SUB-ISSUE 5.6

<i>Table 1: Bend Vacancy Rates by Year and Type</i>				
Period	Year	Office Vacancy Rate	Industrial Vacancy Rate	Record Cite
Year End	1993	5	7	1562 (Figure 23)
Year End	1994	8	4	1562 (Figure 23)
Year End	1995	8	6	1562 (Figure 23)
Year End	1996	9	9	1562 (Figure 23)
Year End	1997	9	9	1562 (Figure 23)
Year End	1998	8	3	1562 (Figure 23)
Year End	1999	11	8	1562 (Figure 23)
Year End	2000	8	7	1562 (Figure 23)
Year End	2001	9	7	1562 (Figure 23)
Year End	2002	13	8	1562 (Figure 23)
Year End	2003	12	5	1562 (Figure 23)
Year End	2004	13	6	1562 (Figure 23)
Year End	2005	11	3	1562 (Figure 23)
Q2	2006	9	2.9	1616
Q2	2008	13.5	12.1	1616
15-year Averages:		9.8	6.5	NA

6. Table 1 illustrates the general trend of vacancy rates for office and industrial space tracking together over time. Office vacancy rates were generally higher than industrial vacancy rates. For example, vacancy rates increased in office and industrial between the years of 1993 and 1996. Both rates declined between 1996 and 1998. Both rates increased between 1998 and 1999. Both rates declined between 1999 and 2000. Both rates increased between 2000 and 2002. Both rates decreased between 2002 and 2006. Both rates rapidly increased between 2006 and 2008. This illustrates that market conditions tend to impact the supply and demand for office and industrial space similarly over time rather than resulting in dramatic differences between the rates themselves and each other.
7. Table 1 illustrates that vacancy rates for industrial space have almost always been lower than rates for office space over the 15-year time period. The only exceptions were in 1996, when the industrial vacancy rate was slightly higher than the vacancy rate for office, and in 2000 when the rates were approximately the same.
8. Table 1 illustrates that the average vacancy rate for office space over the 15-year time period is 3.3 percent higher than vacancy rate for industrial space during the same period. In all but two years out of the 15 years shown in Table 1, the office vacancy rate was higher than the industrial

FINDINGS FOR REMAND SUB-ISSUE 5.6

- vacancy rate. These two facts illustrate a relatively stable trend of office vacancy rates being higher than industrial vacancy rates.
9. The historical trend in office and industrial vacancy rates observed in Table 1 and described in findings 6-8, above, illustrate that vacancy rates are always present, these rates tend to be near the 8-10 percent vacancy rates considered “ideal” in a market (Pre-remand Record 1617), and that office vacancy rates tend to be slightly higher than industrial vacancy rates.
 10. The City infers that a 15-year time period with four periods of increases and three periods of decreases is long enough to illustrate how vacancy rates in Bend respond through a wide variety of market conditions. No other evidence was submitted to the Pre-remand Record that supported an argument for a longer or different period of time. The wide variety of market conditions that took place during the 15-years have not resulted in trends in vacancy rates that are highly variable and dissimilar since office vacancy rates are almost always slightly higher than industrial vacancy rates and the rates change consistently in one direction or the other as shown in finding #6, above.
 11. The City also infers that the average of the yearly vacancy rates in Table 1 for office and industrial space are accurate and acceptable means of estimating a vacancy factor for future land needs for industrial type uses at 6.5 percent and industrial type uses at 9.8 percent for office and commercial uses. Findings in 6-9, above, illustrate the averages are based on historic trends, that these trends have been relatively stable and predictable over time.
 12. The City finds that relying on data of past trends in the average vacancy rates shown in Table 1 is appropriate to use as vacancy factors for the future planning period is appropriate because the general conditions of employment and population growth in the recent past are similar to the predictions about the 20-year planning period. Fundamental conditions in the economy of Bend such as relatively steady population and job growth from 1993 to 2007 shown in the EOA (Pre-remand Record 1531-1533), and the distribution of job growth (Pre-remand Record 1539-1542) during the same 15-year time period as the observed vacancy rates in Table 1, are expected to be similar to future economic conditions in Bend (continued population and job growth) in the 20-year planning period as shown in Pre-remand Record 1549-1554.
 13. The City finds that relying on past trends in the average vacancy rates shown in Table 1 is appropriate to use as vacancy factors for the future planning period because of the long time period and variety of market conditions reflected in the averages.

FINDINGS FOR REMAND SUB-ISSUE 5.6

14. For purposes of applying the assumed vacancy factors to determine future employment land needs, it is necessary to apply the factors to the most appropriate employment land types. This is the most accurate method possible based on the available data and information in the Pre-remand Record since vacancy rates for each specific type of employment land are not available and are not in the Pre-remand Record.
15. For purposes of applying the assumed vacancy factors to determine future employment land needs, the office vacancy factor of 9.8 percent is applied to commercial, public facilities, employment uses taking place on residential lands, and medical land uses (as illustrated in Pre-remand Record 1618) because these economic land types tend to allow office uses outright or conditionally, and tend to not allow industrial uses.
16. For purposes of applying the vacancy factors to determine future employment land needs, the industrial vacancy factor of 6.5 percent is applied to the industrial/mixed employment land uses (as illustrated in Pre-remand Record 1618) because these economic land types tend to allow industrial uses outright or conditionally, and tend to not allow purely office uses.
17. The preceding findings identify the data relied upon pertaining to vacancy rates, trends in vacancy rates over a 15-year time period, an explanation of how the vacancy factors are based on the data and evidence related to observed trends in vacancy rates, and reasons why the City believes the vacancy factors should be applied to determine employment land needs during the 20-year planning period. In addition, the City has explained why the vacancy factors should be applied to the various employment land types used in the City's EOA for purposes of calculating the 20-year employment land need. Together, these findings provide the substantial evidence required by Remand Sub-issue 5.6.

Table [...][9]. Recent Growth in Deschutes County Population and Wage and Salary Jobs

Year	July 1 Population ¹	July Wage & Salary Jobs ²	Ratio of jobs to population
1990	74,958	33,380	.445
1991	79,800	34,820	.436
1992	82,600	34,940	.423
1993	86,800	36,330	.419
1994	89,500	38,300	.427
1995	94,100	41,400	.441
1996	98,000	43,440	.443
1997	101,200	44,910	.444
1998	104,900	47,130	.449
1999	106,700	47,760	.447
2000	115,367	52,580	.455

¹ Certified total population from PSU Center for Population Research and Census

² Final employment numbers from various Central Oregon Labor Trends newsletters

The ratio of jobs to population can be looked at as a percentage of the total population. For example, in 1999 the number of jobs in the county was about 45 percent of the total county population, or almost 45 jobs for every 100 persons. This ratio is for the county as a whole and varies from area to area. The U.S. Census report for 1990 shows the ratio of jobs to population in the City of Bend as 0.509 or almost 51 jobs for every 100 residents (9).

Table 10. Deschutes County Population and Non-farm Jobs, Employment Ratios: 2004-2007

Year	Deschutes County July 1, Population ¹	Deschutes County July Farm and Non- farm Jobs ² (Employed)	Ratio of Non- farm Jobs to Population
2004	135,450	67,475	.498
2005	143,490	70,636	.492
2006	152,615	75,381	.493
2007	160,810	80,366	.500

¹ Certified total population by Population Research Center, PSU, March 2008

² Final employment numbers from September 2004, 2005, 2006, 2007 Central Oregon Labor Trends newsletters

Recent trends suggest Deschutes County's job growth has continued to remain strong between 2004 and 2007. In fact, the ratio of jobs to population has increased during the last four years compared with average rates experienced during the 1990s.

Part 1 of the 2000 ELS places the population and job growth of Deschutes County in the context of strong regional population and employment growth.

The strong Central Oregon economy has generated substantial job growth not just in Bend and Deschutes County but in Crook and Jefferson counties as well. The following table compares the change in population and jobs for the three Central Oregon (Region 10) counties. Although the percentage increase in either population or jobs has not been the same for the three counties, one important trend stands out. In each of the counties, the number of jobs has increased at a faster rate than the population (9).

Table [...][11]. Long-term Change in Population and Employment: 1980-1999

County	1980		July 1999		Percent Change	
	Population ¹	Jobs ²	Population ³	Jobs ⁴	Population Up	Jobs Up
Crook	13,100	3,830	16,800	6,250	28.2%	63.2%
Jefferson	11,700	3,690	17,650	6,460	50.9%	75.1%
Deschutes	62,500	21,780	106,700	47,760	70.7%	119.3%

¹ From 1980 U.S. Census

² Average annual employment from Oregon Department of Employment

³ From Portland State University Center for Population Census and Research

⁴ From Oregon Department of Employment Central Oregon Labor Trends newsletter, October 1999

This is true between the years 1980 and 1999 as well as more recently, between 2004 and 2007, as shown in Table 12.

Table 12. Change in Population and Employment: 2004-2007

County	July 2004		July 2007		Percent Change	
	Population ¹	Jobs (Employed) ²	Population ¹	Jobs (Employed) ²	Population Up	Jobs Up
Crook	20,650	7,220	25,885	9,319	25.3%	29.1%
Jefferson	20,250	7,825	22,030	8,780	8.8%	12.2%
Deschutes	135,450	67,475	160,810	80,366	18.7%	19.1%

¹ Certified total population by Population Research Center, PSU, March 2008

² Final employment numbers from September 2004, 2005, 2006, 2007 Central Oregon Labor Trends newsletters

Tables 11 and 12 demonstrate that Deschutes County, and Bend, are likely not drawing significant numbers of jobs away from Crook and Jefferson counties since job creation has occurred faster than population growth in these counties. Part 1 of the 2000 ELS continues:

Table [...][13] takes a slightly different look at regional employment. It compares 1999 county work force levels to the number of jobs in each of the three Central Oregon Counties.

Table [...][13]. County Workers and County Employment: July 1999

County	Residence Labor Force ¹	Non-farm Payroll Employment by Place of Work ²	Percent of Jobs in County to County Labor Force
Crook	7,140	6,250	87.5%
Jefferson	8,690	6,460	74.3%
Deschutes	52,800	47,760	90.5%

Source: Oregon Employment Department Central Oregon Labor Trends newsletter, October 1999

¹ Persons 16 years old and older by place of residence minus unemployed individuals.

² Place of works means the county – the number of persons working in the county regardless of where they live.

Again, although the numbers are not identical, this table shows that all three counties have a similar percentage of jobs in the county to the number of workers who reside in the county. The higher percentage for Deschutes County may be due to a greater number of recreation and tourism related jobs than the other two counties. In addition, it is not surprising that the Jefferson County percentage is the lowest since these numbers are for non-farm payroll workers. Jefferson County has a higher percentage of agricultural workers than Crook or Deschutes counties, so the non-farm payroll jobs make up less of the total job mix (9-10).

Looking at a similar snapshot nine years later in Table 14, while individual rates of non-farm employment in each county have changed, these observations still hold true.

Table 14. Civilian Labor Force and Non-farm Payrolls by County: May 2008

County	Civilian Labor Force ¹	Non-farm Payroll Employment by Place of Work ²	Percent of Non-farm Jobs in County to Civilian Labor Force
Crook	9,864	6,930	74.3%
Jefferson	9,655	6,340	65.7%
Deschutes	84,882	72,900	85.9%

Source: Oregon Employment Department Central Oregon Labor Trends newsletter, May 2008

¹ Persons 16 years old and older by place of residence minus unemployed individuals.

² Place of works means the county – the number of persons working in the county regardless of where they live.

The 2000 ELS, Part 1 draws the following:

Conclusions:

- The recent job growth in Bend and Deschutes County has not come at the expense of other cities and jurisdictions....
- The increase in the area's labor force is expected to keep pace with the population increase....
- The in-migration of younger individuals combined with the baby boomer generation of workers will create a large potential labor force in the peak of its work and income producing years (11-12)

Unemployment in Deschutes County appears to be more strongly affected by seasonal economic conditions than for Oregon and the U.S. In the U.S. and Oregon, there tend to be two "dips" in the unemployment rate around April/May and September/October. In Deschutes County, there appear to be less pronounced spikes in unemployment in early summer. Rather, there appears to be a continued lull in unemployment during the "tourist season" which is generally between Memorial Day (late May) and Labor Day (early September). This timeframe also reflects a sizable portion of the building season. In the U.S. and Oregon, lowest unemployment rates tend to be in the fall, whereas in Bend, similarly low unemployment rates are seen in early summer and fall.

Conclusions:

- Recent unemployment rates in Deschutes County tend to be higher than the U.S., and similar to the State of Oregon, suggesting Bend and Deschutes County unemployment rates may track with national and state trends in the future
- Unemployment rates in Deschutes County show more pronounced affects from changes in seasonal employment than in the U.S. and Oregon
- Structural unemployment does not appear to have been an issue in Deschutes County and Bend, suggesting no major disconnect between the capabilities of resident workers and economic changes and growth over the past decades

Changing Economic Markets

Part 1 of the 2000 ELS states "in the past 30 years, there has been a general shift in the types of jobs. The service, retail, and construction sectors gained a greater share of the employment mix with the other sectors slipping in their percentages" (12). According to Central Oregon's Regional Economist, Steve Williams of the Oregon Employment Department, this trend occurred nationally and within the State of Oregon.

Figure 10 presents employment changes in the county between 1976 and 2000 as reported by the State Employment Department. Note the dramatic decline of manufacturing, which in 1976 represented approximately 23 percent of jobs, declining to 12 percent in the year 2000. Symbolically, the vast majority of manufacturing in 1976 was in lumber and wood products. In 2007, wood product manufacturing made up a little over a quarter of the jobs in manufacturing.

Data is presented between 1976 and 2000 and from 2001 to 2007 because the Oregon Employment Department (and all similar agencies in the country) moved from collecting and reporting employment data in the Standard Industrial Classification system (SIC) to the North American Industry Classification System (NAICS).

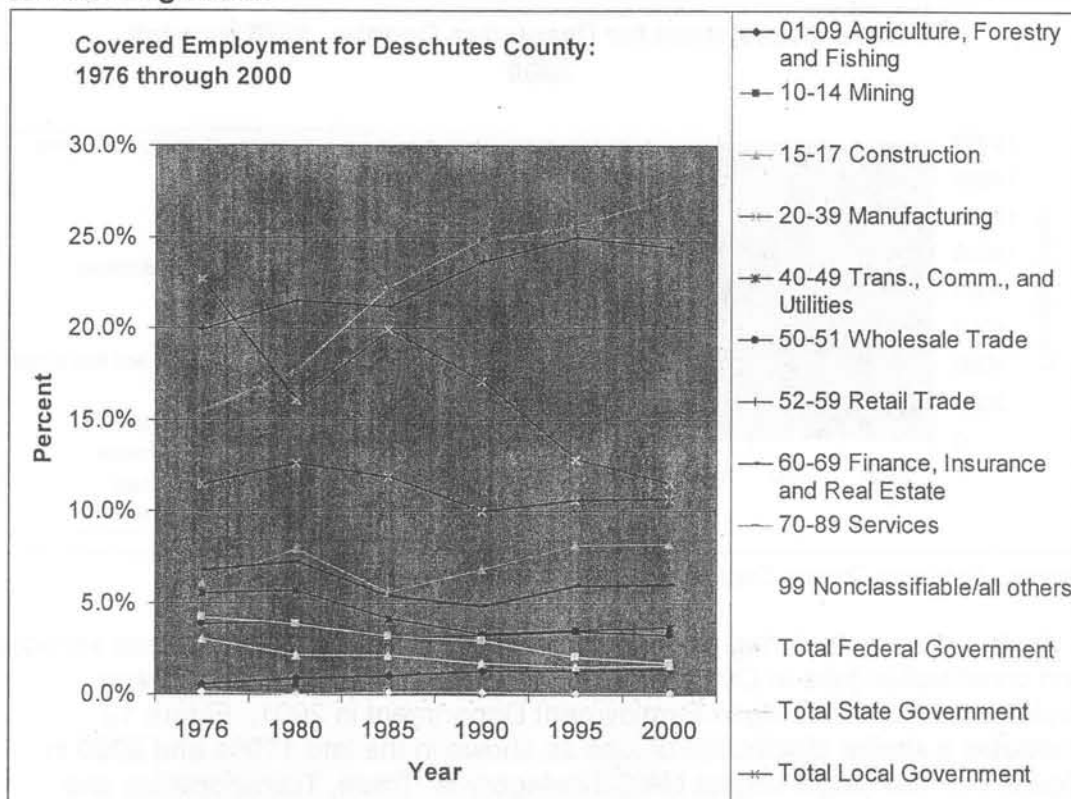
Beginning in 2001, data from the Oregon Employment Department is reported in the NAICS system. These two reporting systems generally classify construction,

manufacturing, mining, government, and other employment similarly, with the major differences appearing in the wholesale, retail, finance, insurance, and real estate, and services sectors. As noted by the Encyclopedia of Small Business website:

economic units that use like processes to produce goods or services are grouped together... The fundamental problem was that the SIC system was based on concepts developed in an era of American history – the 1930s and 1940s – when manufacturing was the dominant economic engine. Many service activities were not separately identified, and as service-oriented businesses became more important, SIC revisions did not keep pace.

The NAICS system not only changed the way data was collected, it added new and more detailed data pertaining to economic activities such as technology, information, and services. Because of these significant differences, it is not possible to directly compare economic reports from the 1970s through 2000 with jobs data of 2007.

Figure 10. Distribution of Covered Employment for Deschutes County: 1976 through 2000



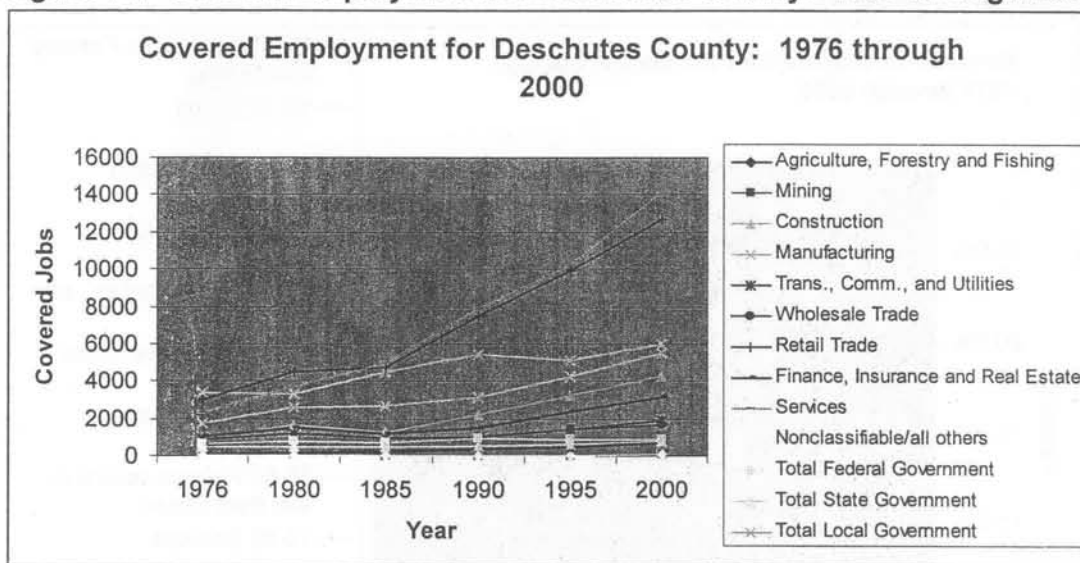
Source: Data from Oregon Employment Department, analysis by City of Bend

Notice also the rise of retail trade and service jobs in this period of time. Retail trade represented 20 percent of jobs in 1976, and 25 percent in 2000. Services

nearly doubled their share of total jobs by moving from 16 percent to 27 percent of jobs in Deschutes County between 1976 and 2000. Other sectors were relatively stable during this period, generally staying within 5 percent of their share of county jobs in the 24 year period.

Another graphic representation of job distribution and growth for this time period is shown in Figure 11. Deschutes County had a total of 15,022 covered jobs in 1976 and an astonishing growth of 245 percent to 51,901 jobs in 2000. This represents an average rate of job growth of 5.3 percent per year. Services and trade are clearly the fastest and highest growth job sectors. Interestingly, while the share of manufacturing shrunk during the period, over 2,000 manufacturing jobs were created during this 24 year period. In descending order, highest rates of job growth were in agriculture, forestry and fishing (albeit in small job numbers), services, construction, retail trade, and finance, insurance and real estate. Emerging trends of job growth in construction and finance, insurance, and real estate bloomed as well. Not unexpected, jobs in local and state government grew considerably more than federal job growth.

Figure 11: Covered Employment for Deschutes County: 1976 through 2000



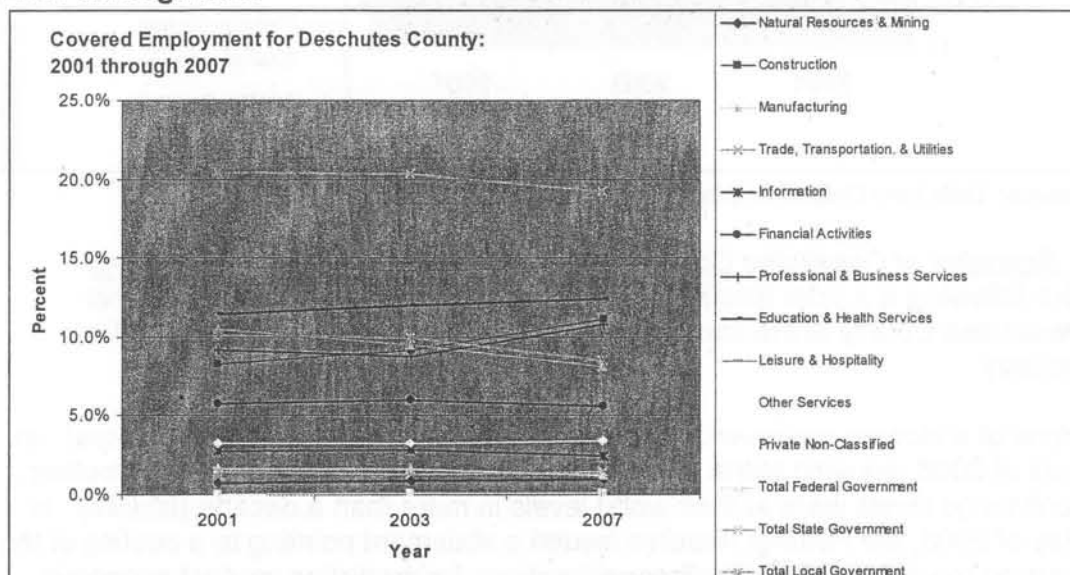
Source: Data from Oregon Employment Department, analysis by City of Bend

A decline of manufacturing jobs in increase in professional and business services and construction jobs in Deschutes County is noticeable after NAICS was implemented by the Oregon Employment Department in 2001. Figure 12 illustrates a similar distribution of jobs as shown in the late 1990s and 2000 in Figure 11. The single largest NAICS category is "Trade, Transportation and Utilities". The NAICS category "Trade, Transportation, and Utilities" includes industries such as wholesale and retail trade, as well as transportation, warehousing and utilities. In 2007 the retail portion represents nearly 80 percent

of "Trade, Transportation and Utilities" total. Other industries showed little change in their distribution over the seven year period.

Where "Services" made up over 25 percent, and "Retail Trade" nearly 25 percent, of Deschutes County's economy classified under the SIC in 2000, these jobs were disaggregated into new NAICS categories. In 2001 (as well as 2007), no single NAICS industry category constituted over 25 percent of Deschutes County's jobs. This is due to reclassification of industries into more specific "service" NAICS categories such as "Leisure and Hospitality", "Financial Activities", "Information", "Professional and Business Services", "Education and Health Services", and "Other Services".

Figure 12. Distribution of Covered Employment for Deschutes County: 2001 through 2007



Source: Data from Oregon Employment Department, analysis by City of Bend

Job growth between years 2001 and 2007 echoes job growth themes discussed for the time period between 1976 and 2000. Figure 13 shows the total number of covered jobs in Deschutes County between 2001 and 2007. Job growth during the six years was at 4.7 percent per year, an annual rate slightly lower than the preceding 24 years. There were 69,304 total covered jobs in 2007. In absolute numbers, trade, transportation, and utilities, leisure and hospitality, and education and health services are the three dominant industries, followed by construction and professional and business services.

has been bolstered by national and regional firms offering video rentals, health care services, lodging and other services.

Tourism. Tourists, outdoor enthusiasts, and business travelers visit Bend almost year-round and add more demand to both the trade and service sectors. In Deschutes County in 1996, travel-related expenditures totaled more than \$278 million dollars. Bend's increasingly diversified retail sector (without sales tax) is particularly alluring to out-of-state visitors who may purchase clothing, gifts, outdoor equipment, and food at restaurants or grocery stores.

Service businesses used by visitors include sports equipment rentals, golfing, outdoor adventure tours, equipment servicing, and lodging. In the past few years several national lodging chains – Sleep Inn, Hawthorne Suites, Holiday Inn Express, and Econo Lodge – have built new facilities in Bend.

Comparative Advantages. It was noted earlier that Central Oregon's "livability factor" helps attract new businesses to the area. This nebulous term covers various conditions that exist throughout the region – recreational amenities, low crime rate, large and generally well educated employment base. For Bend the list also includes such things as: a very diverse economic base; fiber optic trunk lines connecting Bend to Portland, Boise and the rest of the country; excellent health care facilities; new private and public schools; Central Oregon Community College; and local venture capital.

[.....]

Conclusions:

- The industrial sector in Bend is much more diverse than in the past
- The predominant pattern of smaller firms needing smaller sites and/or flexible building spaces will continue during the planning period
- The continued erosion of jobs in lumber and wood products will be replaced by other jobs in durable and non-durable manufacturing
- High technology manufacturing and research and development firms create a new trend for industrial space that function and look more like office developments...
- The growth in retail and service jobs will be driven by several factors: population increase, demographic mix, and tourism
- Competitive advantages in the region, and particularly Bend, will continue to attract entrepreneurs from outside the area (13-18)

Bend's Economic Outlook

The 2007 Leland EOA pages 14 through 34 present an analysis of national, state, and regional trends. This work, in conjunction with a review of Bend's recent demographic and economic trends and sector targeting work, sets the stage for making economic projections in later Sections of this EOA.

Looking forward to where Bend wants to be in 20 years begins with a thorough assessment of where it is today, for today represents the building blocks from which future jobs and industries are created. This Section of the EOA

summarizes existing demographic and business information. Data on population, education, growth, business composition, employment, and other factors are presented in order to document the breadth and strength of Bend's economy and to identify unique characteristics that might indicate how Bend's growth and needs will be different from other communities.

The Bend Area General Plan summarizes the city's economic history as follows:

At the turn of the century several companies in Central Oregon raced to build irrigation canals through the area, and agriculture – primarily horse and cattle ranching – provided the basis for the Bend economy. After the Oregon Trunk Railroad was completed through Bend in 1915, large sawmills were built in the area, and for two generations the local economy was measured by the sound of saws and the smell of cut pine.

In the 1970s, the Bend economy started to become more diverse with other manufacturing businesses, trade, medical services, and tourism providing a bigger share of local jobs. Along with the development of a more diverse job base, the number of jobs in the county and the urban area increased dramatically during the last quarter century. While the population more than tripled in the 27 years between 1970 and 1997, the wage and salary employment more than quadrupled.

As Bend's economic past suggests, the city's fortunes will not take place in a vacuum. Rather, just as Bend's workers throughout the 20th Century exported lumber, cattle, and finished goods to markets throughout the Pacific Northwest and beyond, the jobs and industries of the future will be profoundly affected by international, national, statewide, and regional trends.

National and International Trends

At the largest scale, the effects of "globalization" – the increasingly free movement of jobs, capital, and products throughout the world – are being felt in communities across the United States. One effect of globalization is that low-skill manufacturing jobs will increasingly take place elsewhere, where wages are far lower. Thus, in order to compete and earn living-wage salaries, American workers must pursue higher-skilled jobs in "knowledge based" industries. While some of these jobs will continue to be in manufacturing industries, the largest job growth will take place in new industries such as information technology, professional services, and other sectors.

Other External Factors

Finally, as referenced above, long-term economic projections are inherently difficult due to the amount of unknowns. This report presents projections based on the best information available and the planning and visioning by the city and other organizations, but it is by nature imperfect. Many other external factors not discussed above may have significant impacts on employment in Bend, Oregon, and the country. These factors include, but are not limited to, a higher-priced energy future; climate change; global geopolitical stability; levels and kinds of economic competition; demographic changes; federal policy including tax policy; and national and state infrastructure and education investment. To take just one

such factor that has received significant coverage recently in the media, a major increase in the price of petroleum-based and other energy sources could have important impacts on Bend's economy. An immediate impact would be to render everyday transportation and many industrial processes much more expensive. More expensive energy could also threaten to prospects of Bend's nascent aviation sector as air travel became less affordable. But at the same time, higher energy prices might boost the alternative and renewable energy businesses operating in Bend. Thus, the impacts of external factors are unpredictable, can be mixed, and are often beyond the scope of this report.

State and Regional Trends

The analysis of the Oregon Employment Department (OED) is perhaps the best source for understanding trends at the state and regional levels.¹⁴ OED reports, staff input, raw data, and data analysis have been used extensively in this EOA to establish a picture of current employment and shape projections. Two reports of are of particular significance to establishing the current state of Bend's economy, and expectations of future performance: *Employment Projections by Industry and Occupation*, [...] [2006-2016, Oregon and Regional Summary], and *Regional Profile: Occupational Employment in Region 10*. *Employment Projections* list the following four points as the most important statewide economic trends:

- Three broad industries are expected to account for [...] [over 50] percent of the state's job growth:
 - Professional and business services
 - Educational and health services
 - [...] [Leisure and Hospitality]
- Job growth is expected to be most rapid in the central [Crook, Deschutes, Jefferson], north central [Gilliam, Hood river, Sherman, Wasco, Wheeler], and southern [Jackson, Josephine] counties of the state.
- Manufacturing will likely rebound over the forecast period, but is not expected to return to its employment level prior to the recent recession. Job losses should continue in many resource-based manufacturing sectors, though at a decreasing rate.
- Economic growth during [...] [2006-2016] will be roughly equal to growth in the prior decade, [...] [with close to 240,000 jobs to be added statewide by 2016].

[Footnotes from 2007 Leland EOA:]

¹⁴ This report adopts the OED's terminology for "region". The agency refers to Deschutes, Jefferson, and Crook Counties as "Region 10" or "central Oregon." These terms are used synonymously throughout this report.

¹⁵ The OED projects employment for the 14 different regions in the state. It does not, however, make projections for smaller geographical areas such as cities. Thus, projections for economic growth within Bend itself must be developed from OED's regional figures. [Note: since the writing of the 2007 Leland EOA, projections for Deschutes County have been made available for use in the 2008 EOA].

The OED's broad projections are applied and quantified to Central Oregon in Table [...] [17] below. The table lists the projected employment growth for all

Central Oregon industries between [...] [2006 and 2016], and was used as one basis from which to project employment growth within the City of Bend itself.¹⁵ Two types of employment categories and sectors are highlighted in the rightmost column: "hot", with projected growth rates close to or above 30 percent for the decade, are highlighted in red; and "cool", with projected growth rates well below the regional average, in blue. The remaining categories fall between these two extremes.

As the table clearly shows, the trends expected to shape the statewide economy are expected to have similar impacts within Central Oregon. Professional and business services; educational and health services; the *retail trade [and general merchandise] components* of trade, transportation, and utilities; and leisure and hospitality are projected to grow considerably in the decade-long forecast period. The distinction between retail trade and the other segments of trade is significant: jobs in General Merchandise and [...] Transportation, Warehousing and Utilities are expected to grow more than twice as fast as those in [...] Wholesale Trade. Also note that, while leisure and hospitality [...] [is the third fastest growing industry at the state level], they are among the most promising for the Central Oregon region.

Conversely, natural resources and mining and manufacturing are expected to grow much more slowly. Note that despite being traditionally grouped with manufacturing and other industrial sectors, construction is expected to add considerable amount of jobs. However, despite slow growth, the number of industrial and manufacturing jobs is still expected to increase, not shrink. Industrial jobs will continue to play a very important role within the regional economy, especially to the degree that business managers are able to steer those jobs towards complex processes, high added value, and product customization. Standardized mass production will continue to be susceptible to the forces of globalization.

The employment categories listed in [Table 17] are aggregated by NAICS code – a coding system developed by the federal government and used widely by public and private organizations...

Table [17]. Central Oregon Covered Employment: [2006-2016] ¹⁶

Industry	2006	2016	Change	% Change
Total nonfarm employment	82,780	103,670	20,890	25%
Total Private	71,060	89,150	18,090	25%
Natural resources and mining	420	480	60	14%
Construction	8,560	10,880	2,320	27%
Manufacturing	9,080	9,440	360	4%
Durable goods	8,110	8,260	150	2%
Wood product manufacturing	4,110	4,000	-110	-3%
Nondurable goods	970	1,180	210	22%
Trade, transportation, and utilities	15,970	19,810	3,840	24%
Wholesale trade	2,760	3,090	330	12%
Retail trade	11,390	14,450	3,060	27%
Food and beverage stores	2,290	2,860	570	25%
General merchandise stores	2,100	2,710	610	29%
Transportation, warehousing, and utilities	1,820	2,270	450	25%
Information	1,720	2,100	380	22%
Financial activities	5,490	6,820	1,330	24%
Professional and business services	7,840	10,310	2,470	32%
Educational and health services	8,920	11,870	2,950	33%
Health care and social assistance	8,130	10,860	2,730	34%
Health care	6,940	9,360	2,420	35%
Leisure and hospitality	10,510	14,320	3,810	36%
Accommodation and food services	8,700	11,830	3,130	36%
Other services	2,570	3,130	560	22%
Government	11,720	14,530	2,810	24%
Federal government	1,320	1,340	20	2%
State government	1,510	2,180	670	44%
Local government	8,900	11,000	2,100	24%

[Footnotes from 2007 Leland EOA:]

¹⁶ [This table was updated to reflect the 2006-2016 period used in the 2008 EOA versus the 2004-2014 used in the 2007 Leland EOA]. Note that all employment figures in this table and throughout this report represent total "covered" employment, which is less than all employment in any given geographic area. Almost all employment estimates produced by the OED are based on covered labor. "Covered" employees are those whose employers pay state unemployment insurance and report employment quarterly to the state. Uncovered employees are not covered by state unemployment insurance, and primarily include the following groups: self-employed; temporary agricultural labor; "casual labor"; "home-based domestic services; family member employees; others. The OED staff estimates that, like most other communities, between 90 and 100 percent of Bend's workforce is covered. Critical to this report, uncovered employees are far more likely to work in existing building, and far less likely to generate demand for significant new built space. For a complete discussion, see www.qualityinfo.org/olmisj/datasource?itemid=00001527

Population Growth

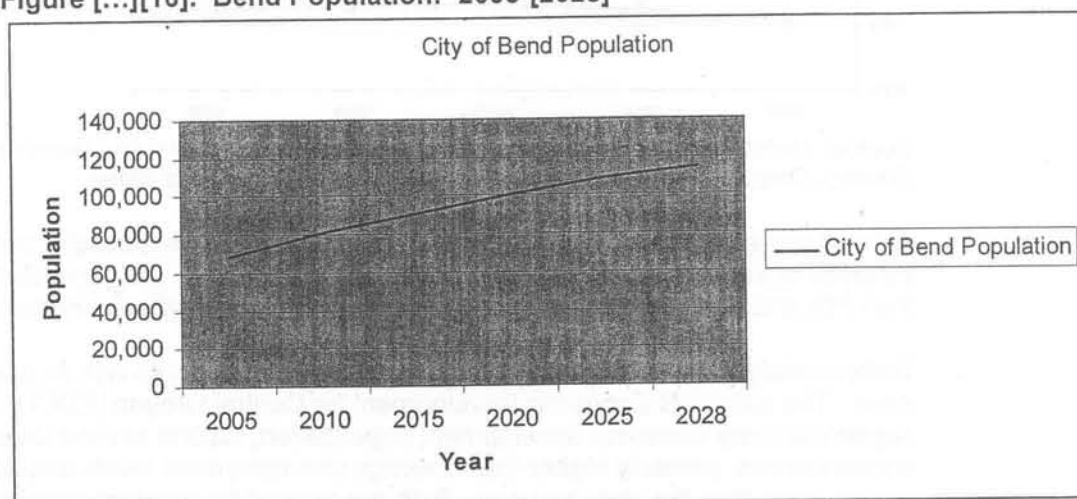
One of the most important drivers of the economies of Bend and Central Oregon is simply the explosive population growth that has taken place in the region and is expected to continue, albeit at a slower pace, in coming decades. Figure [...] [16] and Figure [...] [17] show population growth in Bend and Central Oregon, as projected in the Deschutes County Coordinated Population Forecast.¹⁷

The City of Bend alone is expected to grow [...] [66.7%] between 2005 and [...] [2028], from 69,004 to [...] [115,063] residents. In Figure [...] [17], note that Central Oregon, Deschutes County, and Bend itself, are all expected to grow

much faster than the state as a whole, although this trend becomes less pronounced towards the end of our study period. Bend is projected to grow faster than Deschutes County in the short term, but slower between 2015 and [...]2028].

This kind of growth is naturally expected to produce tremendous change in the economy, in scale if not necessarily in disposition. Some newcomers will bring skills and jobs with them, others will need jobs upon arrival, and all newcomers will drive employment growth in sectors such as construction, that will provide the public and private infrastructure for new residents. Fast population growth will also result in growing pains for the city and its residents, as the city struggles to keep up with the infrastructure and service demands of an expanding community.

Figure [...]16]. Bend Population: 2005-[2028]

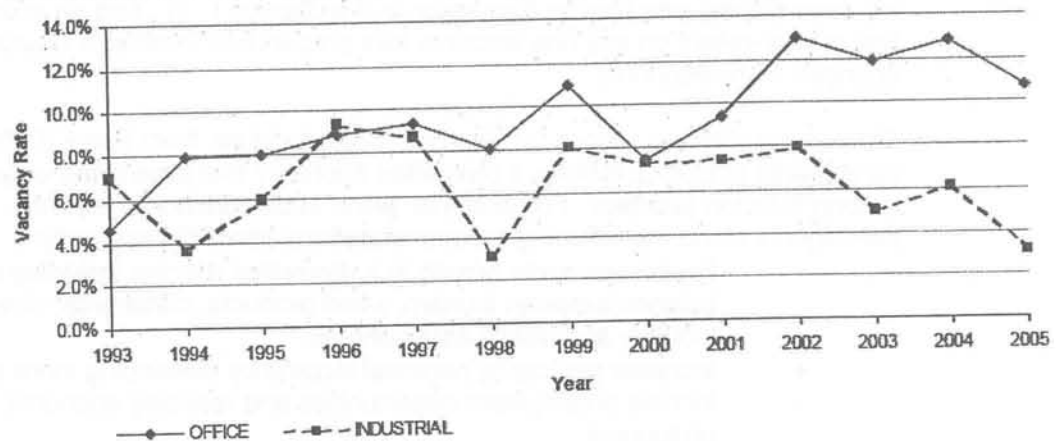


Source: Deschutes County Coordinated Population Forecast
[Note: this figure was updated to reflect the 2028 population]

[Footnotes from 2007 Leland EOA:]

¹⁷ This forecast is the most thorough population study of Bend and Central Oregon, and the EOA is required to use it [...]

Figure [...]23]. Office and Industrial Vacancy Rates,



Source: Compass Commercial

Further evidence of constraints on industrial businesses includes the price of industrial land. In Bend, industrial land sells for \$13 per square foot; in Redmond, the figure is \$7, or just 54 of the price in Bend.²¹ Industrial land is also less expensive in the Portland metropolitan area, though the price varies depending on the location. Further, in the decade between 1996 and 2006, Compass Commercial,, a regional brokerage that tracks real estate data in Central Oregon, reported a 473 percent increase in the price of industrial land. It is important to note that, in this context, even if the EOA's land supply inventory (detailed later) showed plentiful land available, many industrial firms might perceive a scarcity of appropriate product, simply because it is out of their price range.

The Bend Bulletin story, "City Industrial Land Supply Tight," (14 May 2006), offers anecdotal evidence that employers are seeking alternatives to high-priced industrial land, most often considering a move elsewhere. The article cites Campers President David Hogue, who currently employs 70, and is looking to expand to as many as 200. According to the Bulletin, "So far, he's found nothing but frustration in his six-month attempt to find expansion room in Bend."

Living Wage Jobs and the "Aspen Effect"

Another challenge in Bend's future, partially brought about by the community's desirability as a Central city and high land values, is overcoming what one local property brokerage dubbed the "Aspen Effect." This is the process by which a community splits into upper and lower economic strata, with the town's elite and well-off out-of-towners at the top, served by a large group of employees in the relatively low paying retail, service, tourism, and hospitality industries. This kind of stratification threatens Bend's identify as a solidly middle class community that has supported itself through industry and hard work since its inception.

[Footnotes from 2007 Leland EOA:]

²⁰ Compass Commercial, 2006

²¹ Loopnet.com, LCG research, and Compass Commercial.

expansion proposal for more information on the methodology used to calculate public and private rights-of-way.

Land for Institutional, Private Open Space, and Other Lands

The City of Bend also calculated the amount of land that is consumed by institutional, private open space, and other land needs as part of the 2008 UGB expansion. The calculation resulted in a determination that 15 percent of net developed land in the *entire* UGB (including residential and economic) are used for these uses. This EOA methodology removed all employment from these lands so they are not included in the economic projections. A factor of 15 percent is applied to the net economic land need to account for the uses included in the "other" lands analysis. Please see Exhibit L(6) for more information on the methodology used on this factor.

Vacancy Rate

A vacancy rate of 15 percent is applied to the gross land need as recommended by the Department of Land Conservation and Development "Industrial and Other Employment Land Analysis Guidebook". As stated on page 2-32 of the *Guidebook*, "for efficient market operation, a minimum vacancy rate for built space is between 5 percent and 15 percent. The estimate of total acres of demand should be increased by this percentage as the market often requires more options than the employment estimates seem to require". The *Guidebook* illustrates this vacancy rate is applied to long-term land needs, not just short-term conditions.

Page 55 of this EOA presents recent historical vacancy rate data for Bend between the years 1993 and 2005. Generally, industrial vacancy rates have fluctuated between 4 and 9 percent, while office has moved between 4 and 13 percent during the 12 year time frame. According to the Compass Commercial Real Estate Services, *Points* publications for 2nd quarter 2006, 2007, and 2008, vacancy rates have steadily increased in Bend since 2005. The office space vacancy rate in Bend was 9.0 percent in 2006; increasing to 13.5 percent in 2008. Similarly, the industrial space vacancy rate in 2006 was 2.9 percent, and increased to 12.1 percent in 2008. While a 15 percent vacancy rate is higher than recently experienced in Bend, it is only slightly higher than historical and current conditions.

The following explains why a 15 percent rate is used as a long-term vacancy rate for Bend in this EOA. Research shows that lower vacancy rates tend to drive up the cost of rents for industrial and office space. Higher vacancy rates tend to drive the costs down. This is illustrated by The Federal Reserve Bank of San Francisco article "Natural Vacancy Rates in Commercial Real Estate Markets":

We tend to believe that an increase in vacancy rates is bad news for property owners...Of course, increases in the vacancy rate could very well be good news for tenants and for the overall economy if an unnaturally low amount of available space is choking economic growth.

Similarly, the 2008 Q2 Compass Commercial Real Estate Services, *Points* publication headline is "Best Practices for Savvy Landlords in This Tenant-Driven Market". The article goes on to lead with the following sentence:

Only 18 months ago, circumstances dictated such a competitive demand for commercial office space that a tenant had no choice but to grab a deal quickly or risk losing it to someone else. Landlords were able to set their own terms. But the tables have turned. Tenants are not in the driver's seat, devising strategies and offering terms that have not been seen in this market for the last twenty years, if ever.

The Stakeholder group consistently mentioned Bend's high prices for land and rents as a major threat to Bend's economy and assuming a structural vacancy rate of 15 percent will tend to create more supply and lower rents and land prices. As this EOA has pointed out on page 55, firms find it difficult to find land at affordable prices and Bend commonly loses firms because land is not available or is not affordable. In the November 21, 2008 issue of *The Business Journal*, an example of an "ideal" vacancy rate is given at 8 to 10 percent. Other sources indicate low vacancy rates of 3-5 percent create supply limitations and price increases. Since a vacancy rate must be assumed, it becomes a question of what rate to assume and why. With price and availability being a major deterrent to economic growth in Bend, assuming a higher vacancy rate will help combat tight land supplies over the long term. Also, since 8 to 10 percent is considered ideal, a vacancy rate that is higher will make conditions more favorable to businesses through lower land prices and rents. Also, recent *Points* publications clearly indicate higher vacancy rates are leading to better terms for tenants, and are nearing 15 percent. The city is generally seeking to create more favorable conditions for existing and new businesses and sees a 15 percent vacancy rate as one way to establish these favorable conditions. Therefore, the 15 percent figure is warranted given current trends and their impact on rents, the advice from Stakeholders to generally lower land and rent prices for businesses, and the desire of the Planning Commission and City Council to increase land supplies in the expanded UGB. The estimate of 15 percent is slightly higher than is currently observed in Bend, but is realistic given data from larger municipalities such as Los Angeles, Phoenix, and Salt Lake City have actual vacancy rates observed between 14 and 17 percent (Krainer).

Long-term land surpluses and deficits are calculated by subtracting acres shown in the column "Vacancy Rate 15%" from the "Supply of Net Acres" column. Net deficits are then increased by 21 percent to convert net need to gross need in order to account for needed rights-of-way and the net deficit is increased by 15 percent for land needed for institutional, private open space, and other lands.

Table 40. Scenario A: Minimum Gross Acres Demanded of Lands Needed by Employment Category

General Plan Designations	Total Non-shift Employees	Estimated Acres Long-term Need	Vacancy Rate 15%	Supply of Net Acres	Deficit Net Acres	21% ROW	15% "Other"	Acres Surplus/Deficit
Commercial (CB, CC, CG, CL, MR)	10,557	626	720	244	-476	-100	-71	-648
Industrial/Mixed Employment (IG, IL, IF)	5,627	482	555	662	107	Surplus	Surplus	Surplus
Public Facilities (PF)	1,205	83	95	37	-58	-12	-9	-79
Residential (RH, RM, RS)	568	51	58	0	-58	-12	-9	-79
Medical (MDOZ)	2,642	138	159	53	-106	-22	-16	-144
Totals	20,599	1,380	1,587	996	-591	-147	-105	-950

Source: City of Bend

Table 41 describes the sizes of General Plan designations in the Bend UGB. This is shown to illustrate how land uses are arranged in Bend in order to place land need estimates in perspective with existing land use patterns. For example, there are 23 areas with a Convenience Commercial General Plan designation. The smallest is 0.02 acres in size; the largest is 42 acres, and the average is 5 acres in size. The table is referenced in the discussion below in the context of providing new blocks of economic lands.

Table 41. Description of General Plan Designations (Gross Acres) in Bend

General Plan Designation	Number of Designations	Minimum Acres	Maximum Acres	Average Acres	Total Acres
CB	4	2.05	42	14	58
CC	23	0.02	19	5	113
CG	8	1.11	268	119	950
CL	15	0.96	149	36	534
IG	4	18.63	124	62	248
IL	7	13.52	529	212	1,486
IP	1	35.17	35	35	35
ME	9	1.76	116	41	367
MR	3	4.78	267	94	281
PF	52	0.82	251	38	1,990
PO	1	8.76	9	9	9
PO/RM/RS	1	6.48	6	6	6
RH	19	0.24	209	21	393
RL	13	0.19	830	153	1,990
RM	39	2.21	257	44	1,698
RS	12	1.79	6,132	953	11,439
SM	1	42.32	42	42	42
Totals	212	141	9,285	1,884	21,639

Source: City of Bend

Note: Public Facility acreages in the Table above include some lands outside the Bend UGB. Therefore, the figures above should be used with caution, especially the total acreage shown. The Medical District Overlay Zone is not shown since the General Plan designations for lands within the MDOZ are mostly RH and RM. Minimum sizes may be misleading because these smaller areas could be part of larger blocks of General Plan designations that were adopted by a different Council resolution, divided by a roadway, or created through the GIS line work.

Table 40 suggests that 648 gross acres should be added to the City's commercial land base. The sum of the "average" size of all Commercial and Mixed Riverfront General Plan designations in Table 41 is 268 acres. Given the total need predicted under a conservative need estimate, only 2.4 new "average"-

Definitions



- **Housing Need Analysis (HNA)** – an analysis of housing need by type and density range, in accordance with ORS 197.303 and statewide planning goals and rules relating to housing, to determine the number of units and amount of land needed for each needed housing type for the next 20 years. (See ORS 197.296(3)(b))
- **Needed Housing** – means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. For cities over 2,500 in population, included (but is not limited to) attached and detached single family housing, multi-family housing, and manufactured homes, whether occupied by owners or renters. (See Goal 10)

Key Points on Legal Requirements



- Determine number of units and amount of land needed for each housing type
- Base HNA on data for last five (5) years or since last periodic review: for Bend 1999 to 2007 (planning period is 2008-2028)
- Need to determine whether a change in overall average density and overall mix is needed to encourage development of needed types of housing
- Measures must demonstrably increase the likelihood that residential development of needed types of housing will occur at needed mix and density.

Key Points on Legal Requirements



- Ensure that land is zoned in appropriate locations and at density ranges likely to be achieved by the housing market
- ORS 197.307(3)(a) – When a need has been shown for housing within an urban growth boundary, needed housing, including farmworker housing, shall be permitted in one or more zoning districts

Steps to Complete HNA



Step 1 – Project number of new housing units needed in the next 20 years.

Step 2 – Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.

Step 3 – Describe demographic characteristics of population, and, if possible, household trends that relate to demand for different types of housing.

Step 4 – Determine types of housing that are likely to be affordable to projected households based on household income.

Step 5 – Estimate the number of additional needed units by structure type.

Step 6 – Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

City's 2008 HNA components



- a housing unit projection of 16,681 needed housing units to house the forecasted population growth of 38,512 people between 2008 and 2028.
- an analysis of demographic and economic trends influencing the demand for and the supply of housing between 1999 and 2007.
- an identification of housing needs for special needs, very low, low, and moderate income households based on definitions of area median income in 2008 by the Department of Housing and Urban Development (HUD).

City's 2008 HNA – components



- a projected housing mix of 65% detached units and 35% attached units over the planning period.
- a proposed mix of RS, RM, and RH zoning in the UGB expansion area, along with additional measures inside the current UGB, to provide an adequate supply of land for all needed housing types during the planning period.

LCDC's decisions on HNA



- Not required to analyze housing needs by tenure (owner-occupied vs. renter-occupied) because the City does not regulate housing by tenure;
- Consider and evaluate housing needs for at least three types of housing: single family detached, single family attached, and multi-family;
- Revise analysis, findings, and Chapter 5 of the General Plan consistent with the Commission's disposition of sub-issue 2.3, including the consideration of past and future trends that may affect the needed density and mix of housing, and;
- Revise analysis and findings consistent with the analysis under sub-issue 2.4 and plan lands within the existing UGB and any expansion area so that there are sufficient buildable lands in each plan district to meet the city's anticipated needs for particular needed housing types.



AGENDA

UGB Remand Task Force

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Thursday, September 8, 2011
3:00 p.m. – Bend City Hall – Council Chambers

1. Call to Order
2. Approval of Minutes from July 28, 2011 (3:00 – 3:05)
3. Presentation: Draft Buildable Lands Inventory – Sub-Issue 2.2 (3:05 – 4:15)
 - a. Public Comment
 - b. Deliberation and Decision
4. Presentation and Discussion – Housing Needs Analysis, Sub-Issue 2.3 – Part 1 (4:15 – 4:40)
 - a. Public Comment
5. Update on Public Facilities Plans (4:40 – 4:50)
6. Prep for Next RTF Meeting (4:50 – 5:00)
7. Adjourn

JEFF EAGER
Mayor

JODIE BARRAM
Mayor Pro Tem

TOM GREENE
City Councilor

KATHIE ECKMAN
City Councilor

JIM CLINTON
City Councilor

MARK CAPELL
City Councilor

SCOTT RAMSAY
City Councilor

ERIC KING
City Manager

1. Convene Meeting

The Remand Task Force Meeting was called to order at 3:03 PM on Thursday, July 28, 2011, in the City Council Chambers at Bend City Hall. Present were the RTF members Tom Greene, Jim Clinton, Kevin Keillor, Vice Chair Jodie Barram and Chair Cliff Walkey.

Staff present includes Brian Shetterly, Gary Firestone, Brian Rankin and Damian Syrnk.

2. Approval of Minutes

Minutes from June 2, 2011 were approved unanimously.

3. Draft Findings on Park/School Land Needs – Sub-issue 4.2

Brian Shetterly begins by saying that unlike the previous meeting, no agenda items were withdrawn from today's meeting for more time to work with DLCD staff and get their concurrence.

Jodie mentions that the minutes reflected that we hoped to have numbers for the revised buildable lands inventory today. Brian Shetterly explains that due to personnel changes at DLCD, we don't yet have the state's input on the draft. We should have them next time.

Brian Rankin begins the discussion on park/school land needs by stating that we have three issues before you today. We have 4.2, 4.3 and 5.6 to cover today in addition to the presentation by Damian.

Brian Rankin begins with a presentation on park/school land needs, Sub-Issues 4.2 and 4.3. First 4.2, school and park land needs was discussed. We have a memo and we have findings and record citations. Staff requests that the RTF approve the approach and the findings that staff recommends. DLCD has agreed with the approach and the findings.

Tom asks if the conclusions have been run by the school district and the parks district. Brian Rankin confirms that they have and that they concur with our approach and findings.

Brian goes on to say that when we went before LCDC, we were able to demonstrate that their needs have been met. We thought we were in a good

place. The conclusion was fine but we needed to polish the findings -- to explain further how we arrived where we arrived.

We are allowed and required to plan for school and park uses for the future. The conclusion of the remand sub-issues is that we need to adopt additional findings and talk about how the evidence relates to the districts' plans. The recommended approach is that we rely on the evidence in the record and add nothing new.

Staff also spent time discussing how the plans of the districts were prepared and were consistent with the City's General Plan and the role of coordination with the City and each district. In both cases, we rely upon the districts' planning documents. We don't incorporate them directly but we defer to them nonetheless.

Tom asks if that provides the level of consistency the DLCD is asking for.

Brian Rankin says yes, we do think that it does, and that both the Parks District and the School District, as well as DLCD staff, agree. Brian says we added quite a bit of findings to show that our plans are consistent.

Tom mentions that there are fewer acres needed in the plans for the parks district than were estimated prior to the remand. Brian Rankin says it's a good point and one that was difficult to explain. One was based on levels of services and population and the other was based on quadrant based needs approach. The previous estimate was based in part on the remanded boundary and an assumption about the population level within that area. Without a revised boundary location, the revised estimate is based only on forecast population growth. After these changes, the revised parks land need estimate is now 362 acres, revised down from 474 acres.

Staff asks that the RTF approve the revised approach and the draft findings for Sub-Issue 4.2.

There was unanimous consent to accept the staff recommendation and draft findings for Sub-issue 4.2. Jodie Barram said she appreciates staff connecting the dots so well and says "job well done."

4. Availability of Future Park/School Sites – Sub-issue 4.3

Brian Rankin says a bit less is required on 4.3. Staff does not yet have draft findings for this sub-issue, because it will depend partly on where the new UGB is located. What staff is asking is to give us a head nod on the approach and we'll come back to the RTF later for action on this issue.

The remand clearly states that we can plan for future park and school needs, but we have to demonstrate that those needs cannot be reasonably accommodated on lands already owned by the districts in the current UGB or in the expansion

area. The new approach will be based partly on the location of the UGB and if parks and school districts own lands in the expansion area. If we were to expand, for example, in SE Bend, you would find High Desert Middle School and parks already exist in that area. We would take that into account, along with total land needs estimated for sub-issue 4.2. We didn't do that explicitly prior to the remand.

A lesser issue is that the Commission discussed the need for new regional parks and asked if that can meet all the needs. There are different parks classifications. Some park needs are met in urban neighborhoods that are closely located to current neighborhood parks. Regional parks are very large and are intended to meet needs for the entire community. Acquisition of new regional parks is very difficult to predict. An example is Shevlin Park. Our revised findings will explain more clearly the relationship between land needs by park types, as well as the need for regional parks.

Tom asks if this will come back some time as part of the BLI. Brian Rankin says it will come back in connection with a decision on boundary location. You have to know the boundary before you nail down how much need will be met by lands in current UGB, or in the adjacent territory.

Jim Clinton asks why that's relevant. Brian Rankin explained that lands that are owned by the park district and the school district are inside the current UGB or adjacent to a revised boundary both need to be taken into account in a way that demonstrates there is no double-counting of acreage.

Further discussion was held on boundary determination and scoring of candidate properties. Last time we scored areas partly on how close they were to a school or to a park. Jodie Barram wants to make sure we consider that when deciding where to locate the boundary. We're not talking about Goal 14 location factors until next spring. How to we mesh those conclusions?

Brian Rankin says that we have to show we're not purposely going out to just capture a park or school. This was a concern from staff at DLCD.

Brian Shetterly says Goal 14 allows us to consider parks and schools as a location factor but what we learned in the remand is that we can't use proximity to a park or school as a screen to include or exclude land. We have to look at priory status of these lands and then apply Goal 14 location factors in combination.

Discussion was held about Buckingham School and the previous boundary. If we expand to the West, the territory surrounding Miller School would be related to its priority status and its ability to satisfy Goal 14.

Kevin Keillor asks why we are not required to look at land not presently owned by parks, but Brian Rankin says that we are. The additional findings required by 4.3 will just require that we account for existing parks/schools ownerships in addition to any additional acreage that might be needed either inside or outside the current UGB. The goal will be to show that all existing ownerships are included, and there is no double counting.

Gary Firestone pointed out that part of it is that LCDC is looking for a clearer explanation than was provided initially.

Unanimous consent was then reached by the RTF to accept the approach as presented by staff on Sub-Issue 4.3.

5. Draft Findings on Vacancy Factor for Employment Lands – Sub-issue 5.6

Brian Rankin presented Sub-Issue 5.6 and the staff's proposed response. This is a case where DLCD staff has enthusiastically agreed with the City's approach and with the draft findings for this sub-issue.

Vacancy factor is one of 10 different variables that go into estimating how much land will be needed for employment growth during the planning period. The remand stated that the assumed vacancy rate should be based on past and projected future plans. The evidence in the record didn't demonstrate that the originally assumed 15% vacancy rate was backed by substantial evidence.

So, staff looked at existing evidence in the record. Staff constructed a 15-year average based on information in the table. Staff recommends using 2 rates rather than a single rate for all employment land: a 9.8% vacancy rate for office/commercial lands, and a 6.5% rate for industrial lands. The result would be a slightly smaller employment land need estimate. City staff and DLCD agree that it is a supportable method.

Jim says he agrees that the way we've done it is conservative. However, another way to analyze the trends would be to give the last 3 years greater weight as a basis for projecting the trend forward. That would end up with a higher rate, and might be just as supportable.

Brian Rankin mentions that 2009, 2010, 2011 data would come after the start of the planning period, and would be considered as new information to the record. This could complicate action on this sub-issue. He notes that did not allow a vacancy rate based on a policy decision.

Unanimous consent was reached by the Task Force to approve the approach and findings on Sub-issue 5.6.

6. Housing Needs Analysis – Sub-issue 2.3

Damian Syrnyk said that staff's proposed direction for dealing with this issue is to break it up to bite-sized pieces. He prepared a memo and a presentation to introduce the Housing Needs Analysis (HNA). At subsequent meetings, we'll have more for the RTF to review.

The HNA is a means of documenting our housing needs by type and density. One of the terms you'll hear is needed housing. It's from the text of Goal 10, which deals with housing types and what we estimate Bend will need in the next 20 years. Some key points in the memo include determining number of units and amount of land needed for each housing type, which is based on data from last five years or since the last periodic review for Bend (1999 to 2007). We need to determine whether a change in overall average density and overall mix of housing is needed to encourage development of needed types of housing. The measures must demonstrably increase the likelihood that residential development of needed types of housing will occur at needed mix and density numbers.

A key point and legal requirement is to ensure that land is zoned in appropriate locations and at density rates likely to be achieved by the housing market; and ORS 197.307(3)(a), which governs that when we've identified a need, it needs to be permitted in one or more housing needs.

Regarding LCDC pages 26-36 of the Order, what they concluded is that we don't have to analyze housing needs by tenure because the City does not regulate housing by tenure. We need to consider and evaluate housing needs for at least three types of housing and revise the analyses, findings and Chapter 5 of the General Plan consistent with the Commission's disposition of Sub-issue 2.3 (including the consideration of past and future trends that may affect the density of the needed mix).

Steps include projecting the number of new housing units needed in the next 20 years; identify relevant trends; and describe demographic characteristics of the population. Steps 4-6 will be discussed at our next meeting.

Jodie Barram asked, regarding Step 5 (structure), are you referring to detached or attached or stick built? Damian Syrnyk explained that it is attached housing to which we are referring. Also, why are we separating the analysis into 4 types of housing if only 3 are required?

Daman Syrnyk explained that the rules state that single family homes are described as homes that sit on their own lot. That would not be hard to separate that data out. We already have inventory data on manufactured housing so we wouldn't be creating new data. It helps to clarify what the inventory of housing is

so when someone is looking to see if we've addressed it correctly they can see how we've broken it out.

Tom asks how long would it take to separate housing types out into the categories required by the remand?

Damian says it's already broken out. In 2008, we collected the data. It should take only a short time with a spreadsheet.

Jim Clinton asks the definition of single family attached and multi-family attached. Page 31 of the order refers to Chapter 660, Div 8. Detached means housing units that are separate from other houses (see pg. 31). Kevin Keillor asks if that means condos would fall under multi-family.

Tom Greene asks how you classify an ADU (2 units on one lot) to which Damian Syrnyk responds that we don't have to categorize ADUs. DLCD does not consider that there are enough of these to be analyzed as a separate type.

Cliff Walkey asks if that analysis will be introducing new evidence, to which Damian Syrnyk says that the answer is no. There will be no new evidence on the inventory of housing types, but the data will be from documentable sources so if anyone wanted to look at the data, they could look at it. Further, there is no data in the analysis after 2008.

Public Comment: Barbara McAusland, 1595 NW Quincy, Bend, Oregon 97701

She mentions that this sounds good on paper, to present the idea of affordable housing but the reality is, when it comes to doing this, it's a mine field. Will the City at long last protect the plans it has made and stand up to the developers and somehow work out some kind of method that will make building affordable housing attractive?

Tom Greene mentions Shady Pines. They are building energy efficient homes and he explains that Jim Long on City staff is working with Council on programs for low income housing.

Public Comment: Pam Hardy, 115 NW Oregon Ave., #21, Bend, OR 97701

Pam Hardy says we should encourage the City to do perhaps a policy piece to increase the density to 65% single-family housing and 35% multi-family. We should encourage walkable communities. She knows some of it is in the plan but if you could beef up the walkable communities' piece, it makes it more attractive.

Jim Clinton mentions that he thinks the LCDC didn't require the City or ask the City to have policies in place. If the updated housing needs analysis is not

sufficient for housing needs, then we'll look for policies that provide more. But it is true that the housing needs analysis did not require us to ensure the production of affordable housing. We are concerned with identifying the needs for all types of housing and having policies and a land supply in place to enable that affordable housing to be produced.

Gary Firestone mentions that the DLCD generally assumes there is 100% correlation with higher density and affordability. He said this is not always the case.

Damian Syrnyk mentions that one of the remand sub-issues is a remand task to review certain policies that LCDC identified to ensure that the work we do is consistent with those policies. We may come back to the RTF to see if the work we're doing is consistent. We'll be revising this topic later in the remand process.

Jim Clinton says that a logical follow-up to this UGB process would be to develop policies for annexation of the land to the City. We could have a stringent list of requirements that would need to be complied with in order for urbanizable land to be incorporated into the City. The City can choose to make those requirements that fit what the City wants to see in those areas. We can take advantage of that opportunity or not. Jim believes we need to.

Cliff Walkey asks when we will make those annexation policies. Jim Clinton says after the UGB. Jodie added that even before we get to those annexation policies, we have an affordable housing fund that does have an impact on assisting with affordable housing. It's a small step but it's what we have for now.

Gary Firestone commented about walkability and that the City has adopted more rigorous standards ensuring that all roads, whether public or private, including sidewalks, meet City standards.

7. Update on Public Facilities Plans

A Planning Commission public hearing has been scheduled on water and sewer PFPs for the current UGB for August 22nd at 6:30 in Council Chambers. A work session is scheduled for August 8th at 5:30 pm. City staff have also submitted a 45-day notice to the DLCD regarding these PFPs. The draft plans are available on the City's website. The meeting on August 8th will include draft plans, draft findings and a background memo, and we hope to have the links uploaded by August 1st. Damian Syrnyk noted that adoption of new water and sewer PFPs are not explicitly required by the UGB remand, but are needed as a basis for further analysis of providing public facilities to alternative UGB expansion areas.

Brian Shetterly discussed a few changes to the remand timeline.

8. Preparation for Next RTF Meeting

Brian Shetterly asked Task Force members to pencil in the next meeting for the Thursday before Labor Day, on Sept 1st. He will notify the RTF by mid-August to either confirm this date or propose a different date. The main topic of the next meeting will be the revised Buildable Lands Inventory (Sub-Issue 2.2).

9. Adjourn

Motion to adjourn by Tom Greene and seconded by Kevin Keillor. Adjourned at 4:37 PM.

UPDATE NO. 17
UGB Remand Timeline
August 31, 2011



M E M O R A N D U M

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TO: **BEND UGB REMAND TASK FORCE**
FROM: **DAMIAN SYRNYK, SENIOR PLANNER**
SUBJECT: **WORK SESSION ON HOUSING NEEDS ANALYSIS:
DRAFT PRODUCT ON STEPS 1 THROUGH 3**
DATE: **SEPTEMBER 2, 2011**

Purpose

At the July 28, 2011 RTF Meeting, Long Range Planning staff gave a background presentation on the housing needs analysis (HNA), and its role in determining land needs for housing over the planning period. This presentation included a July 22, 2011 memorandum in which Staff reviewed the legal framework for the HNA, reviewed the City's past work on prior HNA's, and the remand instructions from the Oregon Land Conservation and Development Commission (LCDC). This presentation included a review of the steps involved in preparing the HNA, and Staff's schedule for presenting draft products for the RTF's review.

This memorandum presents the results of the first several steps in completing a revised HNA, using the 2008 data, and consistent with the tasks outlined in LCDC's November 2010 order. For reference, you will find the discussion and disposition of Subissues 2.3 and 2.4 at pages 26 through 36. The process Staff has followed to develop this product is based on a 1997 guidebook prepared by the Oregon Department of Land Conservation and Development (DLCD) "Planning for Residential Growth," that outlined what steps to perform to complete a housing needs analysis that satisfies state law¹. These first three steps include:

Step 1 – Project the number of new housing units needed in the next 20 years.

Step 2 – Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year project of structure type mix.

Step 3 – Describe the demographic characteristics of the population, and, if possible, household trends that related to demand for different types of housing.

¹ See pages 25 through 33, Planning for Residential Growth: A Workbook for Oregon's Urban Areas. Transportation and Growth Management Program, Lane Council of Governments, and ECO-Northwest (1997). Available online at:
http://www.oregon.gov/LCD/docs/publications/planning_for_residential_growth.pdf

Please note that Staff has not reviewed this draft document with the regional representative of the Department of Land Conservation and Development. We will do so and work to incorporate their comments in the next document that will include the presented in this memorandum with Steps 4 through 6 of the HNA process.

Factual Base

The work in this report relies on a number of data sources and documents. These sources include the following documents, with their record references from the proceedings before the Land Conservation and Development Commission.

- ❖ 2005 to 2025 Deschutes County Coordinated Population Forecast, Rec. 1980
- ❖ 2005 Buildable Lands Inventory, Supp. Rec. 1987
- ❖ 2005 Housing Needs Analysis, Rec. 2046 - 2113
- ❖ 2007 Residential Land Need report, Rec. 1798-1835, 2137
- ❖ 2008 Housing Chapter of BAGP (Ch. 5), Rec. 1720, including 2008 Housing Needs Analysis at Rec. p 1728

In addition to these documents, the analysis presented on Steps 2 and 3 also relies on data from the 2000 Census and the 2007 American Community Survey. This data is available online through factfinder.census.gov or factfinder2.census.gov.

Step 1: Housing Unit Forecast

The first step in the HNA process is to forecast the number of housing units that will be needed to house the projected population growth over the planning period. In 2008, the city developed and relied on a 2028 population forecast for Bend of 115,063, reflecting an increase in population of 38,512 people between 2008 and 2028. The DLCD Director's Report concluded that the forecast complied with applicable law in his January 2010 Report and Order². The 2028 population forecast for Bend was prepared using the 2004 Coordinated Population Forecast for Bend as a base. The Coordinated Population Forecast for Bend is 109,389 people by 2025³. Staff extended the forecast out another year to 2028 using the same growth rate used to forecast population beyond 2025 in the Housing Needs Analysis⁴.

² See page 25 of 156, January 8, 2010 Director's Report and Order

³ See Exhibit L-2, Deschutes County Coordinated Population Forecast 2000-2025 (2004) to 45-Day notice

⁴ See Exhibit L-3, City of Bend Housing Needs Analysis (2005) to 45-day notice, pages 7-8.

The City relied on this 2028 population forecast to develop a housing unit forecast for Bend from 2008 to 2028. The DLCD Director also concluded that the housing unit forecast of 16,681 new units between 2008 and 2028 complied with the applicable law in his January 2010 Report and Order⁵. The following table presents the 2008 to 2028 population forecast for the City of Bend.

Table 1: Housing Unit Forecast: 2008 to 2028

Population forecast for 2028	115,063
(-) Less Population on 7/1/08	76,551
(=) New population 2008 to 2028	38,512
(-) Less population in group quarters (2.3%)	886
(=) New population in households	37,626
(/) Divided by household size (2.4)	
(=) Equals new occupied housing units	15,678
(+) Plus vacancy factor (6.4%)	1,003
= New housing units 2008 to 2028	16,681

Staff used the same method for forecasting housing units already used in the record⁶. The household size, group quarters percentage, and vacancy factor are all based on the 2000 Census results for Bend⁷. The housing units forecast relies on the 2028 population forecast of 115,063. Subtracting the population forecast for 2008 leaves a remainder of 38,512, this represents the new population growth between 2008 and 2028. Subtracting the population in group quarters (2.3% or 886) leaves the new population in households in 2028. Dividing the population in households by a household size of 2.4 persons per household provides the number of new occupied housing units between 2008 and 2028, 15,678. The final forecast is obtained by adding another 1,003 units to account for vacant units (a rate of 6.4%), which increase the forecast to 16,681 new housing units between 2008 and 2028.

Step 2: Trends

ORS 197.296(5) requires communities to examine demographic and economic trends that will inform the city's analysis of what types of housing will be needed in the future. This section presents an examination of relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of the types and mix of housing. The analysis of trends focuses on the period following the acknowledgement of the 1998 Bend Area General Plan to 2007. For many variables, this analysis will include data from 1998 or 1999 to 2007; for others, two periods will be presented to look at trends. These periods will include 1990 to 2000, between the two Censuses, and from 2000 to 2007. For 2007, the City is relying on data collected for the

⁵ See page 31 of 156, January 8, 2010 Director's Report and Order

⁶ See Residential Land Needs 2005-2030 Memorandum (April 25, 2007); Table 3, Page 5.

⁷ See the 2000 Demographic profile for Bend at: <http://censtats.census.gov/data/OR/1604105800.pdf>.

nation, the State of Oregon, and Bend from the American Community Survey⁸. In addition, this analysis incorporates previous work from the 2005 Housing Needs Analysis and the 2007 Residential Land Need Analysis⁹.

National Demographic Trends

This section begins with a brief overview of national demographic trends that may affect the 20-year projection for new housing. This discussion summarizes the most recent information and data from several sources. The Census Bureau released a brief on Households and Families based on the results of the 2000 Census¹⁰. This report provides further data on trends of households and families that may affect the 20-year forecast for housing:

- ❖ Family households increased by 11 percent, from 64.5 million to 71.8 million between 1990 and 2000;
- ❖ Nonfamily households increased by 23 percent, from 27.4 million to 33.7 million between 1990 and 2000;
- ❖ Family households represent about 68 percent of all households nationally;
- ❖ The average household size decreased from 2.63 to 2.59;
- ❖ The average family size remained fairly constant, declining from 3.16 to 3.14, and;
- ❖ Female family households (family households with no husband present) increased from 6.0 million (6.6 percent of total households) in 1990 to 7.6 million (7.2 percent of all households) in 2000.

The Census Bureau also published a subsequent report on families and living arrangements in November 2004¹¹. This report examined trends in families and living arrangements between 1970 and 2003. The following summarizes the demographic trends identified in this report that are related to housing:

- ❖ Family households, those households with at least two members related by birth, marriage, or adoption, represented 81 percent of all households in 1970. By 2003 that proportion had decreased to 68 percent of all households;

⁸ For more information about the American Community Survey (ACS), See <http://www.census.gov/acs/www/>. The ACS data can be accessed from the Census Bureau's American Factfinder website at http://factfinder.census.gov/home/saff/main.html?_lang=en.

⁹ See 2005 Housing Needs Analysis at Rec p 2046 and 2007 Residential Land Need Analysis at Rec. P. 2114.

¹⁰ Households and Families: 2000 A Census 2000 Brief (2001) US Census Bureau www.census.gov.

¹¹ America's Families and Living Arrangements: 2003 (2004) US Census Bureau www.census.gov.

- ❖ Married couple households with children represented 40 percent of all households in 1970. By 2003, this proportion declined to 23 percent of all households;
- ❖ In 2003,
 - The average household size 2.57 persons,
 - The average family household size was 3.19 persons,
 - The average non-family household size was 1.24 persons,
- ❖ Households with children represented 45 percent of all households in 1970. This proportion decreased to 32 percent of all households in 2003, and;
- ❖ In 2003, of the 111,278,000 households in the United States:
 - 26.4 percent were one person households
 - 33.3 percent were 2 person households
 - 16.1 percent were 3 person households
 - 14.3 percent were 4 person households
 - 9.8 percent were 5 or more person households.

Despite the decreases in the proportions of households that are either family or married couple with children households, 40 percent of households in 2003 were occupied by three or more people.

The following table provides some summary data on key housing variables for the United States, comparing the results of the 2000 Census with the 2007 American Community Survey (ACS). This report includes similar tables presenting data for Oregon and Bend for comparison.

Table 2: United States - 2000 to 2007

	Census 2000	ACS 2007	Change 2000-2007	% Change 2000-2007
Population	281,421,906	301,621,159	20,199,253	7%
Household Size	2.59	2.62	0.03	1%
Family Size	3.14	3.2	0.06	2%
Age of Householder				
Under 25 years	5,533,613	5,272,168	(261,445)	-5%
25 to 44 years	42,266,048	40,775,077	(1,490,971)	-4%
45 to 64 years	35,539,686	43,295,140	7,755,454	22%
65 years and over	22,140,754	23,666,713	23,035,592	104%
Households by Type				
Total Households	105,480,101	112,377,977	6,897,876	7%
Family households (families)	71,787,347	75,119,260	3,331,913	5%
Married-couple family	54,493,232	55,867,091	1,373,859	3%
Nonfamily households	33,692,754	37,258,717	3,565,963	11%
Householder living alone	27,230,075	30,645,140	3,415,065	13%
Householder 65 years and over	9,722,857	10,264,914	542,057	6%
Median household income	\$41,994	\$50,740	\$8,746	21%
Median family income	\$50,046	\$61,173	\$11,127	22%

Sources: 2000 Census data and 2007 American Community Survey (ACS) data from American Factfinder - http://factfinder.census.gov/home/saff/main.html?_lang=en.

- ❖ Over past seven years, the nation's population grew by seven (7) percent.
- ❖ The average household size increased by one percent; the average family size, by two percent
- ❖ Households headed by individuals between the ages of 45 and 64 increased by 22 percent during this same period. Conversely, households headed by individuals less than 45 years of age decreased by four (4) percent during this period.
- ❖ Non-family households grew by a greater percentage than family households, increasing by 11 percent. The number of households with a householder living alone increased by 13 percent.
- ❖ Median household and family income grew by at least 21%.

In addition to the American Community Survey, the Joint Center for Housing Studies of Harvard University publishes an annual State of the Nation's Housing. The following summarizes the 2008 report's findings on drivers of housing demand¹². The Center's findings focus on households and household characteristics.

- ❖ From 1994 to 2004, the national homeownership rate surged by 5.0 percentage points, peaking at 69.0 percent. In the three years since, homeownership rates have fallen back for most groups, including a nearly 2.0-point drop among black households and a 1.4-point drop among young households.
- ❖ The number of renter households increased by more than 2 million from 2004 to 2007, lowering the national homeownership rate to 68.1 percent in 2007.
- ❖ Thanks to higher rates of immigration and natural increase, minorities contributed over 60 percent of household growth in 2000–2006. Minorities now account for 29 percent of all households, up from 17 percent in 1980 and 25 percent in 2000. The minority share is likely to reach about 35 percent by 2020.
- ❖ In 2007, fully 29 percent of heads of households with children were unmarried. Within this group, about 18 percent lived with partners and another 21 percent lived with other non-partner adults.
- ❖ Education still remains the key to higher earnings. For example, the median earnings of college-educated male workers aged 35 to 54 rose from \$71,700 in 1986 to \$75,000 in 2006 in constant 2006 dollars, while those for same-age males who only completed high-school fell from \$48,000 to \$39,000.
- ❖ Among homeowners that bought units between 1999 and 2005, fully 85 percent saw an increase in wealth, with their median net wealth rising from \$11,100 to \$88,000 in real terms. Among households that already owned homes, 75 percent also saw an increase in their wealth, with their median net wealth nearly doubling from \$152,400 to \$289,000.
- ❖ Changes in the number and age distribution of the adult population should lift household growth from 12.6 million in 1995–2005 to 14.4 million in 2010–2020.
- ❖ Minority household growth among 35 to 64 year-olds should remain strong in 2010–2020. In contrast, the number of white middle-aged households will start to decline after 2010 as the baby boomers begin to turn 65. White household growth in the next decade will be almost entirely among older couples without minor children and among older singles (usually widowed or divorced).

¹² Joint Center for Housing Studies of Harvard University (2008) The State of the Nation's Housing 2008. <http://www.jchs.harvard.edu>.

- ❖ In total, persons living alone are expected to account for 36 percent of household growth between 2010 and 2020. Three-quarters of the more than 5.3 million projected increase in single-person households in 2010-2020 will be among individuals aged 65 and older—a group that has shown a marked preference for remaining in their homes as they age.
- ❖ Unmarried partners are projected to head 5.6 million households in 2020, up from 5.2 million in 2005. Of these households, 36 percent will include children under the age of 18.

Finally, the 2008 report highlights a number of challenges households face with the affordability of their housing.

- ❖ In 2006, the number of severely-burdened households—paying more than half their income for housing— surged by almost four million to 17.7 million households.
- ❖ Between 2001 and 2006, the number of severely-burdened renters in the bottom-income quartile increased by 1.2 million, while the number of severely-burdened homeowners in the two middle-income quartiles ballooned by 1.4 million.
- ❖ Fully 47 percent of households in the bottom-income quartile were severely burdened in 2006, compared with 11 percent of lower middle-income households and just 4 percent of upper middle-income households.
- ❖ In 2006, approximately 20 percent of all middle-income homeowners with second mortgages paid more than half their incomes for housing. This is nearly twice the share among those with only a first mortgage.
- ❖ More than a quarter of severely-burdened households have at least one full-time worker and 64 percent at least one full- or part-time worker. Even households with two or more full-time workers are not exempt, making up fully 19 percent of the severely burdened.
- ❖ More than a third of households with incomes one to two times the full-time equivalent of the minimum wage have severe housing cost burdens. Even among the 15.3 million households earning two to three times the full-time minimum wage equivalent, 15 percent pay more than half their incomes for housing.
- ❖ More than one out of six children—12.7 million—in the United States live in households paying more than half their incomes for housing.
- ❖ In 2006, severely-burdened households with children in the bottom-expenditure quartile had only \$548 per month on average for all other needs. As a result, these families spent 32 percent less on food, 56 percent less on clothes, and 79 percent less on healthcare than families with low housing outlays.

- ❖ Nearly one in five low-income families—and nearly one in four low-income minority families—reported living in structurally inadequate housing in 2005. These families have a slightly higher incidence of severe cost burdens than otherwise similar families living in adequate units.
- ❖ Veterans with disabilities make up 29 percent of the 16.4 million veteran households, but 42 percent of the more than 1.5 million veterans with severe housing cost burdens.
- ❖ From 1997 to 2007, housing assistance programs fell from 10 percent to 8 percent of the nation's dwindling domestic discretionary outlays, even as the number of households with severe burdens rose by more than 20 percent from 2001 to 2005.
- ❖ About 14 percent of the low-cost rental stock—with rents under \$400—built before 1940 was permanently removed between 1995 and 2005.
- ❖ Older, lower-cost rentals are also being lost to rent inflation, with rents in more than half shifting up to a higher range between 2003 and 2005.
- ❖ From 1995 to 2005, the supply of rentals affordable to households earning less than \$16,000 in constant 2005 dollars shrank by 17 percent.
- ❖ Today, there are only about 6 million rentals affordable to the nearly 9 million households with the lowest incomes, and nearly half of these are either inhabited by higher-income households or stand vacant.
- ❖ The homeless population is up to 744,000 on any given night, and is estimated to be between 2.3 million and 3.5 million over the course of a year. Homelessness affects more than 600,000 families and more than 1.35 million children every year.
- ❖ Veterans are overrepresented among the homeless. While accounting for only 10 percent of all adults, veterans are somewhere between 23 percent and 40 percent of homeless adults. Moreover, veterans make up an estimated 63,000 of the 170,000 chronically homeless.

State Demographic and Population Trends

The State of Oregon reached an estimated population of 3,791,075 on July 1, 2008, and estimated increase of 369,676 from the April 1, 2008 Census¹³.

- ❖ Oregon's population grew at a rate of 1.2 percent per year from 2000 to 2008.
- ❖ The population grew at increasing annual rates between 2000 and 2005. Growth rates stabilized between 2006 and 2007; growth rates slowed between 2007 and 2008.
- ❖ Between 2000 and 2008, net migration (in-migration minus out-migration) accounted for an estimated 237,481 in population growth, an estimated 64% of Oregon's population growth. Natural increase (births minus deaths) accounted for 132,180 or 36% of the state's population growth.
- ❖ Deschutes County's 2008 population was an estimated 167,015. Between 2000 and 2008, the county's population grew by 44.8%, or 51,648. Of this growth, net migration accounted for 45,887 in population growth, or 89% of the population growth between 2000 and 2008. Natural increase accounted for 11% of the county's population growth between 2000 and 2008.
- ❖ Deschutes County's estimated population growth of 51,648 represents 14% of the state's population growth between 2000 and 2008.

The following table presents data for Oregon from 2000 Census and the 2007 ACS, much like the forgoing table presented for the nation.

Table 3: Oregon - 2000 to 2007

	Census 2000	ACS 2007	Change 2000- 2007	% Change 2000-2007
Population	3,421,399	3,747,455	326,056	10%
Household Size	2.51	2.49	-0.02	-1%
Family Size	3.02	3.05	0.03	1%
Age of Householder				
Under 25 years	83,213	74,928	-8,285	-10%
25 to 44 years	505,578	520,849	15,271	3%
45 to 64 years	466,637	575,969	109,332	23%
65 years and over	278,295	300,219	21,924	8%
Households by Type				
Total Households	1,333,723	1,471,965	138,242	10%
Family households (families)	877,671	940,771	63,100	7%
Married-couple family	692,532	734,363	41,831	6%

¹³ 2008 Oregon Population Report, Population Research Center, Portland State University
www.pdx.edu/prc.

Nonfamily households	456,052	531,194	75,142	16%
Householder living alone	347,624	414,031	66,407	19%
Householder 65 years and over	121,200	132,319	11,119	9%
Median household income	\$40,916	\$48,730	\$7,814	19%
Median family income	\$48,680	\$59,152	\$10,472	22%

Sources: 2000 Census data and 2007 American Community Survey (ACS) data from American Factfinder - http://factfinder.census.gov/home/saff/main.html?_lang=en.

- ❖ The Census Bureau estimates the state's population has grown by 10 percent over the last seven (7) years.
- ❖ The state's average household size decreased slightly, while the average family size increased slightly.
- ❖ Like the rest of the nation, households headed by a householder between the ages of 45 and 65 increased by 23%.
- ❖ The number of households headed by a householder between the ages of 25 and 44 stayed about the same, increasing by three (3) percent.
- ❖ The number of households with the householder living along increased by 19%.
- ❖ Median household and family income increased by at least 22%.

Summary of National and State Demographic Trends

- ❖ Households headed by individuals between the ages of 45 and 64 grew the most both nationally and at the state level.
- ❖ Conversely, households headed by younger individuals (e.g. 25 years or less of age) declined during the same period.
- ❖ Household and family sizes did not change significantly
- ❖ Non-family households continue to represent a larger proportion of all households, particularly those with the householder living alone. The SON predicts this trend will continue between 2010 and 2020.
- ❖ Households are changing in composition, but not so much in size.
- ❖ Despite increases in household and family income, a number of households are still cost-burdened with respect to housing.

National Economic Trends and Cycles

This report draws from the State of the Nation's Housing (2008), produced by the Joint Center for Housing Studies at Harvard University. The report focuses on two key economic trends that have and will continue to affect the production of housing across the county. These trends are the downturn in the housing market in the latter part of the decade, and the increasing number of foreclosures that were, in part, a contributing factor.

Downturn in the housing market

- ❖ Sales fell sharply for the second year in a row. Existing home sales fell 13 percent in 2007 to 4.9 million, while sales of new homes plummeted 26 percent to 776,000, the lowest level since 1996.
- ❖ For the first time since recordkeeping began in 1968, the national median single-family home price as reported by the National Association of Realtors® fell for the year in nominal terms, by 1.8 percent on an annual basis to \$217,900.
- ❖ The National Association of Realtors® (NAR) national median single-family home price declined 6.1 percent from the fourth quarter of 2006 to the fourth quarter of 2007, while the S&P/Case Shiller® US National Home Price Index registered a fourth-quarter to fourth-quarter nominal decline of 8.9 percent.
- ❖ At the start of 2007, quarterly nominal median sales prices were still rising in 85 of 144 metros. By the end of the year, however, prices were increasing in only 26 metros. Fourth-quarter nominal house prices in 2007 fell back to 2006 levels in 12 metros, to 2005 levels in 35 metros, to 2004 levels in 19 metros, and to 2003 or earlier levels in 16 metros.
- ❖ The homeowner vacancy rate jumped from 2.0 percent in the last quarter of 2005 to 2.8 percent in the last quarter of 2007 as the number of vacant units for sale shot up by more than 600,000. In addition, the number of vacant homes held off the market other than for seasonal or occasional use surged from 5.7 million units in 2005 to 6.2 million in 2007.
- ❖ Assuming the vacancy rate prevailing in 1999–2001 was close to equilibrium, the oversupply of vacant for-sale units at the end of last year was around 800,000 units.
- ❖ Nationwide, the number of housing permits issued fell 35 percent from 2005 to 2007, including a 42 percent reduction in single-family permits. Florida topped the list of states with the sharpest cutbacks 2005–2007 at 64 percent, followed by Michigan at 61 percent and Minnesota at 51 percent.
- ❖ Completions of for-rent units in multifamily structures fell to just 169,000, down 15 percent from 2006 and 38 percent from 2000. The rental share of all multifamily completions dipped below 60 percent for the first time in the 43-year history of recordkeeping.

- ❖ The months' supply of unsold new single-family homes rose to more than 11 months in late 2007 and early 2008—a level previously not seen since the late 1970s—before dropping back slightly. The months' supply of existing single-family homes for sale rocketed to 10.7 months by April 2008.
- ❖ By the end of 2007, the nation had 232,000 fewer construction jobs than a year earlier, dragging down employment growth in many states with previously booming housing markets such as Florida (74,000 construction jobs lost vs. 52,000 other jobs added) and Arizona (25,000 construction jobs lost vs. 23,000 other jobs added).

Foreclosures

- ❖ The number of homes in foreclosure proceedings nearly doubled to almost one million by the end of 2007, while the number entering foreclosure topped 400,000 in the fourth quarter alone.
- ❖ •The share of all loans in foreclosure jumped from less than 1.0 percent in the fourth quarter of 2005 to more than 2.0 percent by the end of last year.
- ❖ In the fourth quarter of 2007, Ohio had the country's highest foreclosure rate of 3.9 percent—equivalent to 1 in 25 loans—followed closely by Michigan and Indiana.
- ❖ The foreclosure rate on all subprime loans soared from 4.5 percent in the fourth quarter of 2006 to 8.7 percent a year later, while the rate on adjustable-rate subprime loans more than doubled from 5.6 percent to 13.4 percent. Foreclosure rates on adjustable subprime mortgages were over five times higher than those on adjustable prime loans.
- ❖ Because of their abysmal performance, subprime loans fell from 20 percent of originations in 2005–2006 to just 3.1 percent in the fourth quarter of 2007. The real dollar volume plummeted from \$139 billion in the fourth quarter of 2006 to \$14 billion at the end of last year.
- ❖ Interest-only and payment-option loans fell from 19.3 percent of originations in 2006 to 10.7 percent in 2007, with especially large declines in the nation's most expensive metro areas where loans with affordability features were most common. States with high 2006 shares and large 2007 declines include Nevada (from 41 percent to 25 percent), Arizona (29 percent to 18 percent), Florida (25 percent to 13 percent), and Washington, DC (26 percent to 15 percent).
- ❖ The dollar volume of all non-prime investor loans plunged by two-thirds from the first quarter of 2006 to the third quarter of 2007, and of just subprime investor loans by a whopping seven-eighths.

- ❖ According to the Mortgage Bankers Association, loans to absentee owners also accounted for almost one in five loans entering foreclosure in the third quarter of 2007.
- ❖ In 2006, more than 40 percent of loans on one- to four-unit properties originated in low-income census tracts were high cost, as were 45 percent of such loans originated in low-income minority communities. By comparison, high-cost loans accounted for only 23 percent of originations in middle-income white areas and 15 percent in high-income white areas.

US Housing Market

The US Department of Housing and Urban Development's U.S. Housing Market Conditions (1st Quarter 2008) reported on the following trends in the national housing market, as of first quarter 2008¹⁴.

- ❖ The housing market performed very poorly during the first quarter of 2008, continuing 2 years of decline. The number of single-family building permits, starts, and completions all declined in the first quarter, and new and existing home sales decreased as well. Excessive inventories of both new and existing homes amounted to nearly 10 months' supply. The multifamily sector was somewhat mixed: permits and starts decreased, but completions increased.
- ❖ The subprime meltdown continues, with foreclosure rates on subprime adjustable-rate mortgages (ARMs) doubling over the past year. On the rental side, the vacancy rate increased, but the absorption rate showed some improvement.
- ❖ The overall economy posted a Gross Domestic Product (GDP) growth rate of only 0.6 percent in the first quarter of 2008. The housing component of GDP decreased by 26.7 percent, which reduced GDP growth by 1.2 percentage points.
- ❖ Housing affordability improved in the first quarter of 2008, according to the index published by the NATIONAL ASSOCIATION OF REALTORS®. The composite index indicates that the family earning the median income had 132.3 percent of the income needed to purchase the median-priced, existing single-family home using standard lending guidelines. This value is up 11.5 points from the fourth quarter of 2007 and up 17.8 points from the first quarter of 2007. The increase from the fourth quarter is attributable to a decline (4.6 percent) in the median price of an existing single-family home, an increase (0.2 percent) in median family income, and a 40 basis-point decrease in the mortgage interest rate. The first quarter homeownership rate was 67.8 percent, unchanged from the fourth quarter 2007 rate but 0.6 percentage point below the rate of the first quarter of 2007.

¹⁴ US Housing Market Conditions (1st Quarter 2008) U.S. Department of Housing and Urban Development, Office of Policy Development and Research - <http://www.huduser.org/portal/periodicals/ushmc.html>.

- ❖ The multifamily (five or more units) sector performed better than the single-family sector did in the first quarter of 2008. Production indicators were mixed; building permits and starts decreased, but completions increased. The absorption of new rental units improved, but the rental vacancy rate increased.

State Economic Trends and Cycles

Worksource Oregon's Oregon Labor Trends (May 2008) included the following summary of employment trends in Oregon through the first quarter of 2008.

- ❖ Oregon's seasonally adjusted unemployment rate was 5.7 percent in March and the revised figure for February was 5.4 percent. This puts Oregon's rate well above the 5.0 percent figure reached during March 2007, which was the lowest in over five years.
- ❖ In March, seasonally adjusted payroll employment dropped by 2,700, the first decline in six months. February's figure was revised upward to show a gain of 900 jobs.
- ❖ In March, several major industries recorded substantial seasonally adjusted job declines: trade, transportation, and utilities (-1,600 jobs), manufacturing (-1,300), construction (-700), and leisure and hospitality (-700). These losses were partially balanced by seasonally adjusted job gains in educational and health services (+1,300 jobs) and government (+1,100).
- ❖ Despite the weak March employment in trade, transportation, and utilities, over the past few months' retail trade has shown modest growth, with employment up 2,900, or 1.5 percent, since March 2007. On the other hand, wholesale trade has been hurt by declines in manufacturing and is down 300 jobs during the past 12 months.
- ❖ Manufacturing continued to trend downward in March as durable goods manufacturing shed 1,200 jobs. Durable goods have declined at a rapid rate since reaching a multi-year peak of 156,900 jobs in August 2006. Conversely, nondurable goods manufacturing has expanded over the last two years and has gained 900 jobs since March 2007.
- ❖ Construction posted no employment change during a month in which 700 jobs typically would be added. The March construction employment total of 93,700 was down 6,800 jobs from the year-ago figure. The residential side saw substantial cutbacks in March as residential building construction shed 500 jobs and building foundation and exterior contractors also cut 500 jobs.
- ❖ Seasonally adjusted construction employment peaked at 105,200 in August 2007 and is now down to 97,900 jobs, a loss of nearly 7 percent in seven months' time.

- ❖ The trend in leisure and hospitality shows continued growth. This industry, dominated by restaurant employment, had an over-the-year gain of 5,200 jobs, or close to 3 percent.
- ❖ Educational and health services continued to be the fastest growing major industry, adding 1,700 jobs in March. Since March 2007, it is up 8,400 jobs, or 4.0 percent. Employment trends over the past two years accelerated gradually as older baby boomers moved into their early 60s and as the age 65+ group increased by more than 2 percent per year.
- ❖ Government added 2,400 jobs in March, nearly double its expected seasonal gain. It was up 8,100 jobs since March 2007, a gain of 2.8 percent. Local governments have expanded both their educational employment component as well as their other segments. In March, local government employed 195,600, a gain of 5,500, or 2.9 percent, from March 2007.

Summary of National and State Economic Trends

- ❖ Nationally, by the first quarter of 2008, the rapid rate of housing construction that occurred during the 2004-2007 period almost stopped with a slow down in construction and sales
- ❖ Inventories of units for sale and rent increased to 10 to 11 months' worth of inventory
- ❖ The rapid rise of home values and prices had started to finally ease, and in some areas decline to more affordable levels
- ❖ One outcome of this change in the housing market was the increase in the number of homes facing foreclosure
- ❖ The number of homes facing foreclosure added to inventories of homes for sale, which represented 10 months of supply
- ❖ The slowdown in home construction and sales had a positive effect for potential consumers with prices decreasing and become more affordable to a greater number of household.
- ❖ However, in Oregon, seasonally adjusted payroll employment was beginning to drop.
- ❖ Concurrent trends of an increasing supply of housing that was potentially becoming more affordable due to prices decreasing to spur sales at the same time payroll employment was declining.

- ❖ Due to circumstances such as foreclosure, more pressure will be placed on the rental housing markets as households that owned or were buying housing need to transition into renting housing.
- ❖ The challenge for planning for housing is exacerbated in that households that were cost-burdened a few years ago now face the additional challenges of a supply of housing that may still be unaffordable due to prices/rents not dropping enough and/or because of unemployment or incomes not keeping up with the price of housing.

Step 3: Local Trends and Characteristics of the Population

The forgoing portion of the HNA examined the relevant national and state demographic and economic trends and their influence on the future mix of housing in Bend. This section continues this examination of trends by looking at demographic and economic trends in Bend, including a description of Bend's population in 2007. This examination of trends begins with a brief examination of how the characteristics of Bend's population have changed since the 2000 Census. This section then focuses on key demographic variables that provide information on households and their housing choices including:

- ❖ Households by type, size, age of householder, and household income;
- ❖ Tenure – whether households are owner or renter occupied, and;
- ❖ Types of housing, including the changes composition of the housing supply.

Characteristics of Bend's population

Table 4: Bend - 2000 to 2007

	Census 2000	ACS 2007	Change 2000-2007	% Change 2000-2007
Population	52,029	73,368	21,339	41%
Household Size	2.42	2.34	-0.08	-3%
Family Size	2.92	2.79	-0.13	-4%
Age of Householder				
Under 25 years	1,674	2,188	514	31%
25 to 44 years	8,615	12,739	4,124	48%
45 to 64 years	6,770	10,534	3,764	56%
65 years and over	4,003	5,156	1,153	29%
Households by Type				
Total Households	21,062	30,617	9,555	45%
Family households (families)	13,396	18,666	5,270	39%

Married-couple family	10,563	14,977	4,414	42%
Nonfamily households	7,666	11,951	4,285	56%
Householder living alone	5,497	7,512	2,015	37%
Householder 65 years and over	1,819	1,834	15	1%
Median household income	\$40,857	\$56,053	\$15,196	37%
Median family income	\$49,387	\$66,740	\$17,353	35%

Sources: 2000 Census data and 2007 American Community Survey (ACS) data from American Factfinder - http://factfinder.census.gov/home/saff/main.html?_lang=en.

- ❖ Bend's population grew by an estimated 41% between 2000 and 2007, at a much faster rate than the populations of the nation or the state.
- ❖ While household and family sizes remained stable nationally and at the state level, both the average household and family sizes each decreased by an estimated three percent.
- ❖ The number of households with a householder between 45 and 64 years of age increased by 56% over the last seven years, representing the largest percentage increase among all householder age groups.
- ❖ The total number of households increased by 45%; with non-family households increasing by 56%.
- ❖ Both the median household and family incomes in Bend increased by at least 35% between 2000 and 2007.

Bend's population has grown significantly since 1990. Between 1990 and 2000, Bend's population grew from 20,469 to 52,029. This change represents an increase of 31,560 people, or 154%. Of these 31,560 new people, approximately 17,060 people were annexed to the city between 1990 and 1998. Actual population growth accounted for an increase of 14,500 people, or 71% over the city's population in 1990.

Bend grew significantly again between 2000 and 2007. The city's population grew by 25,751 over this seven year period, and without being influenced by annexation¹⁵. Bend's average annual growth rate from 2000 to 2007 was 4.5% per year. This reflects the period of high population growth from 2004 to 2006, and slower growth in 2006 and 2007 that mirrored the slow down on the economy.

¹⁵ See 2007 Oregon Population Report, Population Research Center, Portland State University, available online at: <http://www.pdx.edu/prc/annual-oregon-population-report>.

Table 5 : Population Growth of Oregon, Deschutes County, and Bend; 1990 to 2007

Area	April 1, 1990	April 1, 2000	July 1, 2007	Change 1990 - 2007	Percent Change
Oregon	2,842,321	3,421,399	3,745,455	903,134	32%
Deschutes County	74,958	115,367	160,810	85,852	115%
Bend	20,469	52,029	77,780	57,311	280%

Source: Population Research Center, Portland State University – <http://www.pdx.edu/prc/>.

Table 6: Age of Population in Bend: 1990, 2000, and 2007

Age	1990	2000	Change	%Change	2000 Distribution
Under 25 years	7,225	18,058	10,833	150%	35%
25 to 44 years	7,413	16,171	8,758	118%	31%
45 to 54 years	1,771	7,459	5,688	321%	14%
55 to 59 years	628	2,209	1,581	252%	4%
60 to 64 years	672	1,701	1,029	153%	3%
65 to 74 years	1,436	3,109	1,673	117%	6%
75 years and over	1,324	3,322	1,998	151%	6%
Total	20,469	52,029	31,560	154%	100%
	2000	2007	Change	%Change	2007 Distribution
Under 25 years	18,058	21,683	3,625	20%	30%
25 to 44 years	16,171	25,296	9,125	56%	34%
45 to 54 years	7,459	9,331	1,872	25%	13%
55 to 59 years	2,209	5,332	3,123	141%	7%
60 to 64 years	1,701	3,292	1,591	94%	4%
65 to 74 years	3,109	4,110	1,001	32%	6%
75 years and over	3,322	4,324	1,002	30%	6%
Total	52,029	73,368	21,339	41%	100%

Sources: 2000 Census data and 2007 American Community Survey for Bend through American Factfinder: http://factfinder.census.gov/home/saff/main.html?_lang=en.

- ❖ Between 1990 and 2000, the city saw the greatest population growth in people between the ages of 45 and 59 years of age.
- ❖ That trend continued between 2000 and 2007, where the greatest increases in population occurred with people between the ages of 55 to 64 years of age.

- ❖ The proportion of the population under 25 years of age decreased from 35% to 30%.
- ❖ The proportion of the population between 25 and 44 years increased from 31% to 34%.

Table 7: Tenure by Type of Households

	Owner occupied households		Renter occupied households	
	Number	Distribution	Number	Distribution
Total Households	18,032	100%	12,585	100%
Family households:	13,031	72%	5,635	45%
Married-couple family:	11,847	66%	3,130	25%
Householder 15 to 34 years	1,889	10%	1,371	11%
Householder 35 to 64 years	7,406	41%	1,610	13%
Householder 65 years and over	2,552	14%	149	1%
Other family:	1,184	7%	2,505	20%
Male householder, no wife present:	196	1%	485	4%
Householder 15 to 34 years	-	0%	271	2%
Householder 35 to 64 years	196	1%	214	2%
Householder 65 years and over	-	0%	-	0%
Female householder, no husband present:	988	5%	2,020	16%
Householder 15 to 34 years	86	0%	1,072	9%
Householder 35 to 64 years	427	2%	870	7%
Householder 65 years and over	475	3%	78	1%
Nonfamily households:	5,001	28%	6,950	55%
Householder living alone:	3,968	22%	3,544	28%
Householder 15 to 34 years	593	3%	785	6%
Householder 35 to 64 years	2,247	12%	2,053	16%
Householder 65 years and over	1,128	6%	706	6%
Householder not living alone:	1,033	6%	3,406	27%
Householder 15 to 34 years	58	0%	2,837	23%
Householder 35 to 64 years	907	5%	569	5%
Householder 65 years and over	68	0%	-	0%

Source: 2007 American Community Survey data for Bend city, Oregon, available online at: http://factfinder.census.gov/home/saff/main.html?_lang=en.

- ❖ By 2007, 72% of family households were living in owner occupied housing; 45% of family households were renting housing.
- ❖ 28% of non-family households were living in owner occupied housing, and 55% of renter occupied households were non-family households.
- ❖ The total number of households grew from 21,062 in 2000 to an estimated 30,617, and increase of 9,555 households, or 45%.

Table 8: Household Types by Household Size: Estimated Change between 2000 and 2007

	2000 Census		2007 ACS		Change	% Change
	Number	Distribution	Number	Distribution		
Total:	21,050		30,617		9,567	45%
Family households:	13,554	100%	18,666	100%	5,112	38%
2-person household	6,200	46%	9,118	49%	2,918	47%
3-person household	3,159	23%	3,540	19%	381	12%
4-person household	2,656	20%	4,255	23%	1,599	60%
5-person household	1,049	8%	1,257	7%	208	20%
6-person household	407	3%	496	3%	89	22%
7-or-more person household	83	1%	0	0%	-83	-100%
Nonfamily households:	7,496	100%	11,951	100%	4,455	59%
1-person household	5,516	74%	7,512	63%	1,996	36%
2-person household	1,536	20%	3,115	26%	1,579	103%
3-person household	352	5%	1,066	9%	714	203%
4-person household	66	1%	258	2%	192	291%
5-person household	16	0%	0	0%	-16	-100%
6-person household	5	0%	0	0%	-5	-100%
7-or-more person household	5	0%	0	0%	-5	-100%

Source: 2000 Census data and 2007 American Community Survey data for Bend city, Oregon, available online at: http://factfinder.census.gov/home/saff/main.html?_lang=en.

- ❖ The number of family households grew by 38% between 2000 and 2007; non-family households grew by 59%.
- ❖ Among family households the number of 2-person households grew the most, by 47%, while 4-person households increased by a greater percentage.
- ❖ Among non-family households, households with 2 to 4 persons increased the most on a percentage basis; 1 and 2 person households grew the most in number.

Table 9: Tenure by Household size for 2000 and 2007 for Bend

	2000 Census		2007 ACS		Change	
	Number	Distribution	Number	Distribution	Number	Percent
Total Households:	21,062		30,617		9,555	45%
Owner occupied:	13,244	100	18,032	100%	4,788	36%
1-person household	2,921	22.1	3,968	22%	1,047	36%
2-person household	5,348	40.4	8,801	49%	3,453	65%
3-person household	2,044	15.4	1,600	9%	-444	-22%
4-person household	1,937	14.6	2,772	15%	835	43%
5-person household	724	5.5	777	4%	53	7%
6-person household	184	1.4	114	1%	-70	-38%
7-or-more person household	86	0.6	0	0%	-86	-100%
Renter occupied:	7,818	100	12,585	100%	4,767	61%
1-person household	2,576	32.9	3,544	28%	968	38%
2-person household	2,451	31.4	3,432	27%	981	40%
3-person household	1,417	18.1	3,006	24%	1,589	112%
4-person household	838	10.7	1,741	14%	903	108%
5-person household	336	4.3	480	4%	144	43%
6-person household	125	1.6	382	3%	257	206%
7-or-more person household	75	1	0	0%	-75	-100%

Source: 2000 Census data and 2007 American Community Survey data for Bend city, Oregon, available online at: http://factfinder.census.gov/home/saff/main.html?_lang=en.

- ❖ Owner occupied households grew by 36% between 2000 and 2007; the number of renter occupied households grew at a greater rate, by 61%.
- ❖ Among owner occupied households, 2-person households grew the most; the number of 3-person households decreased
- ❖ Among renter-occupied households, 3 and 4 person households each increased by at least 108%, with 6 person households increasing by 206%
- ❖ The largest group of owner occupied households are those with 2 persons; the large among renter occupied households are those with 3 persons

Table 10: Households by Age of Householder and Household Income (2007)

	Under 25 years	25 to 44 years	45 to 64 years	65 years and over
Total	2,188	12,739	10,534	5,156
Less than \$10,000	-	192	230	55
\$10,000 to \$14,999	180	60	188	435
\$15,000 to \$19,999	86	437	842	266
\$20,000 to \$24,999	523	1,033	574	269
\$25,000 to \$29,999	136	1,141	394	313
\$30,000 to \$34,999	-	209	650	221
\$35,000 to \$39,999	-	488	235	279
\$40,000 to \$44,999	387	625	176	545
\$45,000 to \$49,999	230	829	493	96
\$50,000 to \$59,999	420	1,115	1,085	441
\$60,000 to \$74,999	226	2,022	1,227	686
\$75,000 to \$99,999	-	2,205	1,196	807
\$100,000 to \$124,999	-	1,176	1,062	457
\$125,000 to \$149,999	-	417	675	132
\$150,000 to \$199,999	-	325	879	59
\$200,000 or more	-	465	628	95

Table 11: Distribution of Households by Age of Householder and Household Income (2007)

	Under 25 years	25 to 44 years	45 to 64 years	65 years and over
Total	100%	100%	100%	100%
Less than \$10,000	0%	2%	2%	1%
\$10,000 to \$14,999	8%	0%	2%	8%
\$15,000 to \$19,999	4%	3%	8%	5%
\$20,000 to \$24,999	24%	8%	5%	5%
\$25,000 to \$29,999	6%	9%	4%	6%
\$30,000 to \$34,999	0%	2%	6%	4%
\$35,000 to \$39,999	0%	4%	2%	5%
\$40,000 to \$44,999	18%	5%	2%	11%
\$45,000 to \$49,999	11%	7%	5%	2%
\$50,000 to \$59,999	19%	9%	10%	9%
\$60,000 to \$74,999	10%	16%	12%	13%
\$75,000 to \$99,999	0%	17%	11%	16%
\$100,000 to \$124,999	0%	9%	10%	9%
\$125,000 to \$149,999	0%	3%	6%	3%
\$150,000 to \$199,999	0%	3%	8%	1%
\$200,000 or more	0%	4%	6%	2%

- ❖ For households with a householder under 25 years of age, 36% of these households had household incomes under \$25,000; 58% of these households had incomes between \$40,000 and \$74,999.

- ❖ For households with a householder between 25 and 44 years of age, 33% of these households had incomes between \$60,000 and \$99,99;
- ❖ For households with a householder between 45 and 64 years of age, 43% of these households had incomes between \$50,000 and \$124,999.
- ❖ For households with a household that was 65 years of age and over, 51% of these households had incomes between \$40,00 and \$99,999

Table 12: Occupancy and Tenure for Bend: 1990 to 2000

Occupancy	1990		2000		Change 1990-2000	%Change 1990-2000
	Number	Percent	Number	Percent		
All housing units	9,004	100%	22,507	100%	13,503	150%
Occupied housing units	8,526	95%	21,062	94%	12,536	147%
Vacant housing units	478	5%	1,445	6%	967	202%
Tenure	2000		2000		Change 1990-2000	%Change 1990-2000
	Number	Percent	Number	Percent		
Occupied housing units	8,526	100%	21,062	100%	12,536	147%
Owner-occupied housing units	4,614	54%	13,244	63%	8,630	187%
Renter-occupied housing units	3,912	46%	7,818	37%	3,906	100%

Source: US Census Bureau STF3 (1990) and SF3 (2000) through American Factfinder, available online at www.factfinder.census.gov.

Table 13: Occupancy and Tenure for Bend: 2000 to 2007

Occupancy	2000		2007		Change 2000-2007	%Change 2000-2007
	Number	Percent	Number	Percent		
All housing units	22,507	100%	34,160	100%	11,653	52%
Occupied housing units	21,062	94%	30,617	90%	9,555	45%
Vacant housing units	1,445	6%	3,543	10%	2,098	145%

Tenure	2000		2007		Change 2000-2007	%Change 2000-2007
	Number	Percent	Number	Percent		
Occupied housing units	21,062	100%	30,617	100%	9,555	45%
Owner-occupied housing units	13,244	63%	18,032	59%	4,788	36%
Renter-occupied housing units	7,818	37%	12,585	41%	4,767	61%

Source: 2000 Census and 2007 American Community Survey (ACS) data for Bend from American Factfinder - http://factfinder.census.gov/home/saff/main.html?_lang=en.

- ❖ During the last seven years, the vacancy rate for housing units in from six (6) percent in 2000 to 10 percent in 2007.
- ❖ More units were renter occupied in 2007 than in 2000

Table 14: Change in Units in Structure for City of Bend 1990 to 2000

Units in Structure	1990	2000	Change	% Change	% Distribution	
	Census	Census			1990	2000
1-units detached	5,907	15,027	9,120	154%	66%	67%
1-unit attached	281	792	511	182%	3%	4%
2 to 4 units	990	1,723	733	74%	11%	8%
5 to 9 units	365	1,001	636	174%	4%	4%
10 or more units	978	1,681	703	72%	11%	7%
Mobile home, trailer, or other	483	2,274	1,791	371%	5%	10%
Total units	9,004	22,498	13,494	150%		

Source: US Census Bureau, SFT3 (1990) and SF3 (2000)

- ❖ Due to both housing construction and annexation, the supply of housing units in Bend grew by 150% between 1990 and 2000.
- ❖ The distribution of units by type did not change drastically over this decade; single family detached dwellings represented 66% to 67% of the supply of housing units.
- ❖ Single family attached units increased slightly from 3% to 4% of the housing units.
- ❖ Multi-family attached units (all other units), decreased slightly, from 31% and 29%, of all units.

Table 15: Change in Units in Structure for City of Bend: 2000 to 2007

Units in Structure	2000	2007	Change		% Distribution	
	Census	ACS	Number	Percent	2000	2007
1-units detached	15,027	23,853	8,826	59%	67%	70%
1-unit attached	792	1,151	359	45%	4%	3%
2 to 4 units	1,723	3,326	1,603	93%	8%	10%
5 to 9 units	1,001	1,362	361	36%	4%	4%
10 or more units	1,681	2,697	1,016	60%	7%	8%
Mobile home, trailer, or other	2,274	1,771	-503	-22%	10%	5%
Total units	22,498	34,160	11,662	52%	100%	100%

Source: 2000 Census and 2007 American Community Survey data for Bend through American Factfinder, available online at www.factfinder.census.gov.

- ❖ From 2000 to 2007, the supply of housing units increased by 11,662 units, or 52%, and not through annexation.
- ❖ The proportion of housing that was single family detached increased from 67% to 70% of all housing units.
- ❖ The proportion of single family attached increased by 45%, but represented a smaller proportion of the city's housing supply.
- ❖ The proportion of all housing that was multi-family attached also decreased from 29% in 2000 to 27% in 2007.

Table 16: Tenure of units in structure for Bend in 2000 and 2007

	2000 Census		2007 ACS		Change 2000 to 2007	
	Number	Distribution	Number	Distribution	Number	Percent
Total:	21,049	100%	30,617	100%	9,568	45%
Owner-occupied housing units:	13,339	63%	18,032	59%	4,693	35%
1, detached or attached	11,475	55%	16,279	53%	4,804	42%
2 to 9 units	117	1%	360	1%	243	208%
10 or more units	18	0%	50	0%	32	178%
Mobile home and all other types of units	1,729	8%	1,343	4%	(386)	-22%
Renter-occupied housing units:	7,710	37%	12,585	41%	4,875	63%
1, detached or attached	3,379	16%	6,039	20%	2,660	79%
2 to 9 units	2,464	12%	3,946	13%	1,482	60%
10 or more units	1,541	7%	2,386	8%	845	55%
Mobile home and all other types of units	326	2%	214	1%	(112)	-34%

Source: 2000 Census and 2007 American Community Survey (ACS) data for Bend from American Factfinder - http://factfinder.census.gov/home/saff/main.html?_lang=en.

- ❖ The proportion of single family detached and attached units that were owner occupied decreased over the last seven years. Conversely, the proportion of these types of dwellings that were owner occupied increased over this same period.
- ❖ While the numbers of owner occupied units that were multi-family attached (2 to 9, 10 or more) increased significantly on a percentage basis, they still represented a very small portion of the supply of owner occupied housing.
- ❖ The proportion both owner and renter occupied units that were mobile or manufactured homes, and other types of housing, decreased over this period.

Local Demographic and Economic Trends

The forgoing sections on local trends examined the characteristics of Bend's population and the changes in these characteristics will influence the demand for housing. This section draws from the city's 2008 General Plan Housing Chapter and 2008 Economic Opportunities Analysis to examine local demographic and economic trends that will influence both the supply of and demand for housing¹⁶.

- ❖ Bend's population grew rapidly from 2000 to 2007, increasing by 41% and growing at an annualized rate of 5% per year.
- ❖ By 2007, Bend's population represented 48% of the population in Deschutes County.
- ❖ Most of the population growth in the county occurred through positive net migration; the number of people moving in exceeded the number of people moving out. Between 2000 and 2007, net migration represented 89% of the county's growth in population.
- ❖ Bend's population is forecasted to grow to 115,063 people by 2028; this would represent 45% of the county's population by this year.
- ❖ Bend has higher percentages of college educated workers compared to Deschutes County and the state. This is expected to generate more higher-paying jobs, increase average incomes, and be more response to changes in economic trends.
- ❖ Bend's incomes for households were consistent with those of the county, state, and nation. However, Bend had 10% more households with incomes of \$50,000 to \$74,999.

¹⁶ See Section 3: Review of National, State, Regional, and Local Trends at pages 12 through 59 of the 2008 EOA.

- ❖ Maintaining an adequate supply of land available and zoned appropriately to provide opportunities for a range of housing types needed in Bend in the face of rapid recent and expected continuing population growth. Bend's population increased by 154% between 1990 and 2000 and by another 50% between 2000 and 2005. "The Regional Economist for the Worksource Oregon Employment Department stated that Central Oregon has the highest net migration in the state (29 new residents for every 1,000 in population in 2004)." The inadequate supply of land has led to a lack of multi-family units, as high land costs have forced developers to build luxury townhomes rather than more affordable apartments or condominiums.¹⁷
- ❖ The rapid increase in population has resulted in a growth in demand for workforce housing that has outpaced the production of workforce housing units. Between 2000 and 2005, job growth created a demand for 9,057 units of workforce housing while only 8,230 units were produced.¹⁸
- ❖ Responding to a housing and land market that has appreciated significantly in recent years, driving the cost of housing up significantly and leaving relatively few market opportunities for low-cost owner-occupied housing. Land prices have reportedly increased three to four-fold during the past ten years and the median home price increased by 54% between 2001 and 2005. Many housing developers, advocates, other community stakeholders city officials commented on the difficulty of finding land with a purchase price that will allow for the construction of affordable housing.
- ❖ Affordable housing for service workers, both for individuals and families, is in short supply in Bend. Rapid increases in home prices have combined with growth in the (low wage) service sector to make it difficult for much of Bend's workforce to live in the city. The Worksource Oregon Employment Department forecasts that between 2004 and 2014, Central Oregon jobs will grow by approximately 24.4% or 17,520 new jobs.¹⁹ There are limited affordable housing grants, down payment assistance programs or other support systems to aid residents in attaining affordable housing. While the cost of rental housing has not increased as rapidly as house prices, recent rent increases are starting to place additional pressure on low-income households. Further complicating the issue is the seasonality of many jobs in the region, such as those in the construction, hospitality and leisure industries. In Deschutes County, approximately 5,000 more jobs exist in the summer than in the winter, making it difficult for the region to meet peak housing needs.

¹⁷ Central Oregon Workforce Housing Needs Assessment (2006). Rees Consulting, Inc.

¹⁸ Central Oregon Workforce Housing Needs Assessment (2006). Rees Consulting, Inc.

¹⁹ Central Oregon Workforce Housing Needs Assessment (2006). Rees Consulting, Inc.

- ❖ The lack of affordable housing for the workforce had a negative effect on employers in Central Oregon. In a survey of 118 private and public sector employers, more than half feel that insufficient availability of affordable housing for the workforce is the most critical problem or one of the more serious problems in the region. Employers are experiencing an increased number of unfilled jobs and unqualified applicants. These problems affect many aspects of a business, including service levels, hours of operation, and customer satisfaction.²⁰
- ❖ The increasing lack of housing affordable to low and moderate income households is resulting in many area workers purchasing homes and living in other communities, including Redmond, Prineville and others. A survey of employers suggests that 23.3% of Bend's workforce lives outside the City of Bend.²¹ Census data show from 1990 to 2000 shows an increasing number of workers commuting to Deschutes County from other counties.²² Census data on travel times to work further suggest significant numbers of commuters in other Central Oregon cities have been commuting to Bend for work.²³ This is exacerbating traffic congestion and other issues caused by rapid growth in the community. It also affects the ability of area employers to attract workers for jobs at many income levels, including service and professional workers.
- ❖ Increasing land prices have resulted in the conversion of manufactured home parks as land owners can sell their land for a large profit or develop the land for a higher return. No new manufactured home parks were developed in Bend since 1998 and the supply of manufactured homes in manufactured home parks decreased from 2,159 units in 2000 to 1,403 units in 2005.²⁴ High land values also stimulated the conversion of rental apartments to condominiums. These processes result in a lack of affordable rental housing at a time when there is a limited amount of rental development.
- ❖ Special needs populations face gaps in service delivery, including transitional housing for low-income families, supportive transitional housing for people with substance abuse problems and mental illnesses and some emergency housing. These gaps may be exacerbated by the State of Oregon's budget shortfall. The 2004-2009 Consolidated Plan for the City of Bend provides a more detailed description of the needs of special needs populations. The City of Bend seeks to support the implementation of the Consolidated Plan through strategies listed later in this housing element.

²⁰ Central Oregon Workforce Housing Needs Assessment (2006). Rees Consulting, Inc.

²¹ Central Oregon Workforce Housing Needs Assessment (2006). Rees Consulting, Inc.

²² Commuting Patterns Within Central and South Central Oregon (2003). Steve Williams, Oregon Employment Department. www.qualityinfo.org/olmisj.

²³ City of Bend Housing Needs Analysis and Residential Lands Study. June 30, 2005.

²⁴ City of Bend Buildable Lands Inventory (2005).

Summary of Bend's population characteristics, and local demographic and economic trends

- ❖ Bend's population grew much faster than the nation's or the state's between 2000 and 2007
- ❖ This growth included an increase in the number of smaller households, and households with a householder between 45 and 64 years of age.
- ❖ This growth in population also includes an aging of the population; between 2000 and 2007, the number of persons in Bend between 55 and 59 years of age increase by 141%. The number of persons 60 to 64 years of age increased by 94%.
- ❖ Nonfamily households grew at a greater rate (59% to 39%) than family households
- ❖ More households were renting their housing in 2007 than in 2000, but owner occupied households still represented 59% of households in 2007
- ❖ With the downturn in the housing market, the number of vacant housing units increased from 6% in 2000 to 10% in 2007
- ❖ The distribution of housing units also changed with single family detached units representing a greater proportion of units in 2007; the proportion of multi-family units decreased from 29% to 27% of the supply of housing units by 2007.
- ❖ By 2007, there were more households with householders between the ages of 45 and 64 that also had household incomes greater than \$50,000 a year.
- ❖ Land prices had increased rapidly between 2001 and 2005, and during a time when growth in employment occurred in industries with lower wages and income.
- ❖ These same industries are expected to see more growth between 2004 and 2014, and requiring housing affordable for the wages and income that could be earned.

Conclusions and Next Steps

This memorandum presented the results of the first three steps of the Housing Needs Analysis. This work, and subsequent changes to it, will inform the next steps for determining the types of housing that will be needed for the planning period. In addition, this work will influence and will be influenced by the buildable lands inventory, particularly where the city examines potential opportunities for upzoning (e.g. measures) to demonstrate land has been used efficiently in the UGB to provide land for needed housing. Staff will also follow up with DLCD's Bend and Salem staff to obtain their input on this work and ensure the City is on the right track to complete a Housing Needs Analysis consistent with state law.

/DPS

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TO: **UGB REMAND TASK FORCE**
FROM: **LONG RANGE PLANNING STAFF, CITY OF BEND**
SUBJECT: **DRAFT BUILDABLE LANDS INVENTORY – SUB-ISSUE 2.2**
DATE: **AUGUST 31, 2011**

Introduction

This memo responds to Sub-issue 2.2 of the City of Bend Remand and Partial Acknowledgment 10-Remand-Partial Acknow-001795 (hereinafter referred to as Remand and Sub-Issue). This sub-issue is found on pages 18-26 of the Remand order.

This memo includes a discussion of the sub-issue and a staff recommendation. Because this memo includes only a partial BLI, draft findings that respond to all related remand issues will be prepared as remaining elements of the BLI are completed and submitted to DLCD for review. The contents of this memo and its preliminary estimates of housing capacity have been reviewed by DLCD staff. Based on discussions with DLCD staff, the City believes that the analysis contained in this memo, and its preliminary estimates of buildable lands and capacity, will be supported by DLCD staff as satisfactorily addressing the concerns expressed specifically under Sub-Issue 2.2. Both City and DLCD staff understand that these estimates will be subject to further revision based on a revised housing needs analysis (Sub-Issue 2.3) and any additional land use efficiency measures (Sub-Issues 3.1 and 3.2).

Remand Sub-issue 2.2

“Whether the City’s Buildable Lands Inventory (BLI) is adequate for review. Whether the City correctly determined what lands are ‘Vacant’ and what lands are ‘Redevelopable’ Whether the City’s estimate of the development capacity of those lands complied with the needed housing statutes and the Commission’s rules”¹

Conclusion:

“The Commission denies the city’s and Newland’s appeals on this subissue, upholds the Director’s Decision, including the director’s disposition of objections (for the reasons set forth in the Director’s Decision) and remands the city’s decision with instructions for it to develop a record and adopt a buildable lands inventory supported

¹ Oregon Land Conservation and Development Commission, Remand and-Partial Acknowledgement Order 10-Remand-Partial Acnow-001795, November 2, 2011, p. 18.

by findings that are consistent with state law. The city's findings must explain what criteria it uses (based on ORS 197.296, OAR 660-024 and 660-008) to determine whether particular lands are vacant or redevelopable, examine the amount and type of development that has occurred on the vacant and redevelopable lands since its last periodic review, and project the capacity of the city's buildable lands (prior to additional measures being implemented) based on that analysis (and as further detailed in connection with Goal 14, below). If the amount of redevelopment and infill within the city's UGB is projected to differ significantly from past trends, the City must explain why, and provide an adequate factual and policy basis to support that change.

The city's buildable lands inventory may not exclude lots and parcels smaller than 0.5 acres with no improvements without specific findings consistent with OAR 660-008-0005. Similarly, the City may not exclude lots and parcels subject to CC&Rs unless it adopts specific findings, supported by an adequate factual base, that show why the lands are not available for development or redevelopment during the planning period. In addition, the City has agreed to reexamine lands it identified as "constrained" to determine whether the lands are buildable under OAR 660-008-0005.

Finally, the Commission denies the objection of Newland for the reasons set forth in the Director's Decision, which are incorporated herein by this reference. Director's Decision, at 42-43." ²

Discussion of Sub-Issue 2.2 Conclusion

In summary, the conclusion of Sub-Issue 2.2 directs the City to:

- 1) Explain the criteria used to determine whether lands are vacant or redevelopable, consistent with ORS 197.296, OAR 660-024 and 660-008.
- 2) Examine the amount and type of development that has occurred on vacant and redevelopable lands since the City's last periodic review.
- 3) Include vacant lots smaller than 0.5 acre in size in the inventory.
- 4) Project the capacity of the city's buildable lands (prior to implementing efficiency measures).
- 5) Reexamine lands defined as "constrained" to determine whether the lands are buildable under OAR 660-008-0005.

In order to comply with the mandates of this sub-issue, the previous BLI³ has been completely revised, based on different categories of vacant and developed land, and new analyses of land use and development activity during the 1999-2008 period. Much of this information was in the record prior to the remand;

² Ibid., p. 26.

³ Pre-Remand Record p. 1288.

however, the analysis of development trends is more extensive than in the previous BLI. In addition, land use and parcel data in the record for the previous BLI has been re-categorized, based on guidance from DLCDD, to ensure consistency with state law. All of the data analyzed in the revised BLI existed and was available as of December 2008. The analyses which form the basis for the new BLI include no new data subsequent to December 2008.

Applicable Legal Standard

Following are provisions in state law that must be addressed in preparing a BLI for housing.

ORS 197.296:

* * *

(2) At periodic review pursuant to ORS 197.628 to 197.650 or at any other legislative review of the comprehensive plan or regional plan that concerns the urban growth boundary and requires the application of a statewide planning goal relating to buildable lands for residential use, a local government shall demonstrate that its comprehensive plan or regional plan provides sufficient buildable lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years. The 20-year period shall commence on the date initially scheduled for completion of the periodic or legislative review.

(3) In performing the duties under subsection (2) of this section, a local government shall:

(a) Inventory the supply of buildable lands within the urban growth boundary and determine the housing capacity of the buildable lands;

* * *

(4)(a) For the purpose of the inventory described in subsection (3)(a) of this section, "buildable lands" includes:

(A) Vacant lands planned or zoned for residential use;
(B) Partially vacant lands planned or zoned for residential use;
(C) Lands that may be used for a mix of residential and employment uses under the existing planning or zoning; and
(D) Lands that may be used for residential infill or redevelopment.

* * *

(5)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity and need pursuant to subsection (3) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater. The data shall include:

(A) The number, density and average mix of housing types of urban residential development that have actually occurred;;
(B) Trends in density and average mix of housing types of urban residential development;

* * *

OAR 660-008-0005(2) and (6):

(2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:

- a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;
- b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 15, 16, 17, or 18;
- c) Has slopes of 25% or greater;
- d) Is within the 100-year flood plain; or
- e) Cannot be provided with public facilities.

* * *

(6) "Redevelopable Land" means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period.

OAR 660-024-0050 (2007 Version):

- (1) When evaluating or amending a UGB, a local government must inventory land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs determined in OAR 660-024-0040. For residential land, the buildable land inventory must include vacant and redevelopable land, and be conducted in accordance with OAR 660-007-0045 or 660-008-0010, whichever is applicable, and ORS 197.296 for local governments subject to that statute. * * *
- (2) As safe harbors, a local government, except a city with a population over 25,000 or a metropolitan service district described in ORS 197.015(14), may use the following assumptions in inventorying buildable lands to accommodate housing needs:

Substantial Evidence

The Conclusion section of Sub-Issue 2.2 summarizes the need for an adequate factual base and findings that are consistent with state law. The steps which make up the remainder of this memo provide the factual base serving as substantial evidence of compliance with state law in preparing a BLI:

- **Steps 1 & 2** - Explanation of criteria used to inventory vacant and redevelopable lands;
- **Steps 3 & 4** - Examination of the amount and type of development that has occurred since Bend's last periodic review;
- **Step 5** - Projected capacity of buildable lands;
- **Step 5** - Explanation with adequate factual and policy basis for projections that differ significantly from past trends;
- **Step 2** - Inclusion in the inventory of parcels smaller than 0.5 acre; and

- **Step 2** - Inclusion of parcels subject to CC&Rs, unless findings show why they are not available for development or redevelopment;
- **Step 2** - Inclusion of buildable acreage within parcels that are partially affected by “constrained” lands.

As required by ORS 197.296(5), the table provided as Attachment A summarizes the number, density, and average mix of housing types that have occurred since periodic review (1999-2008). This table also indicates trends in density and average mix of housing types during that period.

Explanation of Compliance

The remainder of this memo explains the steps that have been taken to ensure that the revised BLI will be fully compliant with state law. Step 1 outlines the definitions that have been used to classify residential land consistent with ORS 197.296, OAR 660-008, and OAR 660-024. Remaining steps describe in detail the methodologies used to estimate the amounts of acreage within these categories and the potential yield in housing units by category. The housing unit yield is the basis for preliminary estimates of capacity within the 2008 UGB. Those capacity estimates are also based in part on housing trends observed during 1999-2008. Those ten years correspond to the period since the last periodic review, consistent with ORS 197.296(5)(a).

Step 1: Criteria Used for Buildable Lands Inventory

In reviewing the BLI adopted in 2008, much of DLCD’s concern centered on the City’s interpretations of categories of land to be included in the inventory. In the remand order, LCDC ruled that the City’s categories (vacant acreage, vacant platted lots, vacant with pending land use approvals, and redevelopable) were not consistent with state law. Except for “Redevelopable Land,” the terms used in state law (above) for the categories of land to be included in a BLI are not defined. (Even the definition of “Redevelopable Land” is open to interpretation.) To ensure that on remand the correct categories would be used by the City in the revised BLI, we contacted DLCD staff for more specific guidance on how to define the categories of potentially buildable land within the UGB. This guidance was also needed to prevent double counting of some types of land, since several of the required categories could be considered to overlap, e.g. partially vacant and infill. Through a series of recent e-mail exchanges, DLCD staff provided their interpretations of state law in the form of definitions that could be used to conduct a GIS parcel-based analysis of every acre of residentially planned or zoned land in the Bend UGB as of 2008.⁴ Those definitions as provided by DLCD, for land that is vacant, partially vacant, developed, redevelopable, or developed with infill potential, are shown below.

⁴ E-mail from Gloria Gardiner, DLCD, to Damian Syrnys, October 21, 2010. See also e-mail response from Gloria Gardiner, DLCD, to Karen Swirsky, dated June 9, 2011.

With clarity as to definitions, the revised BLI has been developed through a GIS database of all tax lots within the City. Information available in the database includes Deschutes County Assessor data such as real market land and improvement values, assessed values, property use information, and ownership information. The database also includes zoning and General Plan designation, property size, and the number and type of dwelling unit(s). Using this database, lots as of 2008 were assigned to the categories below:

Vacant (Completely) – Land planned or zoned for residential use that has \$0 in improvements value. Properties that are planned or zoned for residential use, but are dedicated for other uses such as parks, common areas, rights of way or utilities are excluded. Publicly owned land is also excluded.

Partially Vacant – Land planned or zoned for residential use that has an improvements value greater than \$0, but contains fewer dwelling units than permitted in the zone. Based solely on lot size, additional units could be built without removal of the existing structure, but the lot is not large enough to further divide. To identify partially vacant lands, we calculated the maximum number of units that could be built on each developed parcel that was not large enough to divide, based on the maximum density allowed per the development code and the parcel size. The number of existing units was then subtracted from the maximum number of units allowed. If one or more new units could be accommodated, the parcel was categorized as partially vacant. (Considerations such as setback and frontage requirements, lot coverage, or location of the existing unit on the lot were not considered, although those will be limiting factors in many cases.)

Developed – Land planned or zoned for residential use that is currently developed with the maximum number of dwelling units allowed in the zone, and the size of the lot does not allow for further division. (Residentially zoned land that is currently developed with employment uses is categorized as Developed.)

Redevelopable - Lands in the Developed category may be considered redevelopable only if there exists “the strong likelihood that existing development will be converted to more intensive residential uses during the planning period.” We have examined prior trends and examples of redevelopment to estimate the extent to which developed lots have redeveloped in the past, and the resulting housing yield. This work has focused on residentially zoned or designated lots that were completely developed, not large enough to further divide, and where the existing unit(s) was demolished in order to develop at a higher density.⁵

Developed w/ Infill Potential – Land planned or zoned for residential use that is currently developed, but where the lot is large enough to further divide consistent with its current zoning without the removal of the existing dwelling. As with Partially Vacant land, this category does not consider limiting factors such as setback and frontage requirements, lot coverage, or location of the existing unit on the lot.

⁵ E-mail from Gloria Gardiner to Damian Syrnyk, October 21, 2010.

Step 2: Classify the 2008 Parcel Database into Developed, Vacant, Partially Vacant, or Infillable Categories

Using criteria contained in the definitions above, every residentially designated or zoned lot/parcel within the current UGB as of 2008 has been placed into one of the following categories:

- Vacant (completely) land
- Partially vacant land
- Developed land
- Developed land with infill potential

State law also requires consideration of potentially redevelopable lands. Because potentially redevelopable lands also require a finding of a “strong likelihood” to redevelop, it is not possible to identify them in advance through a GIS-based analysis. The role of potentially redevelopable lands in this revised BLI is discussed in more detail under Step 6 as a sub-category of Developed lands.

For each of the other categories above we have analyzed total developable acres, as well as characteristics such as total number of lots/parcels, size of lots/parcels, zoning/plan designation, real market land and improvement values, assessed values, current property use, and ownership.

Within each of these categories, acres that are not buildable, based on criteria in OAR 660-008-0005(2), have been identified and tabulated, i.e. any land that:

- a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;
- b) Is subject to natural resource protection measures determined under statewide Planning Goals 5, 15, 16, 17, or 18;
- c) Has slopes of 25% or greater;
- d) Is within the 100-year flood plain; or
- e) Cannot be provided with public facilities.

At this point, the only criteria from OAR 660-008-0005(2) that have been used to exclude land as unsuitable are slopes in excess of 25% and land within the boundaries of the 100-year floodplain. All other residentially planned or zoned lands are considered buildable.

Results of this classification of 2008 residential parcels are summarized in Table 1. This summary indicates that as of 2008 there were a total of 7,210 acres of residentially zoned or designated land considered suitable and potentially available to accommodate needed housing units over the 2008-28 planning period. An additional 128 acres of potentially available land for housing were identified in two mixed-use zones, the Mixed-Use Riverfront (MR) Zone and the Mixed Employment (ME) Zone. Note that for the RM and RH zones, Table 1 shows separate columns for a small amount of RM and RH acreage within the Medical District Overlay Zone (MDOZ). For purposes of estimating housing capacity, residential acres within the MDOZ are treated differently than RM and

RH land elsewhere. Whereas the RM and RH zones in general permit housing as the primary use, within the boundaries of the MDOZ overlay the primary purpose is “to allow for the continuation and flexible expansion of the hospital, medical clinics, and associated uses in a planned and coordinated manner.”⁶ Housing is not precluded in the MDOZ, but medical and related uses are the highest priority. Residential acreage in the MDOZ is included in Table 1 because of its residential zoning, but is not treated as having capacity for new housing.⁷ Instead, this land has been treated as employment land for Goal 9 purposes, and is expected to accommodate economic uses rather than housing.

Table 1
Preliminary BLI Acreage Summary - 2008

	PLAN DESIGNATED OR ZONED (NON-MDOZ)								MDOZ		MR ¹	ME ¹
	RL	RS	RM	RH	PO/RM/RS	SR2 1/2	UAR10	TOTAL	RM	RH		
Developed												
Lots	2590	11958	881	77	5	1	0	15,512	6	77	440	259
Existing Units	2537	10923	814	5	5	0	0	14,284	0	22	137	11
Total Acres	1152	3634	161	31	1	0	0	4,979	9	121	194	169
Constrained Acres	20	232	4	1	0	0	0	257	0	1	23	2
Total Potential Acres	0	0	0	0	0	0	0	0	0	0	0	0
Developed w/ Infill Potential												
Lots	307	9486	1962	171	6	0	0	11,932	8	16	n/a	n/a
Existing Units	448	10629	6524	1005	6	0	0	18,612	302	141	n/a	n/a
Total Acres	403	4201	751	59	2	0	0	5,416	16	23	n/a	n/a
Constrained Acres	14	238	12	0	0	0	0	265	0	1	n/a	n/a
Total Potential Acres	389	3963	739	59	2	0	0	5,151	16	21	n/a	n/a
Partially Vacant												
Lots	2	21	1292	59	0	0	0	1,374	31	0	n/a	n/a
Existing Units	0	0	1454	73	0	0	0	1,527	62	0	n/a	n/a
Total Acres	1	3	141	6	0	0	0	151	4	0	n/a	n/a
Constrained Acres	0	0	1	0	0	0	0	1	0	0	n/a	n/a
Total Potential Acres	1	3	140	6	0	0	0	150	4	0	n/a	n/a
Vacant												
Lots	92	2933	421	44	15	0	0	3,505	15	27	16	19
Existing Units	0	0	0	0	0	0	0	0	0	0	0	3
Total Acres	82	1778	183	22	3	0	0	2,068	34	32	30	105
Constrained Acres	6	144	8	0	0	0	0	159	0	0	1	5
Total Potential Acres	75	1634	175	22	3	0	0	1,909	34	32	28	100
Publicly Owned												
Lots	8	287	79	16	0	0	2	392	1	1	n/a	n/a
Existing Units	1	9	4	0	0	0	0	14	88	0	n/a	n/a
Total Acres	16	1089	100	25	0	0	506	1,736	5	3	n/a	n/a
Constrained Acres	0	186	7	0	0	0	0	193	0	0	n/a	n/a
Total Potential Acres	0	0	0	0	0	0	0	0	0	0	n/a	n/a
TOTAL												
Lots	2999	24685	4635	367	26	1	2	32,715	61	121	456	278
Existing Units	2986	21561	8796	1083	11	0	0	34,437	452	163	137	14
Total Acres	1654	10704	1337	143	6	0	506	14,349	68	179	224	274
Constrained Acres	40	801	31	1	0	0	0	874	0	2	24	7
Total Potential Acres	465	5599	1054	86	5	0	0	7,210	53	54	28	100

The majority of potentially developable residential acres (5,151) are in the Developed with Infill Potential (Infillable) category. The next largest category is completely Vacant land, with a total of 1,909 residential acres. (For comparison, the previous BLI had estimated a total of 3,260 vacant acres, when combining Vacant, Vacant–Pending Land Use, and Vacant–Platted Lots). Total Developed residential acres, with no further capacity, are estimated at 4,979 acres (compared with 9,554 acres in the previous BLI).

⁶ Bend Development Code, Sec. 2.7.510.

⁷ Since adoption of the MDOZ in 2004, only 5 housing units have been built within MDOZ boundaries. See also Director’s Decision, Bend UGB Order 001775, January 8, 2010, p. 35.

Step 3: Determine the Amount and Types of Past Housing Development that Has Occurred on Residentially Designated or Zoned Lands

The City has examined all new residential construction that occurred from 1999 (start of last periodic review) through 2008 to determine the amount and type that has taken place on vacant lands, partially vacant lands, infill lands, and developed lands (redevelopment). As previously noted, we used a database of tax lots from 1999 that includes (for each property) characteristics such as the existing level of development, land and improvement values, zoning and general plan designation, whether it was large enough to divide, and whether a demolition permit has been issued. The City then examined the land divisions and building permit activity that took place on those properties for the 10-year period, 1999-2008.

The result of this work is a database of residential land divisions and new residential construction from 1999-2008, with each new division or building permit categorized as occurring on either vacant land, partially vacant land, developed infill land, or redeveloped land. The data also show the number of permits and resulting units by type of housing by year:

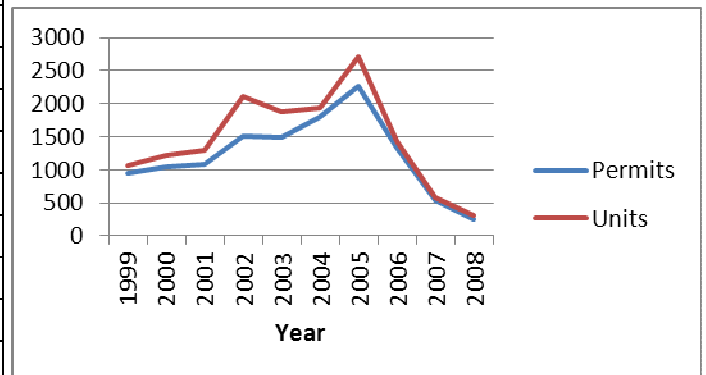
- Single-family dwelling
- Attached single-family dwelling
- Manufactured home on an individual lot
- Multi-family dwelling (two or more attached dwellings on a single lot).

Table 2 and Figure 1 summarize the total number of permits and new housing units built during 1999-2008:

Table 2

Year	Permits	Units
1999	945	1,057
2000	1,052	1,218
2001	1,085	1,305
2002	1,520	2,115
2003	1,484	1,879
2004	1,808	1,944
2005	2,263	2,720
2006	1,340	1,430
2007	543	583
2008	255	313
Total	12,295	14,564

Figure 1



Of interest in these summaries is the sharp spike in permits issued and housing units built during the middle portion of the period, and in particular during 2002-2005. These peaks coincided with the nationwide housing boom during this

period. The steep decline from 2006-2008 suggests a more modest rate of construction activity that appears likely to continue in the near term, at least.

Step 4: Identify Trends of Development by Category of Lot/Parcel and Type of Housing

In this step, land divisions and building permits for new residential units in residentially planned or zoned areas were analyzed to estimate both the number and proportion of units built during the 1999-2008 period by the lot/parcel categories identified in Step 2. The result provides a compilation of total land divisions and units built by year and by:

- Vacant (completely) land
- Partially vacant land
- Developed land with infill potential
- Developed land (occurrences of redevelopment)

Table 3, below, summarizes the permits that were issued between 1999 and 2008 by land development status.

**Table 3
Residential Building Permits by Land Category 1999-2008**

Development Status	Building Permits	% of Total
Vacant	8,173	66.47 %
Redevelopment	2	0.002%
Developed (Replacement units)	48	0.39 %
Partially Vacant	80	0.65 %
Infill	3,724	30.29 %
Publicly Owned or Institutional/Open Space ⁸	268	2.18%
Total	12,295	100.00%

Table 3 indicates that roughly two-thirds of all permits issued were for development on vacant land, while approximately 30% took place on land categorized as infill. Based on the definition of “Redevelopment” cited in Step 1,

⁸ These are units that were built on land that is generally not available for housing. An example would be a portion of public park land that was sold off for housing, while acquiring additional residential land elsewhere for park expansion. During any given period, some small amount of publicly owned or open space land may be made available for housing. During the same period, some residential land is likely to be acquired for non-housing purposes, thus becoming unavailable for housing. This activity does not indicate a general trend toward housing development on publicly owned, institutional, or open space land; it simply reflects on-going real estate transactions that in the end have relatively little impact on land availability or housing production.

there was virtually no redevelopment activity during 1999-2008. There were a total of 50 permits issued on lands where there was an existing unit AND where the existing unit was demolished. That might initially seem to indicate instances of redevelopment. However, when looking at these 50 permits, only 2 of them resulted in more units than had existed prior to the demolition. In both of these cases, duplexes were built after a single family home was demolished. The rest of the 50 permits resulted in the same number of units (e.g., a single family home was demolished and replaced with another single family home). Therefore, we can assume that only 2 permits were the result of redevelopment; the other 48 were merely replacements of existing units.

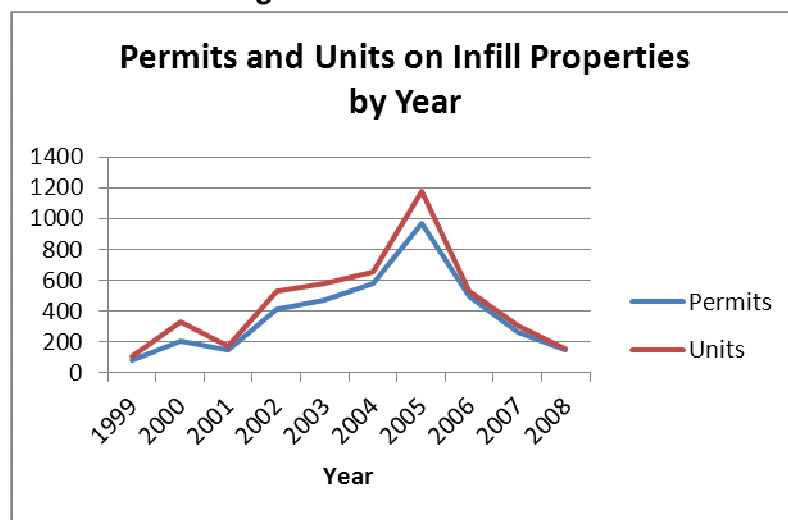
There were also very few permits issued for parcels categorized as partially vacant – less than 1% of the total. These were cases where housing units were built on parcels that had an existing dwelling(s), and there was enough area for additional dwellings to be built, but the parcel was not large enough to divide.

Because of the significant share of new housing built on lands classified as infill during 1999-2008 we took a closer look at that category. As noted above, approximately 30% of all permits for new housing units during that period (3,724 permits) were issued for infill parcels. That resulted in 4,507 new housing units, out of a total of 14,564 new units built during that period. The distribution by year of infill units built between 1999-2008 is shown below in Table 4 and Figure 2:

Table 4

Year	Permits	Units
1999	97	120
2000	202	323
2001	128	154
2002	409	553
2003	474	586
2004	576	652
2005	943	1152
2006	488	518
2007	260	298
2008	147	151
Total	3,724	4,507

Figure 2



The spike shown in Figure 2 for units produced during 2004-06 on Infill lots is similar to that for construction of total units during that period, but even more pronounced for infill construction. This suggests that during the height of the housing boom, the owners of infill properties were much more motivated to develop housing than during more normal housing market conditions. This degree of motivation is important because in normal times owners of most infill parcels are more likely to think of their properties as built out, with less inclination to pursue further development.

In 1999 there were 8,158 parcels that satisfied the criteria for a potential Infill lot, i.e. a developed residential lot large enough to divide further without removing the existing dwelling. Over 90% of those lots (91.4%) were under one acre in size. Each of these infillable lots already had some improvement value greater than \$0. Any of these potential Infill lots in theory might have been further developed with additional housing units, but most owners would have needed unusually strong motivation to do so. Conditions in the local housing market during 2004-06 were such that owners of potential Infill lots were in fact unusually motivated to consider dividing their lots and selling them for new housing units. (Even so, only 5.7% of all infillable lots as of 1999 actually received building permits for residential infill development during the 1999-2008 period.) By 2008 market conditions had changed significantly. At that time, a consensus was developing among economists and housing specialists that the boom conditions that existed during 2004-06 were unlikely to be repeated for the foreseeable future.

Step 5: Estimate Preliminary Capacity of Vacant Lands

Housing trends observed during the 1999-2008 period can be useful as a resource for estimating future housing capacity. Consideration of these trends is also required by ORS 197.296(5).

In Step 5 we consider the potential capacity of vacant lands, based on past trends and the amount of estimated suitable, available acreage. As discussed above, there are two sub-categories of vacant lands: Completely vacant and partially vacant. Table 5, below, summarizes the completely vacant acreage by zone as of 2008. Although not required by rule or statute, these completely vacant acres are further broken down in Table 5 into vacant platted lots, and raw, un-platted vacant acreage for the purpose of more accurately estimating the future capacity of these lands. As Table 5 indicates, as of 2008, there were 723 acres of buildable, completely vacant land in the form of platted lots; there were another 1,186 gross acres of completely vacant raw land.

Vacant Platted Lots

As part of the completely vacant category, Table 5 shows that in 2008 the 723 vacant, available, platted acres were made up of 2,965 individual lots (outside the MDOZ). The median size of these platted lots is .15 acre. Nearly all of these lots (90%) were in single-family residential zones (RL or RS), or were platted for single-family (attached) dwellings in other residential zones. Therefore, in terms of capacity, we assume that each of these vacant lots will be developed with one dwelling unit, for a total yield of 2,965 units.

Table 5
2008 Vacant Residential Lands Summary
And Potential Housing Unit Yield

	RESIDENTIAL PLAN DESIGNATED OR ZONED (NON-MDOZ)								MDOZ	
	RL	RS	RM	RH	PO/RM/RS	SR2 1/2	UAR10	TOTAL	RM	RH
Vacant - Platted Lots										
Lots	60	2601	266	23	15	0	0	2,965	8	9
Units	0	0	0	0	0	0	0	0	0	0
Acres	29	731	33	3	3	0	0	800	2	4
Constrained Acres	0	75	1	0	0	0	0	77	0	0
Total Available Acres	29	655	33	3	3	0	0	723	2	4
Potential Housing Yield	60	2601	266	23	15	0	0	2,965	8	9
Vacant - Non-Platted (Raw land)										
Lots	32	332	155	21	0	0	0	540	7	18
Units	0	0	0	0	0	0	0	0	0	0
Acres	52	1048	149	19	0	0	0	1,268	32	29
Constrained Acres	6	69	7	0	0	0	0	82	0	0
Total Available Acres (Gross)	46	979	142	18	0	0	0	1,186	32	28
Total Available Acres (Net)	37	773	112	15	0	0	0	937	NA	NA
Assumed Net Density ¹	2.10	4.90	13.40	27.47	0	0	0		NA	NA
Potential Housing Yield	77	3790	1507	401	0	0	0	5,775	0	0
Total Potential Housing Yield	137	6391	1773	424	15	0	0	8,740	0	0

¹ See Attachment A

Completely Vacant (Non-Platted) Land

Table 5 indicates a 2008 total of 1,186 gross buildable acres classified as completely vacant, non-platted (raw) land. Of this amount, 21% must be deducted for land for streets and utilities that will need to be dedicated, resulting in a net vacant acreage figure of 937 acres. Average net densities by zone for the 1999-2008 period have been calculated (see Attachment A of this memo), and are shown in Table 5 to estimate capacity for vacant raw land. Actual average densities for 1999-2008 range from 2.1 units/net acre in the RL zone to 16.9 units/net acre in the RH zone. (Because the 16.9 density figure for the RH zone, based on trends, is lower than the current minimum allowed density of 27.47, we assume that net buildable acres in the RH zone would be built out at 27.47 units/net acre, rather than the 16.9 actual average density observed during 1999-2008.) Applying the 1999-2008 densities to the available net acres in the completely vacant, raw land sub-category, (with an assumed density of 27.47 units/net acre for the RH zone), the resulting total yield in potential housing units is 5,775 units.⁹ When combined with the estimated capacity of vacant platted lots, we estimate a total capacity of 8,740 housing units for completely vacant residential land.

⁹ This estimate assumes development during the planning period of all vacant land within the UGB as of 2008. In reality this is extremely unlikely, since at any given time there is always some amount of vacant land in Bend or any other community. In 1999 there were 5,086 acres of vacant, raw (un-platted) land, and in 2008 there were 2,064 acres in that category. It would seem safe to assume that at the end of the 2008-28 planning period there will still be some amount of un-developed residential land, being held by owners who for various reasons have chosen not to make their buildable land available for housing. A capacity estimate that assumes build-out of every acre of vacant land is unavoidably inflated.

Partially Vacant Land

For the Partially Vacant category, Table 1 indicates a 2008 total of 150 acres of potentially available land. As defined above, these are parcels that are planned or zoned for residential use, that are currently developed, but contain fewer dwelling units than permitted in the zone; additional units can be built without the removal of the existing dwelling, but the lot is not large enough to further divide. Nearly all of these partially vacant lots (94%) are located in the RM zone.

Analysis of all partially vacant lots during 1999-2008 shows that very few of them experienced further development that resulted in additional housing units. Of the 12,295 permits issued for new housing units during that period, only 80 (less than 1%) were issued for partially vacant lots. As with developed Infill lots, owners of partially vacant lots generally must be highly motivated to build additional units on these lots. As noted above, the market conditions that produced some new housing on partially vacant lots during 1999-2008 are not likely to be experienced again in the foreseeable future. There are also significant practical difficulties to building more units on partially vacant lots. Because the existing units are not removed, and because these partially vacant lots are not large enough to further divide, there is very little room left for adding units. What remaining area might be technically available for more housing units is likely to be in use for parking, open space, or landscaping. For these reasons, and because of the observed trend of very limited amounts of new housing built on partially vacant lots during 1999-2008, the City assumes only a negligible housing unit yield from partially vacant lands during the 2008-28 planning period.

When the estimated yield from buildable, available completely vacant platted lots (2,965 units) is combined with the estimated yield from completely vacant raw land (5,775) as of 2008, we estimate that these completely vacant lands within the current UGB have a theoretical capacity of approximately 8,740 units. Allowing for a very limited yield from potentially available partially vacant lands, this estimate for all vacant and partially vacant lands might reasonably be rounded up to 8,750 units for the 2008-28 planning period.

Step 6: Estimate Raw Capacity of Developed Lands

As discussed above, there are three categories of Developed residential lands to be considered in the BLI: Developed with no further opportunities for new development; developed with infill potential; and developed parcels that may be redeveloped with a larger number of housing units, assuming there is evidence of a “strong likelihood” to do so. Table 1 indicates that in the first category, as of 2008, there were 15,512 fully developed residential lots in the current UGB, comprising 4,979 acres, that are fully built out with no additional capacity. Below, we estimate the capacity of the other two categories of Developed residential lands – those with infill potential and those that may be redeveloped.

Infill Land

Table 1 indicates that there are 11,932 residential lots totaling 5,151 acres (not including MDOZ; see Footnote 7) that are potentially available for additional infill

development. Although there may appear to be considerable potential for additional capacity on these infill lands, the history of infill development during 1999-2008 shows that only a relatively small proportion of them actually yielded additional units. In 1999 there were 8,158 infillable lots within the UGB. Between 1999 and 2008, infill activity resulting in permits for new units occurred on only 5.7% (465) of those lots, comprising 26% of all potentially infillable acres. Looking at patterns of infill development during 1999-2008, we see that some amount of infill development occurred in all residential zones, although it was mostly concentrated in the RS zone:

Table 6
Proportion of Divided Acres on Infill Lots By Zone 1999-2008

Zone	Percentage of Divided Acres
RL	7.96%
RS	77.39%
RM	13.66%
RH	0.99%
Total	100%

As illustrated in Figure 2 above, the amount of infill development peaked dramatically during the 2004-06 period, coincident with the height of the housing boom. This strongly suggests that the volume of infill housing development is influenced by the perceived strength of the local housing market and the inclination of the owners of infillable lots to make them available for more development. As economic conditions favor or stimulate all types of housing development, owners of some infillable lots are increasingly motivated to sell parts of their land for new housing, or to develop new units themselves. As shown in Table 4, the 3-year period 2004-06 accounted for 52% of total infill units built during the ten years of 1999-2008; 2005 alone accounted for 26% of the 10-year total. As of 2008, a general consensus was emerging that those economic and housing market conditions that drove the spike in infill housing development during 2004-06 are unlikely to be repeated in the foreseeable future.

One way of realistically estimating capacity of infillable lands is to consider the pattern of previous infill activity based on the size of infillable parcels. Based on trends observed during 1999-2008 we can estimate the proportion of small lots (<1 acre) and the proportion of large lots (>1 acre) that will experience infill during the planning period. During the 1999-2008 period, 4% of infillable lots less than 1 acre divided (on 4.5% of the infillable acres of small lots), and 36% of infillable lots larger than 1 acre divided (on 51% of the infillable acres of large lots). Applying these same proportions to infillable land as of 2008 results in estimates of 452 lots (157 acres) smaller than 1 acre in size, and 231 lots (850 acres) larger than 1 acre in size that could be expected to see infill development during the planning period. Assuming these acres are distributed among residential zones and plan designations similar to observed patterns during 1999-2008 (Table 6), we can estimate that a total of 1,007 acres will experience infill, as shown in Table 7, below.

Table 7
Projected Potential Developed Infill Acres by Zone 2008-28

Zone	Acres		
	Small Lots	Large Lots	Total
RL	12.49	67.71	80.20
RS	121.33	657.96	779.29
RM	21.41	116.10	137.51
RH	1.55	8.41	9.96
Total	156.78	850.17	1006.95

The next step was to estimate the number of units that might be accommodated on these 1,007 acres. Actual average densities of infill properties for 1999-2008 were examined by zone and lot size, and by applying those densities to the estimated number of acres that would infill, a resulting raw unit yield of 4,893 was derived (Table 8).

Table 8
Projected Capacity of Infill Acres by Zone 2008-28

Zone	Small Lots			Large Lots			Total
	Acres	Density	Capacity (Units)	Acres	Density	Capacity (Units)	Capacity (Units)
RL	12.49	2.21	28	67.71	1.83	124	152
RS	121.33	7.57	918	657.96	3.36	2,211	3,129
RM	21.41	11.56	247	116.10	9.17	1,065	1,312
RH	1.55	18.50	29	8.41	32.35	272	301
Total	156.78	n/a	1,222	850.17	n/a	3,671	4,893

Next, the raw estimate of 4,893 was adjusted to deduct existing units that would be assumed to already exist on these infillable lots. The average number of existing housing units on lots under 1 acre in size in 2008 was 1.2. The average number of existing units on lots larger than 1 acre was 8.03. By applying these figures to the estimated number infillable lots by lot size, it can be estimated that a total of 2,397 existing units should be deducted from the raw estimate of 4,893 total units on infillable acres. The result of this calculation is a final estimate of 2,496 new units on infillable land during the planning period.

Redevelopable

The final sub-category of the Developed lands category is redevelopment potential. The criterion for redevelopment, as provided in Step 1 with guidance from DLCD, is very narrow. Based on state law, DLCD considers that redevelopment occurs only on a completely developed lot, which is not large enough to further divide, where the existing unit(s) is demolished in order to develop at a higher density. In addition, state law requires evidence of a "strong likelihood" of redevelopment in order to assume any amount of redevelopment

activity.¹⁰ Given these criteria, as discussed above, only two cases of residential redevelopment were identified for the entire 1999-2008 period. Potentially, any of the 1,355 developed lots in the partially vacant category or the 11,873 developed lots in the infill category might be considered a candidate for redevelopment. However, when the evidence indicates that redevelopment as defined here essentially did not occur during the extraordinary boom years of 1999-2008, there's very little basis for a strong likelihood of redevelopment during the 2008-28 planning period. Therefore, we conclude that there is not a strong likelihood that there will be any measurable yield from redevelopment activity, as defined above, during the planning period.

Total Residential Lands Capacity

Table 9, below, summarizes preliminary estimates of residentially zoned or designated lands capacity for the 2008-28 planning period:

Table 9

Residential Land Category	Potential Capacity (Units)
Vacant	8,740
Partially Vacant	10
Infill	2,496
Redevelopment	0
Total	11,246

Step 7: Housing Capacity of Mixed-Use Zones

ORS 197.296(4)(a) includes "Lands that may be used for a mix of residential and employment uses under the existing planning or zoning" among the types of lands that must be included in the buildable lands inventory. Bend has three mixed-use districts: the Mixed Employment District (ME), the Mixed Use Riverfront District (MR) and the Professional Office District (PO). Each of these allows some housing, as well as various combinations of retail, commercial, public/institutional, and light industrial uses. The PO zone applies to only a few very small parcels that are adjacent to each other (off of Empire Ave.), with a combined acreage of approximately 7.5 acres. There is no history of development of any kind on PO land. These parcels are currently included in the Bend Economic Opportunities Analysis inventory of employment land.

As of 2008, the MR zone (Old Mill District) contains a total of 222 non-constrained acres, of which 28 acres are vacant.¹¹ Single-family and multi-family

¹⁰ OAR 660-008-0005(6): "Redevelopable Land" means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period."

¹¹ Because acreage in the MR and ME zones was considered as available for employment uses, and is tallied in the Bend Economic Opportunities Analysis, vacant acres in these zones are defined as provided in OAR 660-009-0005.

housing are listed as permitted uses in the Bend Development Code for the MR zone. During the 1999-2008 period permits were issued for a total of 115 housing units in this zone. The MR zone does not establish minimum or maximum densities for housing. The existing housing units in this zone occupy 7.74 acres, and have an average density (2008) of 15 units/acre. The 7.74 acres of housing represent 4% of total, developed MR zone acreage. Assuming this ratio of housing to non-housing acreage continues into the planning period, we could expect 1.12 acres of the remaining 28 acres of vacant MR land to accommodate new housing. Assuming also a continuation of the 2008 average density of 15 units/acre, another 17 housing units could be expected in the MR zone during the planning period.

Although it is a mixed-use zone, the ME zone has a stronger emphasis on employment uses. Its purpose is described in the Bend Development Code as follows:

The Mixed Employment zone is intended to provide a broad mix of uses that offer a variety of employment opportunities. Where Mixed Employment Districts occur on the edge of the city, their function is more transitional in nature providing service commercial businesses and supporting residential uses in an aesthetic mixed environment. In this instance, when residential units are provided, the units shall be within easy walking distance to the commercial and employment uses.¹²

Both single family housing and multi-family housing are listed as conditional uses in the ME zone, rather than as outright permitted uses, as in the MR zone. As of 2008, there were 11 housing units in the ME zone, and a total of 100 vacant,¹³ non-constrained acres in the ME zone. During the 1999-2008 period there were no permits issued for any housing units in the ME zone. These 100 acres are currently included in the Bend Economic Opportunities Analysis inventory of vacant, available employment land. Given the basic purpose of the ME zone, and the absence of any new housing production during the 1999-2008, we assume all remaining vacant acreage in this zone will be occupied by non-residential employment uses.

Step 8: Total Estimated Capacity 2008-28 by Category

Table 10 below summarizes estimates derived from the steps discussed above, including estimated capacity from mixed-use zones, to arrive at a raw, grand total capacity estimate by land category. Final capacity estimates will be revised based on an updated Housing Needs Analysis and any additional land use efficiency measures that may be identified.

¹² Bend Development Code, Chapter 2.3, Sec. 2.3.100.

¹³ Because acreage in the MR and ME zones was considered as available for employment uses, and is tallied in the Bend Economic Opportunities Analysis, vacant acres in these zones are defined as provided in OAR 660-009-0005.

Table 10

Residential Land Category	Potential Capacity (Units)
Vacant	8,740
Partially Vacant	10
Infill	2,496
Redevelopment	0
Mixed-Use Capacity	17
Total	11,263

The preliminary capacity estimate of 11,263 units represents 67.5% of the 16,681 total needed housing units for the 2008-28 planning period. This estimate can be compared with an initial capacity estimate of 10,059 units (60% of needed units), prior to efficiency measures, from the previous BLI. Additional measures taken as a result of the updated Housing Needs Analysis and in compliance with Goal 14 may increase further the final capacity estimate for the current UGB.

Conclusion

It is important to emphasize that the contents of this memo do not make up a complete, final BLI. Because Bend is under remand, and because Sub-Issue 2.2 must be addressed specifically, this memo combines several of the most important steps in the process of compiling a BLI for housing. The next step in this process is for the City to complete revision the Housing Needs Analysis, as directed by Sub-Issues 2.3 and 2.4. One possible outcome of that step could be a revised estimate of acres needed for multi-family housing, with corresponding revisions to estimates of acres assumed to be available for that housing type. Finally, we will consider any additional land use efficiency measures that may be warranted, in response to Sub-Issue 3.1. To the extent additional measures are identified, capacity estimates contained in this memo will be further adjusted.

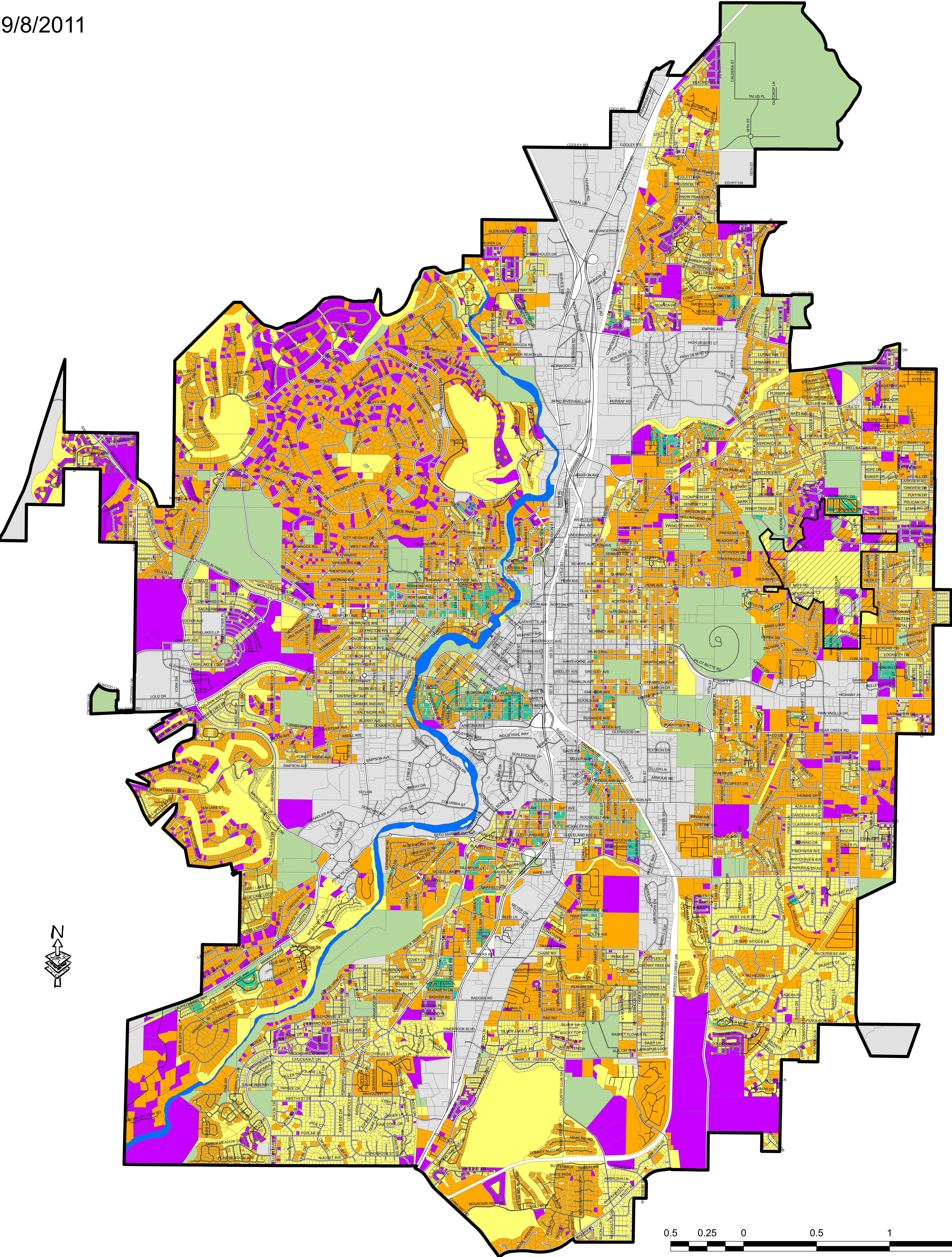
Recommendation

City staff recommends that the Remand Task Force accept this memo as a preliminary Buildable Lands Inventory satisfying Remand Sub-Issue 2.2.

Attachment A

HOUSING UNITS BY TYPE AND PLAN DESIGNATION												
PRE-1998 ¹												
	RL		RS		RM		RH		ALL RESIDENTIAL ZONES			
	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	Pre-1998 Units - % of Total	
Single Family - Detached ⁴	2,146	1.9	8,846	3.1	1,606	4.7	145	6.6	12,743	2.9	66%	SFD
Single Family - Attached ⁵	0	0.0	26	5.1	22	21.5	0	0.0	48	7.8	0%	SFDA
Multiple Family Housing ⁶	57	8.8	500	9.7	3,314	16.6	539	20.9	4,410	15.5	23%	Multifamily
Manufactured Homes - In Parks ⁷	148	2.7	557	3.4	593	6.5	0	0.0	1,298	4.1	7%	Manuf in Parks
Manufactured Homes - On Lots ⁸	382	2.9	241	3.2	73	5.8	0	0.0	696	3.1	4%	Manuf on Lots
TOTAL	2,733	2.1	10,170	3.2	5,608	8.5	684	14.4	19,195	3.7	100%	TOTAL
1998-2008												
	RL		RS		RM		RH		ALL RESIDENTIAL ZONES			
	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	New Units - % of Total	
Single Family - Detached ⁴	210	2.0	10,306	4.6	828	8.7	27	13.4	11,371	4.7	72%	SFD
Single Family - Attached ⁵	0	0.0	435	8.7	175	12.5	0	0.0	610	9.5	4%	SFDA
Multiple Family Housing ⁶	0	0.0	514	14.2	2,547	16.1	535	17.1	3,596	16.0	23%	Multifamily
Manufactured Homes - In Parks ⁷	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0%	Manuf in Parks
Manufactured Homes - On Lots ⁸	43	3.1	71	6.6	43	7.0	0	0.0	157	5.1	1%	Manuf on Lots
TOTAL	253	2.1	11,326	4.9	3,593	13.4	562	16.9	15,734	5.7	100%	TOTAL
ALL YEARS												
	RL		RS		RM		RH		ALL RESIDENTIAL ZONES			
	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	TOTAL UNITS²	AVE DENSITY³	All Units - % of Total	
Single Family - Detached ⁴	2,356	1.9	19,152	3.8	2,434	5.6	172	7.2	24,114	3.6	69%	SFD
Single Family - Attached ⁵	0	0.0	461	8.4	197	13.1	0	0.0	658	9.4	2%	SFDA
Multiple Family Housing ⁶	57	8.8	1,014	11.3	5,861	16.6	1,074	18.8	8,006	15.8	23%	Multifamily
Manufactured Homes - In Parks ⁷	148	2.7	557	3.4	593	6.5	0	0.0	1,298	4.1	4%	Manuf in Parks
Manufactured Homes - On Lots ⁸	425	2.9	312	3.6	116	6.2	0	0.0	853	3.4	2%	Manuf on Lots
TOTAL	2,986	2.1	21,496	3.9	9,201	9.9	1,246	15.5	34,929	4.4	100%	TOTAL
Summary data prepared 12/28/2010 by C. Miller from February 2008 Buildable Lands Inventory												
¹ Pre-1998 data includes all properties, and the dwelling units on those properties, that are in the current Urban Growth Boundary. Some properties were outside of Bend's current UGB at the time they were constructed.												
² Total units includes all built and permitted units, including units in the MDOZ, by general plan designation.												
³ Average density is the total number of built and permitted units (WHERE ONLY ONE TYPE OF HOUSING UNIT WAS ON A PROPERTY), divided by the total acres of those properties, by housing unit type and general plan designation.												
⁴ "Single Family - Detached" means a housing unit that is free standing and separate from other housing units. OAR 660-008-0005(3)												
⁵ "Single Family - Attached" means common-w all dwellings or row houses where each dwelling unit occupies a separate lot. OAR 660-008-0005(1)												
⁶ "Multiple Family Housing" means attached housing where each dwelling unit is not located on a separate lot. OAR 660-008-0005(5) This category includes duplexes, triplexes, fourplexes, buildings with five or more dwelling units, and condominiums.												
⁷ "Manufactured Homes - In Parks" are those in designated manufactured home parks.												
⁸ "Manufactured Homes - On Lots" are manufactured homes located on a separate lot, including those in designated manufactured home subdivisions.												

9/8/2011




0.5 0.25 0 0.5 1 1.5 2 Miles

Map prepared by the City of Bend, 9/8/2011 BLI_Residential Lands_090811.mxd



Buildable Lands Inventory - Residential Lands

- | | | | |
|---|-------------------------------|---|-------------------------------|
|  | Vacant |  | Publicly Owned |
|  | Partially Vacant |  | Non-Residential Land |
|  | Developed w/ Infill Potential |  | Urban Growth Boundary |
|  | Developed |  | Medical District Overlay Zone |

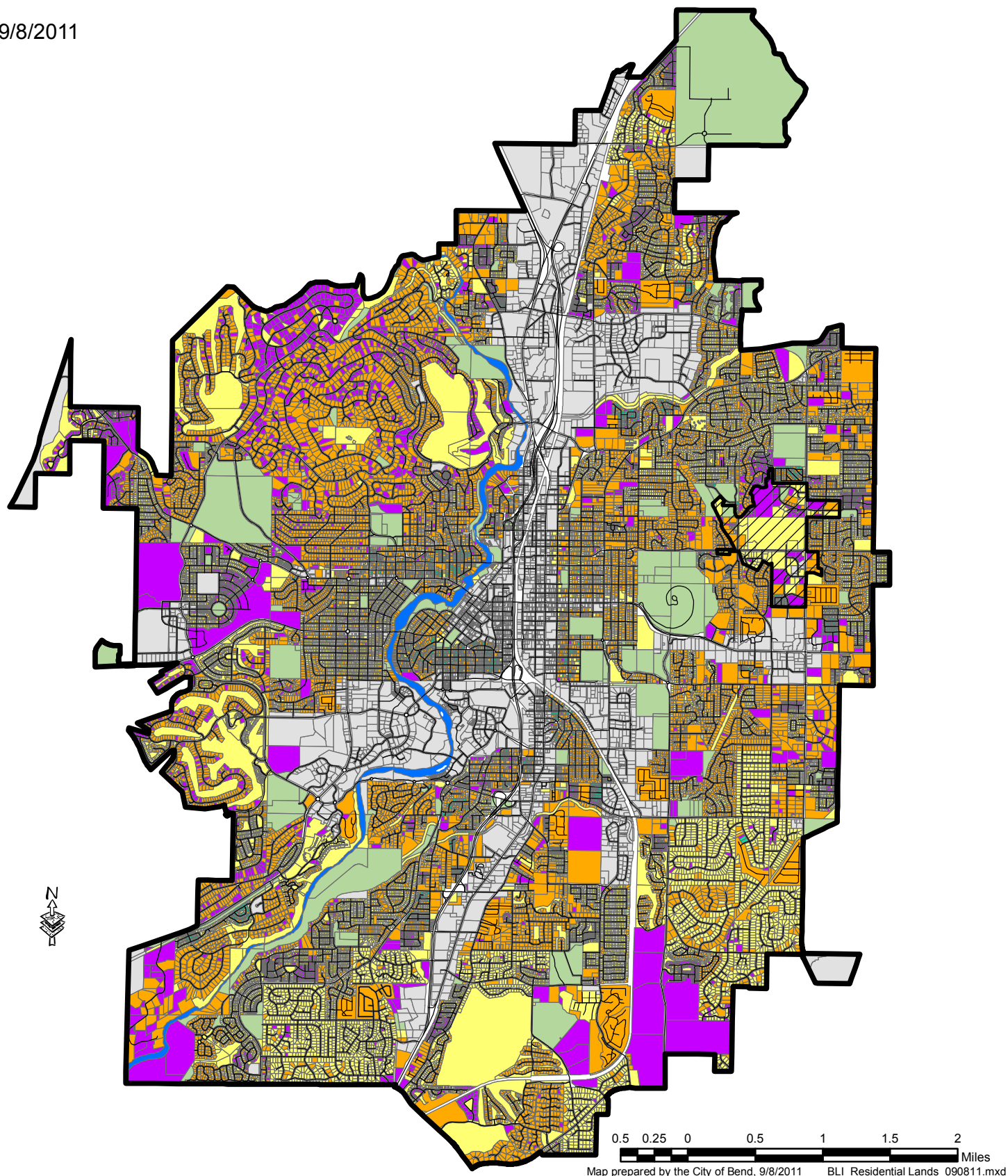
DISCLAIMER: The information on this map was derived from City of Bend and Deschutes County digital GIS databases and land records. Care was taken in the creation of this map, but it is provided "AS IS." There are no warranties, express or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product.

This map was prepared for the City of Bend's Urban Growth Boundary expansion project and may be updated or further refined. Data was last updated on 9/8/2011 and was based on an original BLI prepared 2/28/2008.

Residential Lands are properties with a general plan or zoning designation of RL, RS, RM, RH, SR2.5, or UAR10.

For definitions of the land categories listed, refer to the memo to the UGB Remand Task Force on the Draft Buildable Lands Inventory dated 8/31/2011.


9/8/2011



Map prepared by the City of Bend, 9/8/2011 BLI_Residential Lands_090811.mxd

Buildable Lands Inventory - Residential Lands



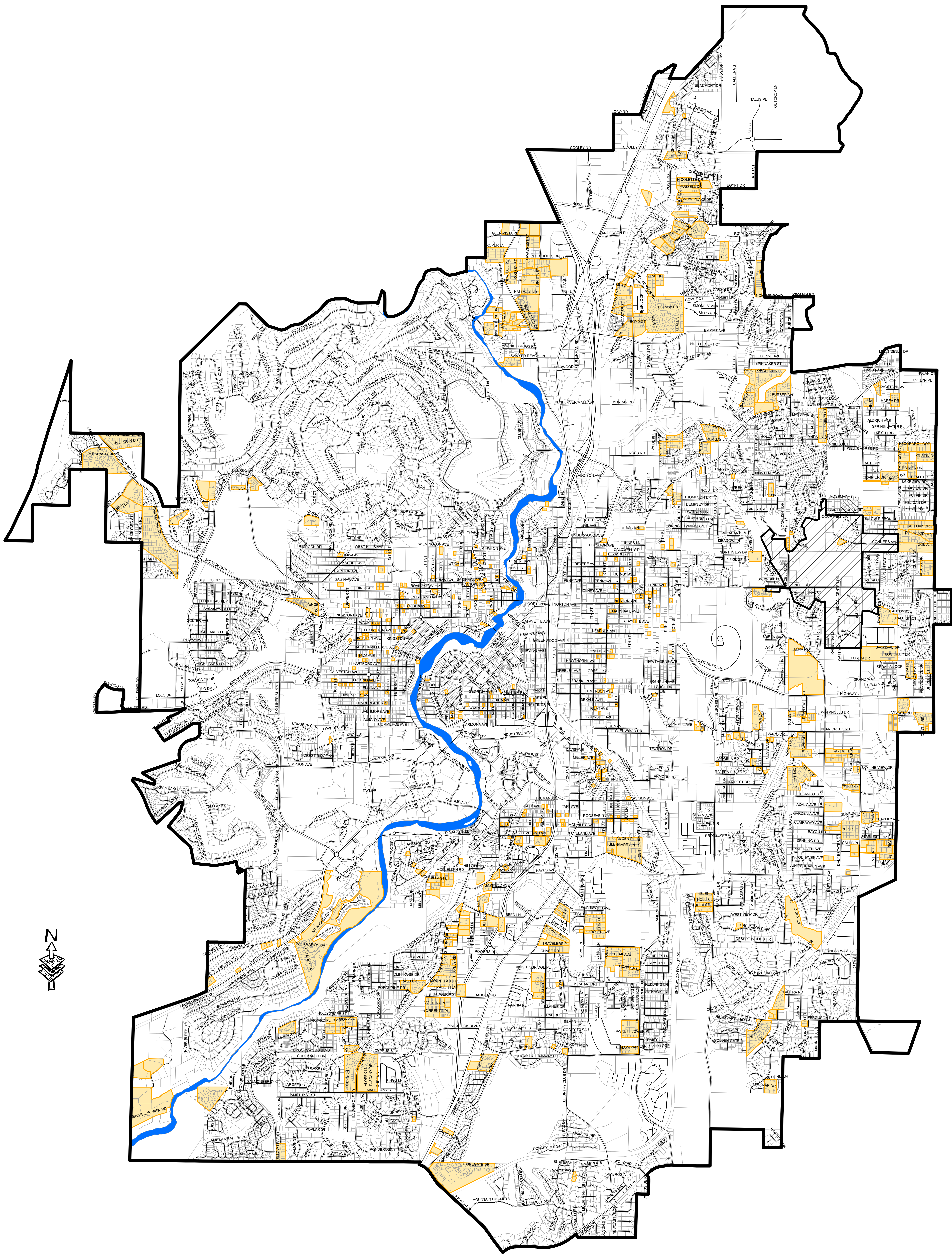
- | | |
|---|---|
|  Vacant |  Publicly Owned |
|  Partially Vacant |  Non-Residential Land |
|  Developed w/ Infill Potential |  Urban Growth Boundary |
|  Developed |  Medical District Overlay Zone |

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Map prepared by the City of Bend, 9/23/2011 Infill_Occurrences_99_08.mxd

Infill Occurrences (1999-2008)

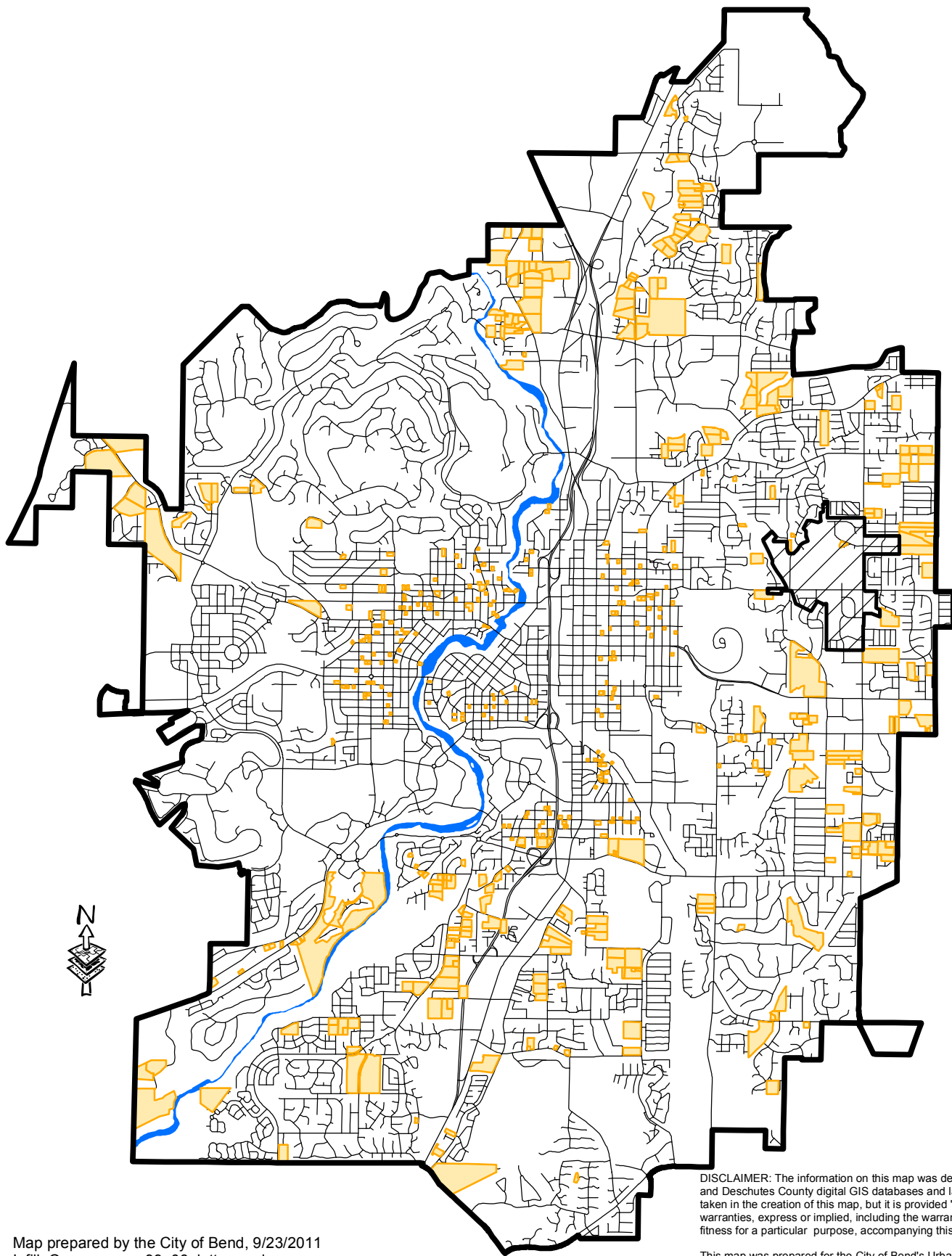
- Tax Lots (2008)
- Tax Lots (1999) Experiencing Infill*
- Urban Growth Boundary
- Medical District Overlay Zone

*Infill occurrences are defined as residential lands with existing improvements that had a land division between 1999 and 2008. Land used for parks, open space, rights of way, institutional purposes, or employment, or that were publicly owned, are not included.

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This map was prepared for the City of Bend's Urban Growth boundary expansion project and may updated or further refined. Data was last updated on 9/8/2011 and was based on an original BLI prepared 2/28/2008.





Map prepared by the City of Bend, 9/23/2011
Infill_Occurrences_99_08_letter.mxd

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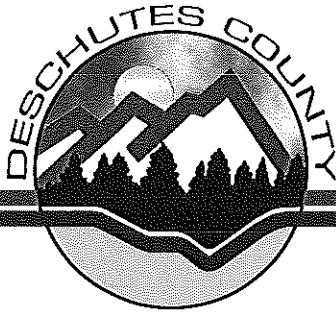
This map was prepared for the City of Bend's Urban Growth Boundary expansion project and may be updated or further refined. Data was last updated on 9/8/2011 and was based on an original B.L.I. prepared 2/28/2008.



Infill Occurrences (1999-2008)

- Tax Lots (1999) Experiencing Infill*
- Urban Growth Boundary
- Medical District Overlay Zone

*Infill occurrences are defined as residential lands with existing improvements that had a land division between 1999 and 2008. Land used for parks, open space, rights of way, institutional purposes, or employment, or that were publicly owned, are not included.



Board of County Commissioners

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Tammy Baney
Anthony DeBone
Alan Unger

September 7, 2011

Bend City Council / UGB Remand Task Force
City of Bend
Community Development Department
710 Wall Street
Bend, OR 97701

Bend Mayor Jeff Eager, City Councilors, and Task Force Members:

The City of Bend has been updating the Buildable Lands Inventory (BLI) over the summer, and this item is the primary subject of the next Remand Task Force (RTF) meeting on September 8. The purpose of this letter is to formally request that the 71.53-acre County-owned property, commonly referred to as the "Demolition Landfill," located on Simpson Avenue (tax lots 18120600100, 18120600110, 18120600111, and 18120600719) be identified for reuse on the BLI as either vacant and/or redevelopable.

This specific property was identified but not recognized as redevelopable in Ordinance No. NS-2113, Exhibit L, which adopted a 2008 Economic Opportunity Analysis that was subsequently remanded by the Land Conservation and Development Commission.¹ On Page 98 of Exhibit L, the City made the following statement:

"The vast majority of the vacant PF lands are found in one location: the Demolition Dump owned by Deschutes County. These lands were historically used for a landfill. After the closure of this landfill, portions of the site were found to be affected by underground fires, ground subsidence (open pits), and the release of gasses associated with the underground burning. These lands are currently being held by Deschutes County for environmental monitoring. Discussions have been held about the future re-use of this site, but numerous questions remain about the economic viability of redevelopment. Therefore, staff assumed [emphasis added] this site would not be available for re-use in this EOA."²

Deschutes County intends to redevelop this site during the 20-year planning period as expressed in the City of Bend's ULTRA Study, which documented that the site should be revitalized with transportation options, housing choices, open spaces, trails, and mixed uses. Even though the City of Bend did not adopt the ULTRA Study, it remains a high priority for redevelopment and revitalization. Deschutes County is committed to mitigate, where necessary,

¹ http://www.oregon.gov/LCD/docs/general/bend_ugb/bend_ugb_jcdc_orderfinal_110210.pdf

² http://www.ci.bend.or.us/depts/community_development/docs/Exhibits_L_M.pdf. See page 98.


and redevelop the site using remediation techniques that have been successfully employed in other cities throughout Oregon and the United States. There are numerous examples of development occurring on former landfills.

Deschutes County would like to point out that this site has been within the urban growth boundary for many years, and eventual redevelopment has always been our intent. The Board of County Commissioners, as a partner, recognizes that this site faces infrastructure limitations in the near term and looks forward in collaborating with the City of Bend in a phasing plan that ultimately allows the site to be redeveloped.

Thank you for the opportunity to submit comments.

Sincerely,

DESCHUTES COUNTY BOARD OF COMMISSIONERS



Tammy Baney, Chair



Anthony DeBone, Vice Chair



Alan Unger, Commissioner

cc: Eric King, Bend City Manager

Housing Needs Analysis

Presentation of Steps 1 – 3 Results
Bend UGB Remand Task Force
Sept 8, 2011



Overview



- RTF received a presentation on the HNA and its purpose on July 28, 2011
- Sept 2, 2011 memo presents results from completing first three (3) steps of HNA
- Review steps, data sources, highlights
- Next meeting – Steps 4 – 6 of HNA

Steps to Complete HNA



Step 1 – Project number of new housing units needed in the next 20 years.

Step 2 – Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.

Step 3 – Describe demographic characteristics of population, and, if possible, household trends that relate to demand for different types of housing.

Step 4 – Determine types of housing that are likely to be affordable to projected households based on household income.

Step 5 – Estimate the number of additional needed units by structure type.

Step 6 – Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

Data Sources



- Prior work completed in 2005, 2007, and 2008
 - 2005 Housing Needs Analysis
 - 2007 Residential Land Needs Analysis
 - 2008 General Plan Housing Chapter, including HNA
- Data that was available in 2008 before City Council Adoption
 - 2007 American Community Survey Data
 - 2008 Population Research Center Data
 - State of the Nation's Housing (2008)
- Analysis relies on data from 1990, 2000, and 2007

Housing Unit Forecast



- 16,681 new units between 2008 and 2028 to house 37,626 people in households
- Based on 2028 population forecast of 115,063
- DLCD Director concluded both forecasts complied with applicable state law
- Remand Order does not direct City to change these numbers

Trends



- Growth in households has continued and is expected to continue
- Growth in households with householder between 45 and 64 years of age
 - In Bend, households with householder between 25 and 44 years age grew more in total numbers
- Growth in nonfamily households has exceeded growth of family households
- More households were renting in 2007

Local Trends



- Single family detached housing represents larger proportion of housing stock
- More single family detached units were rented in 2007
- Multi-family attached units represent smaller proportion of housing units in 2007 than in 2000
- More housing units were vacant in 2007 than 2000

Local Population Characteristics



Table 4: Bend - 2000 to 2007

	Census 2000	ACS 2007	Change 2000-2007	% Change 2000-2007
Population	52,029	73,368	21,339	41%
Household Size	2.42	2.34	-0.08	-3%
Family Size	2.92	2.79	-0.13	-4%
Age of Householder				
Under 25 years	1,674	2,188	514	31%
25 to 44 years	8,615	12,739	4,124	48%
45 to 64 years	6,770	10,534	3,764	56%
65 years and over	4,003	5,156	1,153	29%
Households by Type				
Total Households	21,062	30,617	9,555	45%
Family households (families)	13,396	18,666	5,270	39%
Married-couple family	10,563	14,977	4,414	42%
Nonfamily households	7,666	11,951	4,285	56%
Householder living alone	5,497	7,512	2,015	37%
Householder 65 years and over	1,819	1,834	15	1%
Median household income	\$40,857	\$56,053	\$15,196	37%
Median family income	\$49,387	\$66,740	\$17,353	35%

Sources: 2000 Census data and 2007 American Community Survey (ACS) data from American Factfinder - http://factfinder.census.gov/home/saff/main.html?_lang=en.

Next Steps



- Coordinate review of this product with Bend and Salem DLCD staff
- Complete work on Steps 4-6 of HNA
- Incorporate this work with Steps 1-3 of HNA to have one document for DLCD and public comment
- Receive comments from RTF and public today



AGENDA

UGB Remand Task Force

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Thursday, November 10, 2011
3:00 p.m. – Bend City Hall – Council Chambers

1. Call to Order
2. Approval of Minutes from September 8, 2011 (3:00 – 3:05)
3. Presentation: Housing Needs Analysis, Sub-Issue 2.3 – Part 2 (3:05 – 3:45)
 - a. Discussion
 - b. Public Comment
4. Presentation and Discussion – Zoning of UGB Expansion Area (3:45 – 4:30)
 - a. Public Comment
 - b. Deliberation and Decision
5. Update on Public Facilities Plans (4:30 – 4:40)
6. Prep for Next RTF Meeting (4:40 – 4:45)
7. Adjourn

JEFF EAGER
Mayor

JODIE BARRAM
Mayor Pro Tem

TOM GREENE
City Councilor

KATHIE ECKMAN
City Councilor

JIM CLINTON
City Councilor

MARK CAPELL
City Councilor

SCOTT RAMSAY
City Councilor

ERIC KING
City Manager

1. Convene Meeting

The Remand Task Force Meeting was called to order at 3:03 PM on Thursday, September 8, 2011, in the City Council Chambers at Bend City Hall. Present were the RTF members Tom Greene, Jim Clinton, Kevin Keillor, Vice Chair Jodie Barram and Chair Cliff Walkey.

Staff present included Brian Shetterly, Gary Firestone, Brian Rankin, Colleen Miller and Damian Syrnyk.

2. Approval of Minutes

Draft minutes from the July 28, 2011 were approved unanimously.

3. Presentation: Draft Buildable Lands Inventory – Sub-issue 2.2

Brian Shetterly first points out that this is the primary topic for today's meeting. Staff discussed the introduction to the BLI in July's meeting and we now have a preliminary draft for housing. The BLI presents buildable land estimates for housing and for residential lands only and does not address employment or economic lands.

This draft BLI is to specifically address remand Sub-issue 2.2 which had a number of issues. The draft is not a complete BLI because it does not yet include all of the elements. This is probably 80% of the final BLI and the remaining elements have to do with the outcome of a revised housing needs analysis and possible land use efficiency measures that will take up the next several months.

Also, as stated in the memo, this draft BLI has been reviewed by staff at DLCD and they agree that it satisfactorily addresses Sub-issue 2.2 and would be acceptable for meeting remand requirements.

The major points in the remand order for this sub-issue were to revise the BLI to be consistent with state law, to explain clearly the criteria used, and to examine the type and amount of development that has occurred since periodic review. We also need to make sure we do not exclude lots less than .5 acres, project housing capacity, and reconsider constrained lands.

The purpose of the BLI is to estimate the amount of buildable lands that may be available within the current UGB and to provide a basis for estimating housing capacity. For this BLI, we have assumed that there is a need for 16,681 new housing units between the years 2008-2028. Most of these units will be built

inside the current UGB and the remaining units that cannot be accommodated in the current UGB will be expanded outside the UGB.

Mr. Shetterly went on to describe the criteria and methodology used to create the draft residential BLI.

The draft BLI estimates that as of 2008 there was a total of 7,210 acres of vacant, infillable, or partially vacant land designated on the General Plan Map for residential use. The BLI also estimates that this acreage could yield up to 11,263 housing units during the 20-year planning period. This would amount to about 68% of total housing need for that period. Most of the buildable acreage (about 78%) is in the vacant land category, with the remainder classified as infillable or partially vacant land.

Mr. Shetterly presented a map showing the locations of parcels classified in the BLI as vacant, infillable, or partially vacant. He said these categories are consistent with state law and are approved by DLCD, but don't necessarily match what most people might consider to be vacant or infillable or partially vacant land. For example, many of the parcels shown as infillable appear to be fully built-out, but because they have more lot area than required by Code for the existing dwelling(s) they must be considered as having infill potential for purposes of the BLI.

Mr. Shetterly said the next steps will be to complete the housing needs analysis, evaluate the land supply for needed housing types, and consider additional efficiency measures. With that, the preliminary BLI will be adjusted as needed and finalized .

Staff's recommendation is that the RTF accept this preliminary BLI with the caveat that it will be revisited at a later date.

Kevin Keillor had questions about the map and asked about infill potential in platted subdivisions. He said many of the subdivisions shown have CC&Rs that could prevent more infill housing. Mr. Shetterly agreed that many CC&Rs have the effect of discouraging any new units or division of parcels into new lots, even though the CC&Rs might not explicitly prohibit new units. The City did assume with the previous BLI that these limitations would have the effect of disallowing further divisions, but DLCD did not accept that. For purposes of the BLI, unless the CC&Rs clearly state no additional units or division of lots are permitted, then it must be considered as potential buildable lands.

Kevin Keillor explained that a lot of CC&Rs are very clear about not allowing subdividing. Brian Shetterly agreed, but noted that these prohibitions are often buried in title documents that differ from subdivision to subdivision. Staff's research on this indicates that tracking these down is very labor intensive, and it's preferable to include infillable lots as potentially buildable, but base estimated

unit yield on actual trends. Those trends indicate that relatively few of the potentially infillable lots will accommodate additional units, whether permitted by CC&Rs or not. He said that staff would be receptive to any CC&R information that would clearly indicate that infill units are prohibited. These could serve to disqualify subdivisions that might otherwise meet the state's definition of infillable.

Tom Greene asks if there is a difference with PUDs because most of those will not let you break down existing lots any further. Mr. Shetterly explained that the state's definitions do not make a distinction between PUDs and other subdivisions.

Jodie Barram asked about a letter recently received from Board of County Commissioners concerning the status of the County's demo dump site as buildable or not. Brian Shetterly explains that there is a misconception about the draft BLI, by which some people think it must reflect on-going amendments to the General Plan Map and / or zoning map. He said the BLI considers buildable residential lands only as of 2008 and does not account for changes in buildable lands after that. He said the City will be responding to the letter referred to by Councilor Barram, but that it will have no bearing on the draft BLI now before the Task Force.

Jim Clinton then asks about the current zoning of the demo dump site. Brian Shetterly said most of it is designated Public Facilities, but a small portion of it is designated RS. Since that RS designation was pre-existing, the draft BLI includes that area as buildable.

Mr. Firestone explains that any owner of property in the City could come in with a zone change request at any time, and if the BLI had to be adjusted every time that happened it would never be completed. Both state law and the remand require the BLI to account for buildable lands as of the year when the next planning period begins, which is 2008.

Cliff Walkey asks about the ASI issue. Does the BLI account for ASI acres as buildable? Mr. Shetterly says yes, if they are not specifically designated as Goal 5 resources and protected as Goal 5 resources. Most of Bend's ASI designations are not official Goal 5 resources so we are not able to deduct them from buildable acres. If we do identify them as Goal 5 resources in the future, then the acreage that is made up will be deducted.

Ms. Barram asks about the size of a UGB expansion to accommodate needed units. If it turns out that the BLI cannot accommodate all needed housing, and assuming an average density of 6 units/acre, an expansion of some 500 acres might be justified for housing. Mr. Shetterly says that we cannot pin it down to 500 acres yet. The process of estimating needed acres beyond the current UGB

will be more complicated, though the capacity estimates in the draft BLI do give us a look at where we are headed with the size of an expansion.

Kevin Keillor noted that, in the prior BLI, we considered the ratio of improvements value to land value as an indicator for infill potential. He asked if that should be a consideration because looking at the map, he believes at least a third of what is shown as infillable has no infill potential.

Mr. Shetterly said his recommendation is to stay with the criteria for infill that are approved by DLCD for this remand. We could use improvement/land value ratio as a criterion, but we did that previously and the state raised objections. If we can find clear CC&Rs that would disqualify some subdivisions as infillable that would be a safer way of deducting those acres from the buildable lands total.

Public Comment: Barbara McAusland, 1595 NW Quincy, Bend, OR 97701

She has spent considerable time looking at storm drain problems. In 18 years, she's had no problems until now. She experiences more and more problems and has sought help with the new storm water drain division. They experience more and more damage in these fast summer storms. When people have cut up lots on Awbrey Butte, we have lost territory. Her water bars have been raised 3 times. She thinks the hydrology of Bend should be given greater consideration.

Public Comment: Liz Fancher representing Newland Communities.

She has a couple of questions on the materials and wants to ask staff and the committee to look at Table 8 on page 16. She says the density assumption exceeds the maximum density but that there might be a good explanation. There appear to be other assumptions that don't reflect reality.

Public Comment: Pam Hardy, 115 NW Oregon Avenue, #21, Bend, OR 97701

First, she appreciates the way the City is relying on objective trends and it strikes her as a reasonable approach. One thing she would like to consider is type of development, i.e. places where people can put an accessory dwelling unit, whether they are at their maximum capacities or not, etc. City policies that encourage that might be a way to find opportunities for increased density that do not currently exist.

Mr. Shetterly responded about Table 8 and density assumptions. The density assumptions in that table apply to infillable land only, not overall to vacant residential land. These were derived based on the trends from 1999-2008. That includes the existing units that were on the property. What you have is density assumptions that include both new and existing units on these buildable lots.

Colleen Miller explained that Table 8 shows net density assumptions by zone for lots under an acre in size, and gross density figures for large lots. This is because smaller lots are less likely to dedicate some land for streets, whereas when larger lots develop they are more likely to lose some land area for public streets.

Cliff Walkey said he thinks the draft BLI is a solid analysis and that it comports with the remand order. He recommends the Task Force accept it as is. Mr. Keillor is in favor with moving forward with caveat if we find better clarity on infill potential, we discuss it again. Ms. Barram agreed with the understanding that it will be further refined as noted by staff.

Kevin Keillor moves that we approve the draft BLI as set forth. Second by Tom Greene. The motion was approved unanimously.

4. Presentation and Discussion – Housing Needs Analysis, Sub-issue 2.3, Part 1

Damian Syrnyk highlighted key elements of the memo included in the agenda packet. This is an interim product and the RTF is receiving a progress report. This memo has not yet been fully reviewed by the DLCD.

This memo summarizes the first three steps in the process of creating an amended housing needs analysis. Step 1 is to project the number of housing units needed in the next 20 years; Step 2 is to identify relevant national, state and local demographic and economic trends; Step 3 is to describe demographic characteristics and trends that relate to demands for different types of housing.

The revised HNA estimates that we will need 16,681 new units between 2008 and 2028 to house 37,626 people in households. It's based on a 2028 population forecast of 115,063. Mr. Syrnyk also pointed out that the state has not raised any concerns about using these numbers.

The next steps will be to coordinate the review of this product with Bend and Salem DLCD staff; complete work on steps 4-6 of the housing needs analysis; and incorporate this work with steps 1-3 of the housing needs analysis to have a completely revised housing needs analysis to satisfy Sub-Issue 2.3 for DLCD and for public comment. Staff is not asking the Task Force for any action on this work at this time.

No public comments.

5. Update on Public Facility Plans

Mr. Syrnyk reported that the Planning Commission held a hearing on August 22 on the draft water and sewer PFPs and received oral and written testimony at

that time. We've also received written testimony since then. Many of the comments were focused on the sewer PFP; in particular, the collection system. Adoption of these updated PFPs is not required by the UGB remand, but they are needed in order to move ahead with public facilities evaluation of potential expansion areas. After the August 22 hearing, the Planning Commission continued the hearing to September 26. Staff has recommended that the Planning Commission recommend adoption of the draft PFPs to the City Council.

Ms. Barram asked about receiving updates on the Planning Commission's actions. Mr. Firestone said that the Commission's record on the PFPs will be transmitted to the Council, and that staff reports on this topic can be made available to the Task Force.

6. Preparation for Next RTF Meeting

Brian Shetterly said there is not yet a tentative date for the next RTF meeting. The next agenda is likely to include the next steps in revising the housing needs analysis, and possibly other sub-issues depending on timing for preparing draft materials and getting feedback from DLCD. He said he will send out a save the date email when we are able to pin that down.

7. Adjourn

Motion to adjourn by Jodie Barram and seconded by Jim Clinton. Adjourned at 4:37 PM.

UPDATE NO. 18
UGB Remand Timeline
October 18, 2011

[illegible]

M E M O R A N D U M

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TO: **UGB REMAND TASK FORCE**
FROM: **BRIAN SHETTERLY, LRP MANAGER**
SUBJECT: **UGB REMAND TIMELINE – UPDATE NO. 18**
DATE: **NOVEMBER 4, 2011**

Attached for your information is the most recent update to the timeline for completion of work related to the UGB remand.

The most significant change in this update is extension of the final steps in the process from late 2012 to the spring of 2013. This is due primarily to delays in completion and adoption of Public Facility Plans (PFPs) for water and sewer systems within the current UGB. In previous versions of the timeline those tasks had been programmed for completion by late summer of this year. While public hearings before the Planning Commission on adoption of these PFPs were begun in August, those hearings have been continued several times. In addition, Public Works staff have received information requiring an unexpected review of the draft sewer PFP, which will delay Planning Commission action on that PFP until January, at least. The updated remand timeline now anticipates final adoption of the water and sewer PFPs by the end of March.

Delay of the PFPs has a domino effect on a number of other tasks that are dependent on their completion. Among these are the analyses of the potential UGB expansion area to consider relative costs and impacts of extending public facilities to alternative areas. We believe some of that work can begin now, but the majority of that work will depend on certainty as to the final PFPs for the current UGB.

It's also possible that some of the tasks programmed for the summer and fall of 2012 may take less time than shown on the updated timeline. If so, final action by the Council could take place sooner than 2013. Further updates to the timeline will be prepared as needed to take such adjustments into account.

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M E M O R A N D U M

TO: BEND UGB REMAND TASK FORCE
FROM: DAMIAN SYRNYK, SENIOR PLANNER
SUBJECT: DRAFT RESULTS OF STEPS 4 AND 5 OF HOUSING
NEEDS ANALYSIS
DATE: NOVEMBER 3, 2011



Purpose

This memorandum presents the results of a revised analysis for Steps 4 and 5 of the housing needs analysis. This analysis was completed to address and satisfy Remand Tasks 2.3 and 2.4 of the November 2, 2010 Partial Acknowledgement/Remand Order of the Land Conservation and Development Commission (LCDC)¹.

Background

At the UGB Remand Task Force's July 28, 2011 meeting, Staff gave a presentation on the housing needs analysis and its role in determining future land needs for housing related to a UGB expansion. On September 8, 2011, Long Range planning staff presented the results of Steps 1 through 3 of the Housing Needs Analysis to the RTF and the public in attendance. Enclosed are the results from Steps 4 and 5 of the housing needs analysis. This analysis followed the proposed steps for conducting a housing needs analysis outlined in a 1997 guidebook prepared by the Oregon Transportation and Growth Management Program and applicable state law². The Department of Land Conservation and Development (DLCD) staff in Salem and in Bend are reviewing this draft and working to provide the City with their feedback in time for the November 10, 2011 meeting. This memorandum should be considered a work in progress depending on the Department's feedback and how this might change the results of the enclosed analysis.

¹ See Order pages 26 through 36.

² See "Planning for Residential Growth: A Workbook for Oregon's Urban Areas" available for download at http://www.oregon.gov/LCD/docs/publications/planning_for_residential_growth.pdf. The process for conducting the housing needs analysis is located at pages 24 through 34 of the workbook.

Step 4. Determine the types of housing that are likely to be affordable to the projected population based on household income.

4a. Identify the types of housing that are likely to be affordable to the projected population based on household income.

LCDC's November 2010 order identifies the types of housing the City must consider through this housing needs analysis. The Commission's disposition of this matter was based, in part, on ORS 197.303(3)(a), which identifies "needed housing:"

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;*
- (b) Government assisted housing;*
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and*
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.*

The Commission's rules further define the three (3) types of housing that must be considered in the housing needs analysis. The following table lists these three types of housing and how they are classified under the Bend Development Code.

Table 4-1: Comparison of OAR 660, Division 8 Definitions with Types of Housing Allowed under the Bend Development Code.	
OAR 660-008-005, Definitions	Bend Development Code (See BDC Chapter 1.2)
<i>"Attached Single Family Housing" means common-wall dwellings or roughhouses where each dwelling unit occupies a separate lot. OAR 660-008-0005(1).</i>	Dwelling, single family attached
<i>"Detached Single Family Housing" means a housing unit that is free standing and separate from other housing units. OAR 660-008-0005(3)</i>	Courtyard housing Dwelling, single family detached Manufactured home on individual lot
<i>"Multiple Family Housing" means attached housing where each dwelling unit is not located on a separate lot. OAR 660-008-0005(5).</i>	Condominium Two and three family housing (duplex and triplex) Multi-family housing (more than 3 units) Manufactured homes in parks ³

³ This form of housing is included under "Multiple-family housing" because the density of parks is similar to that of other forms of multi-family housing.

The following table displays the changes in the mix of housing in Bend between 1998 and 2008. It includes the mix of housing as of 1998, after the adoption of the current General Plan, between 1998 and 2008, and in 2008. The presentation of housing mix describes three types of housing, consistent with the Commission's Order and OAR 660-008-005⁴.

Table 4-2: Presentation of Housing Mix						
Type of Housing	Pre-1998		1998-2008		2008	
	Number	Distribution	Number	Distribution	Number	Distribution
SFD	13,439	70%	11,528	73%	24,967	71%
SFA	48	0%	610	4%	658	2%
MFA	5,708	30%	3,596	23%	9,304	27%
Total	19,195	100%	15,734	100%	34,929	100%
Notes: SFD – Single family detached: includes detached single family dwellings and manufactured homes on individual lots SFA – Single family attached: includes attached single family housing such as row houses MFA – Multi-family attached: includes Condominiums, multi-family housing, duplexes, and manufactured homes in parks Source: City of Bend building and land use permit records						

4b. Organize data gathered on household incomes by income range categories (e.g., high, medium, and low. Calculate the percent of total households that fall into each category.)

Table 4-3 below summarizes data from the 1990 Census and the 2000 Census for household income in Bend. This table shows the distribution of households by household income, and the change in this distribution between 1990 and 2000. Please note that by 2000, 62% of Bend's households had household incomes less than \$50,000. A total of 31% of households had incomes between \$50,000 and \$99,999. The remaining 9% of households had incomes of \$100,000 or more. The median household income in 2000 was \$40,857.

⁴ See OAR 660-008-005, Definitions, online at http://arcweb.sos.state.or.us/pages/rules/oars_600/oar_660/660_008.html.

Table 4-3: Change in Bend Household Incomes 1990 to 2000			
Household Income	% of Total Households in 1990	% of Total Households in 2000	% Change between 1990 and 2000
Less than \$10,000	15%	7%	12%
\$10,000 to \$14,999	11%	7%	50%
\$15,000 to \$19,999	10%	7%	54%
\$20,000 to \$24,999	11%	7%	41%
\$25,000 to \$29,999	11%	8%	71%
\$30,000 to \$34,999	9%	8%	118%
\$35,000 to \$39,999	7%	6%	114%
\$40,000 to \$44,999	6%	6%	144%
\$45,000 to \$49,999	3%	6%	339%
\$50,000 to \$59,999	6%	10%	289%
\$60,000 to \$74,999	4%	11%	494%
\$75,000 to \$99,999	3%	10%	853%
\$100,000 to \$124,999	1%	4%	1,009%
\$125,000 to \$149,999	0%	2%	869%
\$150,000 or more	1%	3%	1,107%
Median Household Income	\$35,787	\$40,857	58%
Source: US Census Bureau STF3 (1990) and SF3 (2000) available through American Factfinder www.factfinder.census.gov .			

Table 4-4 shows the distribution of households by income based on the 2007 ACS data for Bend. In 2007, the median household income had increased to \$56,053, or about 37%, since the 2000 Census. At that time 42% of Bend's households earned less than \$50,000. An estimated 37% of Bend's households had incomes between \$50,000 and \$99,999, and the remaining 21% had incomes of more than \$100,000.

Table 4-4: Number of Households by Household Income in 2007		
Income Category	Number	Percent
Total:	30,617	100%
Less than \$10,000	477	2%
\$10,000 to \$14,999	863	3%
\$15,000 to \$19,999	1,631	5%
\$20,000 to \$24,999	2,399	8%
\$25,000 to \$29,999	1,984	6%
\$30,000 to \$34,999	1,080	4%
\$35,000 to \$39,999	1,002	3%
\$40,000 to \$44,999	1,733	6%
\$45,000 to \$49,999	1,648	5%
\$50,000 to \$59,999	3,061	10%
\$60,000 to \$74,999	4,161	14%
\$75,000 to \$99,999	4,208	14%

\$100,000 to \$124,999	2,695	9%
\$125,000 to \$149,999	1,224	4%
\$150,000 to \$199,999	1,263	4%
\$200,000 or more	1,188	4%
Source: American Community Survey data for Bend (2007) available online at www.factfinder.census.gov .		

The following tables display the data in Table 4-4 in one of three categories: lower, middle, and higher. The purpose for this organization of the data is to better estimate the types of housing that will be affordable to each group based on household income. The households in the “lower” category are those that have household incomes of less than \$50,000; these households represent 42% of all households in 2007. The households in the “middle” category are those that have household incomes between \$50,000 and \$99,999; these households represent 37% of all households in 2007. The households in the “higher” category have household incomes of \$100,000 or more; these households represent 21% of all household in 2007.

Table 4-5: “Lower” household incomes – number of households by income category - 2007

Categories	Number of Households	Distribution among all households
Less than \$10,000	477	1.56%
\$10,000 to \$14,999	863	2.82%
\$15,000 to \$19,999	1,631	5.33%
\$20,000 to \$24,999	2,399	7.84%
\$25,000 to \$29,999	1,984	6.48%
\$30,000 to \$34,999	1,080	3.53%
\$35,000 to \$39,999	1,002	3.27%
\$40,000 to \$44,999	1,733	5.66%
\$45,000 to \$49,999	1,648	5.38%
Subtotals	12,817	42%

Table 4-6: “Middle” household incomes – number of households by income category - 2007

Categories	Number of Households	Distribution among all households
\$50,000 to \$59,999	3,061	10.00%
\$60,000 to \$74,999	4,161	13.59%
\$75,000 to \$99,999	4,208	13.74%
Subtotals	11,430	37%

Table 4-7: “Higher” household incomes – number of households by income category - 2007		
Categories	Number of Households	Distribution among all households
\$100,000 to \$124,999	2,695	8.80%
\$125,000 to \$149,999	1,224	4.00%
\$150,000 to \$199,999	1,263	4.13%
\$200,000 or more	1,188	3.88%
Subtotals	6,370	21%

The organization of households by income into of these three groups is based in part on the distribution of the data. The ACS reports the number of households within a certain income range (e.g. \$50,000 to \$59,999). The data does not include a distribution by the actual value – household income – for organizing households into categories.

4c. Considering local housing prices for the same timeframe as the income data, identify the structure types financially attainable by each income.⁵

The following data describes local housing prices as of 2007 and early 2008. The data sources include the American Community Survey, which reported limited data on this topic in 2007⁶. The ACS reports values of owner-occupied units, but not by type of unit (e.g. single family detached).

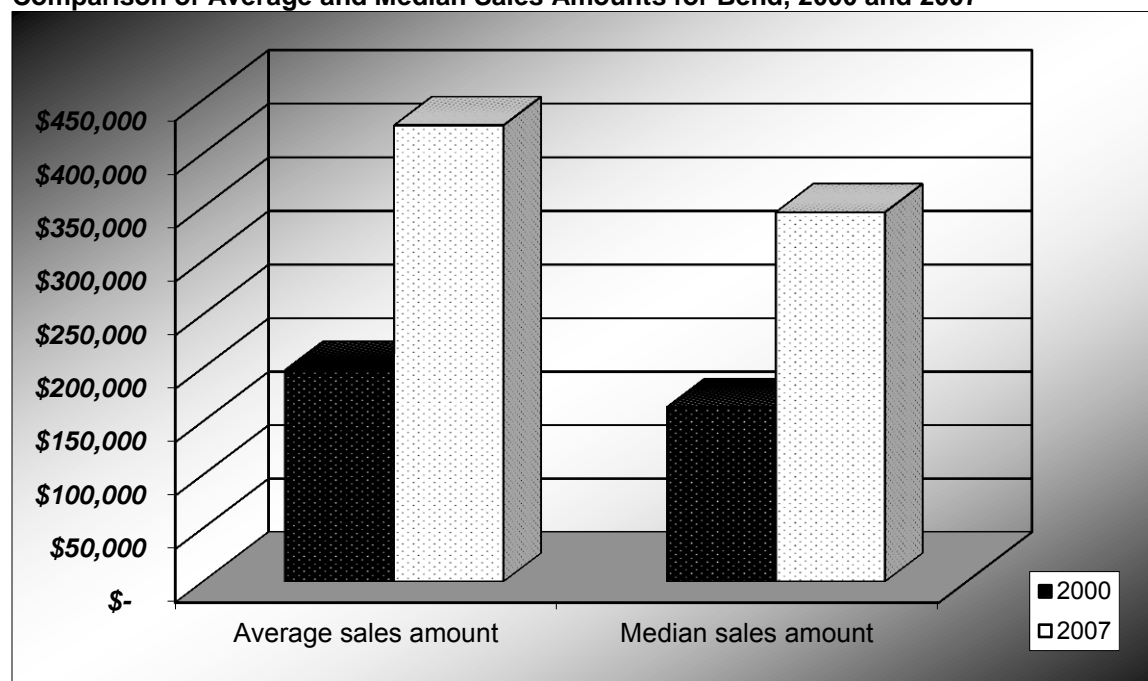
Table 4-8: Value of Owner-Occupied Units				
	Number of Units		Distribution Owner-Occupied Units	Distribution All Housing Units
Total:	18,032		100%	53%
Less than \$50,000	658		4%	2%
\$50,000 to \$99,999	306		2%	1%
\$100,000 to \$149,999	186		1%	1%
\$150,000 to \$199,999	815		5%	2%
\$200,000 to \$299,999	3,520		20%	10%
\$300,000 to \$499,999	7,375		41%	22%
\$500,000 to \$999,999	4,232		23%	12%
\$1,000,000 or more	940		5%	3%
Source: American Community Survey data for Bend (2007) available online at www.factfinder.census.gov .				

⁵ Please note that the 1997 guidebook directs the reader to consider structure types and tenure. For the purpose of this analysis, LCDRC concluded that the city is not required to consider tenure in this HNA because the City does not regulate housing by tenure. See Order pages 26-33.

⁶ The 2007 ACS data is available online at www.factfinder.census.gov.

Table 4-8 shows that by 2007, 41% of the owner occupied units in Bend were valued between \$300,000 and \$499,999. An estimated 28% of the owner occupied units were \$500,000 or more in value. Approximately 32% of the owner occupied housing units in 2007 were valued at \$299,999 or less. Figure 1 below shows the changes in average and median sale values for housing in 2000 and in 2007⁷.

Figure 1
Comparison of Average and Median Sales Amounts for Bend, 2000 and 2007



Note: Data presented end of calendar years 2000 and 2007

Source: Central Oregon Association of Realtors - <http://www.centraloregonrealtors.com/index.cfm>

The price of housing has continued to rise between 2000 and 2007. In 2000, the median sales amount for residential property in Bend was \$163,000. By end of 2007, the median sales amount was \$345,000, an increase of \$182,000, or 112%, over this seven year period.

Median Sales Amounts for...	Through Second Quarter of...					% Change '07-'08
	2004	2005	2006	2007	2008	
Single family	\$217,500	\$258,000	\$343,950	\$349,250	\$307,000	- 12.10%
Condo/Townhome	\$197,500	\$239,050	\$316,750	\$315,000	\$322,500	+ 2.38%
Manufactured Homes	\$125,000	\$138,500	\$198,450	\$185,000	\$172,500	- 6.76%

Source: Central Oregon Association of Realtors - <http://www.centraloregonrealtors.com/index.cfm>

⁷ See Central Oregon Association of Realtors for quarterly and yearly sales data at <http://www.centraloregonrealtors.com/index.php?action=resources.stats>.

The data reflect a shift in the housing market between 2006 and 2008. The median prices for single family homes increased between the 2nd quarter of 2004 and the 2nd quarter of 2007 by \$131,750 or 61%. Prices for new single family homes showed a decrease of 12% between 2nd quarter 2007 and 2nd quarter 2008. Table 4-10 shows the change in all types of housing units available for rent by their monthly cash rent between 2000 and 2007.

Table 4-10: Contract Rent (number of housing units rented for cash)				
	2000 Census		2007 ACS	
	Number	Distribution	Number	Distribution
Total:	7698	100%	12,585	100%
With cash rent:	7552	98%	12,507	99%
Less than \$200	245	3%	203	2%
\$200 to \$299	199	3%	83	1%
\$300 to \$499	2146	28%	897	7%
\$500 to \$749	3031	39%	5,098	41%
\$750 to \$999	1655	21%	3,845	31%
\$1,000 or more	276	4%	2,381	19%
No cash rent	146	2%	78	1%
Note: The number of units included in this table includes all types of units available for rent in Bend in 2000 and 2007. Source: American Community Survey data for Bend (2007) available online at www.factfinder.census.gov .				

The units for rent for \$499 or less decreased between 2000 and 2007. By 2007, these units represented 10% of the units for which cash rent was sought; in 2000, the stock of rental units available for these rents represented 34% of the units rented. Conversely, the proportion of units available for rent for \$500 or more increased between 2000 and 2007. By 2007, this proportion of rental units represented 92% of the units rented. The data does not show a clear link between household income and the type of housing being purchased or rented (e.g. households with income x living in housing type y). For the purpose of completing this step, the following estimates the type of structure financially attainable by each income group listed above in Tables 4-6 through 4-8.

For "Lower" income category households (\$49,999 or less in household income):

- More likely to rent
- More likely to require some assistance to make monthly housing payments for those households with lower incomes in this category
- This assistance may include vouchers to make monthly rent payments, and possibly subsidized housing.
- More likely to rent multi-family attached housing, including mobile homes in parks.

For “Middle’ income category households (\$50,000 to \$99,999):

- More likely to rent depending on incomes and household sizes
- More likely to buy at higher end of this range
- More likely to rent single family detached, multi-family attached housing.
- More likely to buy single family detached housing, particularly single family dwellings on their own lot.

For “higher’ income category households (\$100,000 or more):

- Have more choices in housing market because of more purchasing power
- More likely to buy single family detached housing, particularly single family dwellings on their own lots.
- May buy single family attached housing or multi-family attached housing if households are smaller.

Step 5. Estimate the number of additional needed units by structure type.

5a. Describe the relationship between household size and structure type and tenure. Estimate likely shifts in the number of households by household size in 20 years and the implications for housing choice.

The sizes of households and families remained stable nationally and in Oregon between 2000 and 2007. For Bend, household sizes remained fairly stable between 1980 and 2000. In 2000, the Census reported a household size of 2.42 persons per household in Bend. The 2007 ACS estimated household size at 2.34, a decrease of about 0.08 persons per household or 4% since the 2000 Census. Family size has also decreased in Bend during this period from 2.92 persons per family to 2.79 persons per family, a decrease of 5%. The 2007 ACS also estimates that the average household sizes of owner-occupied housing at 2.31 persons per household, and 2.4 persons per household for renter-occupied housing.

Table 5-1: Persons Per Household in Bend in 1990 and 2000

Type of Household	1990	2000	Change	% Change	% of Total
1 person	2,515	5,516	3,001	119%	26%
2 persons	3,031	7,736	4,705	155%	37%
3 persons	1,353	3,511	2,158	159%	17%
4 persons	1,087	2,722	1,635	150%	13%
5 persons	377	1,065	688	182%	5%
6 persons	98	412	314	320%	2%
7 or more persons	75	88	13	17%	0%
Total households	8,536	21,050	12,514	147%	100%

Source: US Census Bureau STF3 (1990) and SF3 (2000)

As shown in Table 5-2 below, as of 2007, 1-person households still represented roughly one-quarter of all households in Bend. The proportion of 2-person households increased from 37% to 40% of all households. The proportions of 3- and 4-person households did not change significantly, each representing about 15% of Bend's households in 2007.

Table 5-2: Persons Per Household in Bend 2007		
Household Size	Number of Households	Distribution
1-person household	7,512	25%
2-person household	12,233	40%
3-person household	4,606	15%
4-person household	4,513	15%
5-person household	1,257	4%
6-person household	496	2%
Source: American Community Survey data for Bend (2007) available online at www.factfinder.census.gov .		

In 2007, 65% of Bend's households were 1 or 2 person households. The remaining 35% of Bend households had 3 or more persons per household. The following table describes household size by tenure; the proportions of households by size that were purchasing or renting housing in 2007. The tenure split shown in Table 5-3 is noteworthy because it indicates that while 59% of all units were owner-occupied, the remaining 41% were occupied by renters. This contrasts with the housing type split for single-family dwellings and for multi-family dwellings as of 2007, shown in Table 4-2. That table indicates that the ratio of single-family dwellings to all other types of housing was 70:30. This suggests that a significant share of Bend's rental housing demand is being met by single-family detached units.

Table 5-3: Households by tenure and household size (2007)			
	Number of Households	% Distribution of all Households	% Distribution by Tenure Category
Total:	30,617	100%	
Owner occupied:	18,032	59%	100%
1-person household	3,968	13%	22%
2-person household	8,801	29%	49%
3-person household	1,600	5%	9%
4-person household	2,772	9%	15%
5-person household	777	3%	4%
6-person household	114	0%	1%

Table 5-3: Households by tenure and household size (2007)			
	Number of Households	% Distribution of all Households	% Distribution by Tenure Category
Renter occupied:	12,585	41%	100%
1-person household	3,544	12%	28%
2-person household	3,432	11%	27%
3-person household	3,006	10%	24%
4-person household	1,741	6%	14%
5-person household	480	2%	4%
6-person household	382	1%	3%
Source: American Community Survey (2007) available online at www.factfinder.census.gov .			

By 2007, almost half (49%) of owner-occupied households were 2 person households. Approximately 71% of all owner occupied households were 1 to 2 persons in size. The remaining 29% of owner occupied households were 3 or more persons in size. An estimated 79% of all renter occupied households were between 1 and 3 persons in size in 2007, with the remaining 21 percent between 3 and 6 persons in size. The following table shows the proportions of Bend households by size in 1990, 2000, and 2007. Please note, that during this period, 1 and 2 person households have remained the majority of all households.

Table 5-4: Changes in Distribution of Households by Size			
	1990	2000	2007
1-person households	29%	26%	25%
2-person households	36%	37%	40%
3-4 person households	29%	30%	30%
5 or more person households	6%	7%	6%
	100%	100%	100%
Source: 1990 and 2000 Census data, 2007 American Community Survey data for Bend through American Factfinder – www.factfinder.census.gov . Percentages may not add to 100% due to rounding.			

1-person households have represented between 25% and 29% of Bend's households from 1990-2007. The number of these households increased between 2000 and 2007, and their proportion of all households has remained around one-quarter of all households.

2 person households have represented between 36% and 40% of all households, with the proportion of these households increasing between 2000 and 2007.

3- and 4-person households combined have represented between 30% and 40% of all households between 1990 and 2007. The proportion of all households that are 3 or 4 persons in size has decreased from 39% in 1990 to 30% in 2007.

5 or more person households have consistently represented between 6% and 7% of all households between 1990 and 2007.

Over the next 20 years, households with 1 to 2 persons per household are expected to represent the largest category of households by size. To consider the types of housing households are choosing, by their size, we can turn to the ACS data on family and nonfamily households. The data on household size by units in structure (e.g. single family detached), is limited. The data available includes family and nonfamily households, by their size, and some data on their choice of housing in 2007. In 2007, the ACS estimated a total of 30,617 households in Bend, of which 18,666 households were family households. Table 5-5 displays the data on the distribution of these households by size, and then by their chosen form of housing.

Table 5-5: Family Households in Bend (2007)

Family Households By Size			Family Households By Housing Type		
Size	Number	Distribution	Type	Number	Distribution
2-person	9,118	49%	1-unit structures	15,297	82%
3-person	3,540	19%	2-or-more-unit structures	2186	12%
4-person	4,255	23%	Mobile homes and all other types	1,183	6%
5-person	1,257	7%			
6+-person	496	3%			

Source: 2007 American Community Survey data for Bend through American Factfinder – www.factfinder.census.gov

The ACS shows that just less than half of family households were 2-person households. Approximately 42% of family households were 3- or 4-person households. Compare this data to what types of housing they inhabited; 82% of family households were living in 1-unit structures, while 12% were living in structures with two or more units⁸. This is surprising given the large proportion of family households that are 2-person households. This suggests that family households are choosing single-family detached units to purchase or rent. In 2007, the ACS estimated a total of 11,951 nonfamily households in Bend. The following table displays the same data for nonfamily households in 2007.

⁸ See Table 4-2 on mix of housing types in Bend. Most single family units in Bend were single family detached units.

Table 5-6: Nonfamily Households in Bend (2007)

Nonfamily Households By Size			Nonfamily Households By Housing Type		
Size	Number	Distribution	Type	Number	Distribution
1-person	7,512	63%	1-unit structures	7,021	59%
2-person	3,115	26%	2-or-more-unit structures	4,556	38%
3-person	1,066	9%	Mobile homes and all other types	374	3%
4-person	258	2%			

Source: 2007 American Community Survey data for Bend through American Factfinder – www.factfinder.census.gov.

The largest category of nonfamily households was 1-person households. Households composed of 2-persons represented a quarter of all non-family households. Unlike family households, a majority of non-family households were living in 1-unit structures (e.g. single family dwellings), with a smaller proportion living 2 or more unit structures. Although the shares are somewhat different for family households and non-family households, Table 5-6 also suggests that a large majority of non-family households (63%) are occupying single-family detached units, whether owned or rented. For both family and non-family households, a small proportion of households were living in mobile homes and all other types of housing.

5b. Age of household head: Based on the data gathered under 3a, describe the relationship between age of household head and structure type and tenure. Estimate likely shifts in the number of households by age of household head in 20 years and the implications for housing choice.

Table 5-7 shows the distribution of households in Bend in 2007 by the age of their householder.

Table 5-7: Distribution of Households by Age of Householder (2007)	
Householder 15 to 24 years	7%
Householder 25 to 34 years	22%
Householder 35 to 44 years	19%
Householder 45 to 54 years	18%
Householder 55 to 59 years	10%
Householder 60 to 64 years	6%
Householder 65 to 74 years	8%
Householder 75 to 84 years	7%
Householder 85 years and over	2%
Source: 2007 American Community Survey data for Bend through American Factfinder – www.factfinder.census.gov .	

Table 5-7 shows that most households in Bend – approximately 70% - were headed by a householder between 25 and 59 years of age. Approximately 28% of all householders were 45 to 59 years of age. Table 5-8 shows the distribution of which households – based on age of householder – were purchasing or renting housing in 2007.

Table 5-8: Distribution of Households by Age of Householder and Tenure (2007)		
Age of Householder	Owner-occupied Households	Renter-occupied Households
Householder 15 to 24 years	1%	16%
Householder 25 to 34 years	14%	34%
Householder 35 to 44 years	19%	21%
Householder 45 to 54 years	21%	13%
Householder 55 to 59 years	13%	7%
Householder 60 to 64 years	9%	2%
Householder 65 to 74 years	12%	3%
Householder 75 to 84 years	11%	2%
Householder 85 years +	1%	3%
Source: 2007 American Community Survey data for Bend through American Factfinder – www.factfinder.census.gov .		

By 2007, owner-occupied households were almost evenly split between householders 54 and younger and 55 and older. At this time, 55% of the owner-occupied households were headed by a householder 54 years of age or less. The remaining 46% of households were headed by householders 55 years of age and older. For renter-occupied households, most households were headed by householders less than 34 years of age. An estimated 50% of householders renting housing were 34 years of age or less; the remaining 50% were 35 years of age and older. The following table expands on this analysis to the choices households made to purchase or rent housing by the type of housing.

Table 5-9: Distribution of Households by Tenure and Housing Type		
Type	Owner occupied Households	Renter occupied Households
1, detached or attached	90%	48%
2 to 9 units	2%	31%
10 or more units	1%	19%
Mobile home and all other types	7%	2%
Source: 2007 American Community Survey data from American Factfinder – www.factfinder.census.gov .		

For both owner occupied households and renter occupied households, the form of housing most often purchased or rented was a single family detached or attached unit. Table 4-2 shows most of the single family units were detached units. Very few owner occupied households were living in structures with 2 or more units in 2007, and only seven (7) percent of owner occupied households were living in manufactured homes. For renter occupied households, 48% of all households were living in 1-unit structures, detached or attached. The second largest group was renter occupied households residing in structures with 2 to 9 units. This suggests that when considering meeting future housing needs, single family detached and attached units were chosen by either owner or renter occupied households before other types of housing, including those with 2 to 9 units in a structure. For both categories of household, structures with 10 or more units were chosen less than these other types.

5c. Based on the analysis in Steps 5a and 5b, and on knowledge about national, state, and local housing condition and trends and analysis in Step 4, describe how the characteristics of the projected households will likely affect housing choice. Consider trends in housing and land prices. Document conclusions drawn from the analysis, including a description of how and why local conditions and/or trends are expected to differ from the national and state trends.

Smaller households with lower household incomes, including family households, will have limited options for housing. These households will be more likely to rent detached single family dwellings and multi-family attached dwellings. Households toward the lower end of the income scale may still require some kind of assistance to meet monthly housing costs (e.g. rent, energy). Younger households, those with a household head less than 34 years of age, will more likely rent multi-family attached.

Two-person households are continuing to become a larger proportion of all households. These households have increased in number as single family detached housing was chosen more often by owner and renter occupied households for housing. Single family attached does not represent a significant proportion of Bend's housing stock. Three and four person households represent 30% of Bend's households; more of the households rent than buy housing. Large majorities of both family and non-family households in Bend are choosing single family structures – both detached and attached – for housing. In 2007, 82% of family households and 59% of non-family households were living in 1-unit structures (See Tables 5-5 and 5-6).

This discussion of Bend households and their characteristics highlights one of many differences between local conditions and how they differ from national and state trends⁹. As indicated earlier, while household and family sizes increased over the last seven years nationally and statewide, Bend saw decreases. From 2000 to 2007, average household size decreased by 3% and average family size by 4% in Bend. Bend saw greater growth in households headed by householders between the ages of 25 and 44 and householders between the ages of 45 and 64 than the nation and the state. This was also related to greater growth in households in Bend, on a percentage basis, than the nation and the state. Growth in family and nonfamily households occurred at a faster rate in Bend. Finally, while median household and family income grew around 22% nationally and statewide, Bend saw median household income grew by 37% and median family income grow by 35% since 2000.

5d. Describe trends in construction by structure type and how future construction trends will likely be affected by changing demographics.

While the City will be forecasting housing needs using three structure types (single family attached, single family detached, and multi-family attached), the following table presents data on units permitted through building permits from 1999 to 2007¹⁰.

Table 5-10: Types of Housing Permitted in Bend, 1999-2007				
Structure Type	Total Units 1999-2007	Annual Average	Total Distribution 1999-2007	Annual Average Distribution
Single family detached	10,589	1,177	69%	73%
Single family attached	466	52	3%	3%
Two-family dwellings	1,037	115	7%	7%
3 and 4 family dwellings	371	41	2%	3%
5 or more family dwellings	1,588	176	10%	11%
Mobile Homes	425	47	3%	3%
Totals	14,476	1,608	100%	100%
Source: City of Bend building statistics, available on-line through: http://www.ci.bend.or.us/depts/community_development/building_division_2/building_statistics.html				

⁹ See Tables 2, 3, and 4, September 2, 2011 memorandum to the Remand Task Force on Steps 1-3 of the Housing Needs Analysis.

¹⁰ See discussion in Commission's Order at pages 31 through 33.

Most of the housing units permitted were single family detached dwellings. The second largest category behind SFD's was multi-family attached housing with five or more units. The third largest group was two-family dwellings, a.k.a. duplexes. Duplexes represented 7% of the units permitted between 1999 and 2007. In 2000, the Census counted 1,723 units, 8% of all housing units that were duplexes, triplexes, and fourplexes. During this time (1999-2007) 1,037 units, or about 7% of all units permitted, were duplexes. Adding triplexes and fourplexes in with duplexes represents 1,408 units, or 10% of all units. This suggests that some of Bend's demand for non-single-family detached types of housing could be met with these types of housing. While the proportions of single family detached, two-family dwellings, and 5 or more family dwellings increased, the proportions of single family attached, 3 and 4 family dwellings, and mobile homes have remained the same or slightly decreased.

With respect to changing demographics, household size has been decreasing in Bend since 2000. At the same time, the number of households headed by a householder between the age of 45 and 64 increased. Households with 1 or 2 persons are still the largest segment of households in Bend. These demographic trends would indicate potential demand for more attached housing, perhaps more single family attached housing. However, construction trends in Bend have shown that most of the units permitted between 2000 and 2007 have been single family detached. Multi-family attached housing represented 19% of the permitted units. Single family attached units represented three (3) percent of the permitted units. This is one trend where Bend's housing stock is changing in ways different from the nation or the state. While demographic trends indicate that smaller and older households would suggest greater demand for attached housing, these trends are occurring at the same time single family detached housing has been permitted more often than other types of housing. By 2007, 82% of family households and 59% of nonfamily households were living in one-unit structures. According to the data on mix of housing, the majority of single unit structures in Bend were single family detached housing. Single-family detached units can be expected to continue to dominate as the preferred housing type in Bend, whether for owners or renters, and whether family or non-family households. Production of significant numbers of single-family detached units will be needed during the planning period to meet this large segment of total demand.

5e. Estimate the number of additional units by structure type needed for new households. Allow for a vacancy rate to provide for housing choice.

The housing unit forecast for Bend is 16,681 new housing units to house 38,512 people between 2008 and 2028. This forecast included a 5% vacancy rate. In 2007, the mix of housing in Bend was 71% single family detached, 2% single family attached, and 27% multi-family attached (See Table 4-2). The current distribution of households by income shows 42% of all households have household incomes of less than \$50,000. This data suggests a need for additional housing affordable for these households, and mostly likely multi-family attached housing for rent. In addition, household composition is changing, with more non-family households and smaller (1 to 2 person) households. This change in demographics would suggest a stronger demand for multi-family attached housing. However, trends in recent construction and tenure suggest both owner and renter occupied households, including small households, are purchasing or renting single family attached housing. These demographic trends may have the effect of demanding smaller detached units – single family detached – than more multi-family attached units. In addition, the significant share of households earning less than median income suggest that a greater share of multi-family attached units than exists in 2007 will be needed to meet total housing needs during the 2008-28 planning period.

This report proposes a mix of housing intended to ensure that an adequate supply of land is available for all forms of housing, including multi-family attached housing. This proposed mix also reflects that a significant proportion of future needed housing will be single family detached.

Table 5-11: Proposed Mix of Housing for 2008 to 2028		
Type	Proportion	Number
Single family detached	65%	10,842
Single family attached	2%	334
Multi-family attached	33%	5,505
Totals	100%	16,681
Note: the total number of housing units reflected in the third column is the 2008-2028 housing unit forecast of 16,681 units.		

“Single family detached housing” includes both site-built single family detached dwellings and manufactured homes on their own lots. This category includes those dwellings classified as detached single family dwellings under OAR 660-008-005(3). The proposed proportion of 65% is intended to ensure an adequate supply of land for detached single family units, including those that are smaller units such as cottage housing and courtyard housing. The cottage housing and courtyard housing could also be developed at higher densities (e.g. 8 to 12 units/acre) in the RM Zone. This proportion (65%) is less than the current proportion (71%) of single family detached dwellings in Bend. This proposed proportion of 65% is not based on assumption that demand for single family detached dwellings will decrease over time. It indicates that the supply of this type of housing exists to meet the need and that the proportion of housing in other categories must be increased to ensure an adequate supply of land for these types of housing.

“Single family attached housing” consists of attached single family housing under the Bend Development Code. This category includes those dwellings classified as attached single family dwellings under OAR 660-008-005(1). The proposed proportion of 2% recognizes that this proportion of the housing stock has decreased over time, and with changing household characteristics – e.g. smaller and older households – has not increased in proportion.

“Multi-family attached housing” consists of all other types of housing, including condominiums, duplexes, multi-family attached housing (3 or more units under Bend Development Code), and manufactured homes in parks. This category includes those dwellings classified as multiple family housing under OAR 660-008-005(5). This proposed proportion of 33% is intended to ensure an adequate supply of land for duplexes and multi-family attached housing. The proportion of 33% is also recommended to provide the opportunity to increase the supply of duplexes and multi-family housing for those households with household incomes of less than \$50,000. Going forward, this proposed proportion also assumes less housing will be provided in the form of new manufactured homes in parks. This proportion of additional multi-family attached housing (33%) would assume 5,505 new units of multi-family attached housing and an increase of 59% over the supply of 9,304 units in 2008. During the last seven years, on an annual basis, 73% of new housing units permitted were single family detached dwellings and

21% were multi-family attached dwellings¹¹. Using a higher proportion of multi-family attached housing in the proposed mix will support the addition of land both inside the current UGB and in the UGB expansion to ensure an adequate of supply of land for this type of housing.

Table 5-12, Change in Mix of Housing By 2028

Type	Distribution in 2008	Change 2008 to 2028	Distribution in 2028	% Distribution by 2028	% Change 2008-2028
SFD	24,967	10,842	35,809	69%	43%
SFA	658	334	992	2%	51%
MFA	9,304	5,505	14,809	29%	59%
	34,929	16,681	51,610	100%	

Source: Data in Tables 4-2 and 5-11 of this memorandum

Conclusions

This memorandum presents the results of the analysis to complete Steps 4 and 5 of the housing needs analysis. The results for Step 4 identify the types of housing that would be financially attainable to Bend households, based on their household income. The results of Step 5 identify a mix of housing needed to ensure an adequate supply of land for needed housing to accommodate 16,681 housing units between 2008 and 2028.

Remaining steps for ensuring that an adequate land supply will be available to meet forecast demand will be to review current density ranges for each of Bend's residential plan designations, determine the average needed net density for all designations, then to consider the extent to which current buildable land supplies by plan designation are sufficient.

/DPS

¹¹ See Table 5-10 of this memorandum.

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TO: **UGB REMAND TASK FORCE**
FROM: **WENDY ROBINSON, LRP SENIOR PLANNER**
SUBJECT: **INTRODUCTION AND DISCUSSION OF REMAND TASK 10.2**
DATE: **NOVEMBER 4, 2011**

Introduction

This memo responds to Sub-issue 10.2 of the City of Bend Remand and Partial Acknowledgment 10-Remand-Partial Acknow-001795 (hereinafter referred to as Remand and Sub-issue). This sub-issue is found on pages 139 -142 of the Remand order.

This memo includes an introduction of the issue and a discussion of the staff recommended approach. It also contains a recommendation for resolving this sub-issue, for the Task Force's consideration. The contents and recommendation of this memo have been reviewed by Deschutes County and DLC staff.

Remand Sub-Issue 10.2

"Whether the City and the County applied appropriate comprehensive plan and zoning designations to the UGB Expansion area?"

Summary of Issue and Related Objections

The Director determined that the comprehensive plan and zoning designations adopted by the city and county for the UGB expansion area did not comply with state law. Director's Decision at 56-58. Specifically, the Director found that the zoning designations adopted by the County allowed more intense development than the prior county zoning, that the City and County failed to adopt comprehensive plan designations for lands added to the UGB to meet a "specific identified land need", and that the effect of the city's framework plan in light of the urban growth management agreement between the City and the County needed to be clarified. This last point also was raised in an objection filed by Tumalo Creek Development LLC, which contends Bend violated Goal 2 by assigning future plan designations in the proposed Framework Plan to lands outside its jurisdiction.

* * * * *

Conclusion:

The commission denies the city's appeal and affirms the director's decision. On remand, the city and county must:

- Clearly designate on the appropriate comprehensive plan map, the areas planned for the specific identified land needs described in the city's analysis under 197.298(3)(a) and include policies to assure that the lands are, in fact, used for their intended purpose;
- Either maintain the former county zoning districts until areas added to the UGB are ready to urbanize, or specifically determine that interim zoning designations maintain the likelihood that the land will develop for the uses and the intensity that the city's underlying analysis of the capacity of the land is based on;
- If the County or City adopt interim zoning for the UGB expansion area, they must determine that the assigned interim zoning in each area will not generate more vehicle trips than development allowed by the zoning designations in place before the UGB expansion; and
- The City and County must coordinate, and clarify the applicability of the city's plan map and plan policies, including its Framework Plan map, within the UGB expansion area.

The Role of this Sub-Issue in UGB Expansion

Sub-Issue 10.2 deals with one of the final steps in the UGB process. After a decision has been reached on the location and size of the expansion, state law requires that the expansion area be designated on the comprehensive plan map for future urban uses, even though the area may not be annexed to the city and developed for many years. At the same time, the new plan designations must not allow more intensive urban uses during the interim period until they are annexed to the city. In 2009 the City proposed to accomplish this with a combination of Urban Reserve plan designations, Urban Holding zoning designations and a Framework Plan intended to show in detail where needed housing, employment, and public uses would be permitted in the expansion area. LCD's concerns about this approach are expressed above. This approach has been modified, as discussed below, to address concerns raised in Sub-Issue 10.2

It may seem out of order to be discussing this sub-issue now, when it hasn't yet been determined how big the amended UGB expansion will be, or where the boundary will be located. However, this is one of a number of sub-issues that needs to be resolved at some point before boundary decisions are made, and City staff has discussed the approach outlined below with both DLCD and Deschutes County.

Applicable Legal Standard

Oregon Administrative Rules, Division 24 on Urban Growth Boundaries provides guidance for designating and re-zoning territories included in an expanded Urban Growth Boundary. The statute is cited below:

OAR 660-024-0050:

- (6) When land is added to the UGB, the local government must assign appropriate urban plan designations to the added land, consistent with the need determination. The local government must also apply appropriate zoning to the added land consistent with the plan designation or may maintain the land as urbanizable land until the land is rezoned for the planned uses, either by retaining the zoning that was assigned prior to inclusion in the boundary or by applying other interim zoning that maintains the land's potential for planned urban development. The requirements of ORS 197.296 regarding planning and zoning also apply when local governments specified in that statute add land to the UGB.

ORS 197.296 – requires that the city demonstrate (through plan designations) that sufficient buildable lands for needed housing are available to meet the 20 year need within the UGB. This statute primarily relates to sub-issue 2.4 but is related to the issues discussed herein.

Under **ORS 197.298(3) (a)** the city identified three specific land needs included within the expansion area that could not be met within the existing UGB. Those specific identified needs total 437 acres and include:

- 225 acres for a future University site, of which 50 acres will be accommodated within the existing UGB leaving 175 additional acres to designate;
- 112 acres for a new hospital site; and
- Two – 50-acre Target Sector and Heavy Industrial sites.

New findings on the need for these special uses will be drafted, along with policies and Plan Map designations that will preserve those sites for the specified uses. Sub-Issue 10.2 then requires that the City and County agree on a system for Plan Map and zoning designations for the general purpose housing and employment needs within the expanded UGB.

Discussion and City Recommendation

Without knowing exactly where the expanded UGB would be located, it's certain to include some or all of the plan and zoning designations shown in the table below. This table shows the existing county plan and zoning designations within the expansion area adjacent to the current Bend UGB and their corresponding residential density maximums.

County Plan Designation	County Zoning Designation	Allowed Maximum Density
AG	EFU-TRB	1 unit / 20 acres
UAR	UAR-10	1 unit / 10 acres
RR	MUA-10	1 unit / 10 acres
RR	RR-10	1 unit / 10 acres
UAR	SR-2.5	1 unit / 2.5 acres

There are two steps necessary to satisfy this remand issue. The City must: (1) Designate appropriate Comprehensive Plan designations consistent with the need determination and (2) apply appropriate zoning to the added land consistent with the plan designation or by maintaining the land as urbanizable land until it is rezoned for the planned uses. The City can maintain the land as urbanizable either by retaining the zoning that was assigned prior to inclusion in the boundary or by applying other interim zoning that maintains the land's potential for planned urban development without intensifying its existing use.

- 1. Plan Designations** - To demonstrate how the identified residential and economic land need can be met in the expansion area, the city must coordinate with the County to adopt new Comprehensive Plan map designations. The City is proposing to use new land use categories including Urban Holding Residential (UHR), Urban Holding Industrial (UHI), Urban Holding Commercial (UHC) and Urban Holding Neighborhood Center (UHNC) as the Comprehensive Plan designations within the UGB expansion area. These categories correspond with the identified land need for residential and economic lands. *For example, if a need is identified for 500 buildable acres of commercial land in the expansion area, the UHC Plan Map designation would be applied to parcels comprising 500 buildable acres.* In addition to the general need designations, the city will designate University Holding (UH), Hospital Holding (HH) and Large Lot Industrial Holding (LLIH) designations to illustrate the fixed locations of the three specific land needs identified consistent with ORS 197.298(3) (a).

The City has been in conversation with the local DLCD staff regarding the best way to illustrate the designation for various needed housing types as required in sub issue 2.4 of the Remand. While most of the expansion area will be designated for general, standard density housing, it's likely that there will also be a need to designate smaller areas for a mix of higher-density housing. The City is proposing that this type of housing will be included within the Urban Holding Neighborhood Center designation. The City will include specific Plan text and Policies relating to the Neighborhood Centers and the mix of uses required. The general locations and required uses for each the neighborhood center will be identified in part as an outcome of a separate analysis designed to minimize increases in Vehicle Miles Traveled (VMT) per capita in new neighborhoods (See Sub-Issue 8.6). Properties within the Neighborhood Centers will require master planning to ensure the proper mix of uses are developed consistent with identified needs for housing and employment land, and with the outcomes of the VMT Analysis

Along with the Urban Holding Comprehensive Plan map designations, the text of the Comprehensive Plan will provide an explanation with enough specificity to determine potential sites for rezone within the expansion area. Detailed text and plan policies will be added as a guide for future development and to demonstrate that the identified land needs will be met (and not exceeded) in the expansion area.

- 2. Zoning** - The Remand Order did not specifically direct the City to maintain the existing County zoning designations or propose interim zoning as allowed in OAR 660-024-0050(6) after expansion. The City is choosing to correct the

interim zoning proposed in the 2009 submittal to eliminate the potential for development that would generate more vehicle trips than development allowed by the zoning assigned prior to inclusion in the boundary. The table below lists the existing County zoning designations that are currently located within the area that will be considered for expansion and adjacent to the current UGB. The table also lists the corresponding interim zoning designation proposed by the City.

County Zoning	City Proposed Zoning
EFU-TRB – Exclusive Farm Use	UH-20 – Urban Holding 1 unit / 20 acres
UAR-10 – Urban Area Reserve	UH-10 – Urban Holding 1 unit / 10 acres
MUA-10 – Multi-use Agriculture	
RR-10 – Rural Residential	
SR-2.5 – Suburban Residential	UH-2.5 – Urban Holding 1 unit / 2.5 acres

The City will then need to adopt new provisions in the Bend Development Code to regulate uses within these new zones prior to their annexation to the City. Because the expansion area will still be outside the city limits, Deschutes County will also need to amend Title 19 of its Code to be consistent with City zoning. Title 19 will continue to allow existing uses that were permitted within the prior County zoning to continue, but will limit any new development in order to preserve the territory for future urban development when it is annexed into the City. As discussed further, below, the City and County will need to execute a new agreement for management of land uses within the expanded UGB.

Jurisdictional Issue

Part of Sub-Issue 10.2 deals with confusion as to whether the City or the County would have land use jurisdiction in the UGB expansion area. In 1998 the City and the County signed a Joint Management Agreement delegating jurisdiction over land use review and permitting within the UGB, but outside the City limits, to the City of Bend. That agreement is still in effect. City staff recommends keeping the Joint Management Agreement, but updating it to make it clear that the City will have land use jurisdiction within the expanded UGB. The City and County will also co-adopt a comprehensive plan map. To further clarify that the UGB is administered by the City, the map will designate the UGB as a future expansion area for the City of Bend. The City will also add specific text to the Comprehensive Plan that indicates that the City / County co-adopted plan map and city's plan policies will control within the expansion area. These policies will coincide with the corresponding County goals and policies with regard to jurisdiction.

In response to the remand order, the city proposes to take the following specific actions as discussed above to address Sub-issue 10.2:

1. To alleviate confusion, the city will coordinate with the County to clearly designate Urban Holding plan designations on the General Plan map to demonstrate that the city's identified land needs can be met within the expansion area. For special land needs, including the 112 acres for new

hospital, 175 acres for a future university campus and two 50-acre industrial lots, new land use holding designations will be shown on the adopted General Plan map to fix the identified uses to a specific property. The city will adopt additional plan policies regarding the development of needed lands within the planning period. In accordance with the adopted JMA between the City and the County, the City will have land use jurisdiction over the UGB; therefore the County comprehensive Plan will identify the UGB as a future expansion area for the City of Bend administered by the City. Additionally, the City will provide clarification in the Bend General Plan text that corresponds to the county Comprehensive Plan Goals with regard to jurisdiction.

2. The City and County will co-adopt new zoning districts for the expansion area, as discussed above.
3. The City will modify the Title 19 code text and correct the interim zoning for the expansion area in order to restrict the intensity of land use to existing levels prior to lands being annexed into the city and rezoned for urbanization.
4. By taking the actions described above to apply Urban Holding plan designations on the General Plan map, develop new plan policies and correct the interim zoning, there will be no need to continue the use of the framework plan that accompanied adoption of the previous UGB expansion.

Conclusion and Recommendation

City staff recommends that the Remand Task Force accept and endorse the approach contained herein, as the basis for further work leading to an amended UGB satisfying all issues raised in Sub-Issue 10.2 of LCDC's remand order. A final draft including findings will be provided to the Task Force for formal action prior to making a recommendation for adoption to the Bend City Council.

Housing Needs Analysis

Presentation of Steps 4 & 5 Results
Bend UGB Remand Task Force
November 10, 2011



Overview



- RTF received a presentation on the HNA and its purpose on July 28, 2011
- RTF received September 8, 2011 presentation on results of first three (3) steps of HNA
- Today's presentation on results of Steps 4 and 5 of HNA
- Next steps on HNA, capacity of UGB for needed mix and density of housing.

What the Remand Order Requires



Sub-Issue 2.3 (Order pages 26-33)

- Analyze need for at least 3 housing types.
- Tie data together and show how housing will be affordable for future residents
- Consider past and future trends to meet future housing needs.
- Show how new measures increase likelihood changes in density and/or mix will be achieved

What the Remand Order Requires



Sub-Issue 2.4 (Order pages 33-36)

- Plan lands within existing UGB and any expansion so there is sufficient buildable land in each plan district for needed types of housing.
- If housing mix is projected to be 65%/35%, explain that this mix will provide sufficient buildable lands to meet projected needs over planning period
- The projection and explanation must be supported by an adequate factual base.

Steps to Complete HNA



Step 1 – Project number of new housing units needed in the next 20 years.

Step 2 – Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.

Step 3 – Describe demographic characteristics of population, and, if possible, household trends that relate to demand for different types of housing.

Step 4 – Determine types of housing that are likely to be affordable to projected households based on household income.

Step 5 – Estimate the number of additional needed units by structure type.

Step 6 – Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

Types of Housing



OAR 660-008-005, Definitions	Bend Development Code
<p><i>“Attached Single Family Housing”</i> means common-wall dwellings or roughhouses where each dwelling unit occupies a separate lot. OAR 660-008-0005(1).</p>	Dwelling, single family attached
<p><i>“Detached Single Family Housing”</i> means a housing unit that is free standing and separate from other housing units. OAR 660-008-0005(3)</p>	Courtyard housing Dwelling, single family detached Manufactured home on individual lot
<p><i>“Multiple Family Housing”</i> means attached housing where each dwelling unit is not located on a separate lot. OAR 660-008-0005(5).</p>	Condominium Two and three family housing (duplex and triplex) Multi-family housing (more than 3 units) Manufactured homes in parks

Variables Considered



- Household income
- Value of owner-occupied housing, rents
- Household size by housing type
- Age of household head by housing type
- Construction Trends

Keys to Consider



- 42% of Bend households have incomes less than \$50K
- 1 and 2 persons households represent 65% of all households
- 82% of family households, 59% of nonfamily households lived in 1-unit structures (detached or attached)
- 90% of owner-occupied, 48% of renter-occupied households lived in 1 unit structures (detached or attached)

Current Mix of Housing: 2008



Type	Number	Distribution
Single Family Detached	24,967	71%
Single Family Attached	658	2%
Multi-Family Attached	9,304	27%

Proposed Housing Mix: 2008-2028



Type	Proportion	Number
Single Family Detached	65%	10,842
Single Family Attached	2%	334
Multi-family Attached	33%	5,505

Change in Housing Mix by 2028

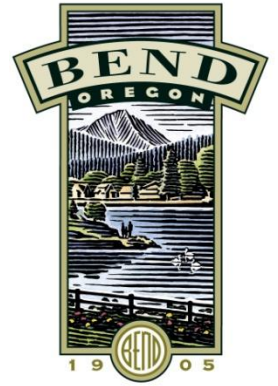


Type	Number in 2028	Distribution by 2028	% Change 2008 to 2008
Single Family Detached	35,809	69%	43%
Single Family Attached	992	2%	51%
Multi-Family Attached	14,809	29%	59%
Total	51,610	100%	

Next Steps



- Complete review of this product with Bend and Salem DLCD staff
- Incorporate this work with Steps 1-3 of HNA to have one document for DLCD and public review
- Use this data and revised BLI to estimate capacity of current UGB
- Receive comments from RTF and public today



AGENDA

UGB Remand Task Force

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Thursday, April 5, 2012
3:00 p.m. – Bend City Hall – Council Chambers

1. Call to Order
2. Approval of Minutes from November 10, 2011
3. Presentation: Housing Needs Analysis (HNA), Sub- Issue 2.3 – Part 3
 - a. Discussion of Draft HNA and two memoranda
 - b. Public Comments
 - c. Questions, direction from RTF
4. Prep for Next RTF Meeting
5. Adjourn

JEFF EAGER
Mayor

JODIE BARRAM
Mayor Pro Tem

TOM GREENE
City Councilor

KATHIE ECKMAN
City Councilor

JIM CLINTON
City Councilor

MARK CAPELL
City Councilor

SCOTT RAMSAY
City Councilor

ERIC KING
City Manager

1. Convene Meeting

The Remand Task Force Meeting was called to order at 3:04 PM on Thursday, November 10, 2011, in the City Council Chambers at Bend City Hall. Present were the Remand Task Force members Tom Greene, Jim Clinton, Kevin Keillor, Vice Chair Jodie Barram and Chair Cliff Walkey.

Staff present included Brian Rankin, Damian Syrnyk, Gary Firestone and Wendy Robinson.

2. Approval of Minutes from September 8, 2011

Minutes from the September 8, 2011 meeting were unanimously approved.

3. Presentation: Housing Needs Analysis, Sub-issue 2.3 – Part 2

Damian Syrnyk began by pointing out that we have two presentations today. First is the Housing Needs Analysis addressing sub-issue 2.3 and Wendy Robinson will discuss zoning of the UGB expansion area. We will then have a brief update on public facility work and finally prepare for the next task force meeting.

Damian presented a short PowerPoint that highlighted portions of the housing needs analysis. Steps 4 and 5 were presented today, and he indicated that he would incorporate the results of all of the steps completed thus far in order to present them at the next RTF meeting.

Damian also presented a short recap of what the remand order requires. The Order requires consider and analyze at least three types of housing. Then, the City needs to tie data together and show how housing will be affordable for future residents while considering past and future needs.

The Order also says that if the City is still projecting a 65/35% split, we need to explain how it will provide sufficient buildable lands.

Step 4 was then presented as a reminder of what needs to be done.

The first slide of the HNA presentation discussed the definitions of attached single family, detached single and multiple family, and how each one corresponds with the Bend Development Code.

The manufactured homes in the parks definition does not fit neatly in the definition as it has density in common with multi-family housing.

The City wants it to be clear that we're following the rules. Some key items to consider were then discussed: 42% of Bend households have incomes less than 50k; one and two-person households represent 65% of all households according to 1999-2007 data; 90% of owner-occupied households; and 48% of renter occupied households live in single-unit structures.

Jim Clinton asked what a one-unit structure is to which Damian responded that it's house; two more units structures include a duplex or triplex, etc. Kevin Keillor asks which category condos fall into and Damian went on to explain that they fall into multi-family housing.

The current housing mix, created per 2008 requirements, was then discussed. Our current housing mix is based on our BLI classification and three categories: single family attached, single family detached, and multi-family attached. Single family detached units represent the overwhelming majority of housing.

One of the questions addressed in this memo asked which changes to this mix of housing we should recommend. We have the 16,000+ units that are broken down into three categories. The purpose of looking at the recommended mix is to allocate more land that will be available for multi-attached housing. Trends in household income suggest that we may not have enough multi-family attached housing. The trends also recognized that even though we'll have more units like that, given that a number of households are living in one unit structures, 65% of future housing being single family detached would include land that we could zone for different types of housing units. The next slide explains where we were in 2008 and what that distribution looks like. If we include housing unit allocations from our 2008-2028 projections, you can see what that does to the distribution. Damian stressed that the purpose of trying to estimate housing needs and convert estimates into land estimates is not to assume that people are automatically going to make housing changes -- households may choose to make different housing choices depending upon their demographics and it's not an automatic assumption. Based on our trends, the data suggests that we are ultimately going to need a bigger supply of more affordable housing. Some of that need will be provided by different types of single family housing, such as cottage housing.

The next steps include reviewing this product with Bend and Salem DLCD staff; incorporating this work with steps 1-3 of the HNA to create one document for DLCD and public review; using this data and revised BLI to estimate capacity of current UGB; and welcoming comments from the RTF and the public today.

Jodie asks when we will get steps 1-3 incorporated into the plan. Damian explains that Salem staff prefers us to submit a work product that is a work in progress; when they look at Steps 4-5, they will also have the context of Steps 1-3, which will help guide us in working on Step 6.

Damian went on to describe how he looked more in depth at the housing changes people made. In considering the market we have in Bend, and he thinks this proposed mix of housing will meet future housing needs under Goal 10 by increasing the supply land available for multi-family attached housing.

Jodie mentions that it seems to be making sense and appreciates us connecting the dots. She is looking forward to what we compile for Step 6. Tom says it seems like it's well done. Karen S. says there are some technical issues we're looking at but in general, we are headed in the right direction. Kevin Keillor says it looks good and Cliff Walkey mentions it is thorough and is good work.

4. Presentation and Discussion – Zoning of UGB Expansion Area

Wendy discussed 10.2 and asked everyone to recall how we came up with it. As staff, we wanted to look at an approach that would be acceptable to the state and to the county and satisfy all areas.

We have begun meeting regularly with our local representative, Karen Swirsky, from the DLCD. The state is particularly concerned about the zoning in the UGB and our future hospital and school sites. We will have to have the appropriate sizes to accommodate our needs.

Wendy goes on to say that the City wants to split this up into a two-step process. We look at our comprehensive plan and contemplate a node. The node would include higher density housing and would have to explain and identify a neighborhood in our comprehensive plan. We don't yet know the size of this neighborhood or where it will be located; it will require coordination with property owners.

Step 2 is to identify zoning designations. The state did not tell us to do it a certain way and the rules allow us to stick with the county zones or to assign interim zoning, which is what we did. The catch is that we can't assign something that will create a higher, more intense use. We choose to stick with our approach but fix the problem we had with our previous submittal.

We looked at all the different zoning designations that the county has and calculated what their residential density is and the City will look to under Title 19. We will allow existing uses to continue and we want to prevent uses that may preclude future redevelopment.

Another concern in 10.2 is jurisdictional issues. We want to make clear that the City will be the administrator and we will write stronger findings and new plan policies. Wendy is just looking for a nod of heads that this is a good approach as it's just a work in progress.

Kevin Keillor asked to what extent we are using the framework plan from 2008.

Wendy said our goal is to eliminate the 2008 framework plan as it was confusing for us and to the public to which Kevin agreed and also mentioned that we are now using a node based approach.

Wendy mentioned that the urban holding neighborhood center is going to be fixed to certain properties and will be related to the analysis. The urban holding center will be near transit and will be an actual plan designation.

Jodie asked if there is any hiccup in co-adopting with the county. Wendy says no and that it may not be necessarily what the county wants to do but it's something that we need to do. They agreed in our last meeting to do what we need to happen and it will probably require a hearing.

Tom asked about the 1998 Joint Management Agreement and Wendy says we'll be modifying it because there are some legacy issues that need to be modified.

Cliff asked when we come around to the urban reserve, do we expect those connotations to still apply. Wendy answered that she does expect them to still apply.

Kevin asked what it will look like and if we will see a zone map. Wendy says we will not see a zone map until we have identified and secured the acreages for our needs. Kevin also asked if we anticipate the process will slow down if we remove the framework. Wendy answered that she doesn't think that will change our process because we will still rely on Goal 14 to identify the best lands. Kevin stated that he was more speaking to the timing of the project, to which Gary Firestone answered that he thinks it is usually quicker to start over.

Public Comment: Liz Fancher representing Newland.

She had questions about the thinking that went into this. She'd like to hear why other approaches were rejected. Why not stay with existing zoning? She thinks that it seems it would be the simplistic thing to do and it complies with the law. Is it worth enough of a benefit to accept the risk to have the zoning challenge?

The other question was whether the City had considered applying the existing comp. designations instead of creating special new designations. That would obviously include creating new provisions.

Wendy explained that with regard to zoning, we thought about using the existing county zoning, but it seemed like staying within the county rules could be problematic when it comes to the City to administer them, especially with EFU (exclusive farm use). We didn't talk too much about applying some of the county

designations. Liz explains it's the City's plan analysis to which Gary says if you are talking plan designations we can look at that and whether the TPR is involved.

Public Comment: Karen Swirsky from the DLCD.

If we use the City's existing comp. plan designations, it might be a challenge. It also might be a challenge that it is meeting its land use needs, especially for residential.

Damian said that under division 8 of the department's rules, housing rules, under remand task 2.4, the City has to show with planning designations how we'll meet our housing requirements. How many acres of lands are zoned in different categories?

Gary said that regarding the special use sites, we need to establish something that designates them for that use.

Jim asked Karen if she is intending that these places would be specific on the map or would we be doing it in categories. It seems premature to say that in the future we'll have certain types of businesses.

Wendy said that those locations and sizes of neighborhood centers will be on the VMT (vehicle miles traveled) analysis. They will look at the TSP and the future road system. It's too early to put those on a map. The City is still talking about the approach only.

Tom asked about the VMT analysis. Damian said that the City has a contract with DKS & Associates and they are doing it right now. There has been a lot of dialogue to be sure they are on the right track. Tom asked how the VMT analysis is being funded and Damian says it has been funded with outside consulting funds from CDD and Public Works.

Gary explained that when we start analyzing the areas to go to then that comes in as part of the analysis. It is required regardless of the UGB expansion. Cliff asked if some of these are going to be outside the expansion area. Wendy says yes, those would become efficiency measures.

Jim mentioned that it's going to be up to the City to actually follow through. Wendy says that's why we are looking at these urban holding neighborhoods as centers (roughly 10 acre plots). All of these areas will have specific requirements. There will be density requirements so we can meet our density requirements for needed housing. The final density requirements will be settled in the master plan.

Karen said we are still discussing this concept and it could change, but it's a good starting point for this discussion.

Public Comment: Drake Ward.

Mr. Ward suggests that perhaps people that want to invest in a new hospital would want to be located between Redmond and Portland.

Wendy explains that they met with people from St. Charles and they identified the south end as an area with a need for a hospital; they have a letter stating that in the record.

Public Comment: Bruce White, representing Richard and Jill Carpenter who have property near Highway 20.

He has concerns that we're making decisions that will have consequences about how much land will be brought in. What will those decisions mean regarding acres that are not going to be brought into city boundaries? The City has some discretion on how the remand is approached. If we take the safest approach, we'll have hardly any land added. It's important to know, and perhaps Staff can tell us, what the consequences are in terms of acreage that you're making. He would like to know if you say you'll be making this decision, how many acres will come out. We don't know what the consequences will be down the line.

Wendy mentioned that we didn't want to wait to work on this topic until the end and also that we will be back before the RTF.

Jodie appreciated the memos that are working documents and Kevin says he can't visualize what the end result will look like. Wendy explained that we're going to have information that will be based on TSPs and then there will be holding zones that will establish our densities. They sound fairly general because we don't want to increase the use as it could trigger the TPR -- this mix of specific and general. Kevin says that he is not asking for an answer but just wants to note that as a concern.

Cliff says he thinks Wendy is on the right track.

5. Update on Public Facilities Plans

The next meeting to discuss other areas is Monday, November 14th at 5:30 in Council Chambers. It will be our fourth hearing and will include the water facility plan and the sewer facility plan. There are documents on the website. Damian also mentioned we received additional comments which will be part of the record on Monday.

6. Preparation for Next RTF Meeting

Our next meeting will likely be in early January, 2012. We should have the next iteration of the housing needs analysis and we will incorporate work on Step 6. We may have initial data on what that means in terms of capacity. That will be important because it will give us some idea how much land we have within our boundary.

It's not just land for housing but land for parks, schools (consumers of residential land). We may have other work as well. Tom notes that he is not available on January 12.

7. Adjourn

Meeting was adjourned at 4:18 PM.

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MEMORANDUM

TO: **BEND UGB REMAND TASK FORCE**
FROM: **DAMIAN SYRNYK, SENIOR PLANNER**
SUBJECT: **REVIEW OF HOUSING REMAND WORK PRODUCTS –
REMAND TASKS 2.3 AND 2.4**
DATE: **MARCH 28, 2012**



Enclosed for your review are three (3) products prepared to address Remand Tasks 2.3 and 2.4 regarding the housing needs analysis and planning adequate lands for all types of needed housing. These products include:

- A draft Housing Needs Analysis (HNA) that includes prior work on Steps 1 through 5 of the process;
- A draft memorandum on Step 6 of the HNA, and;
- A draft memorandum on the next step of comparing the needed density/mix of housing with the actual density/mix of housing in the UGB (a.k.a Task 4).

Please note that Bend and Salem Department of Land Conservation and Development (DLCD) staff have reviewed these products and indicated they are comfortable with Staff going forward to seek public review from both the Task Force and the public.

The focus of this RTF meeting will be review of work products to address Remand Tasks 2.3 and 2.4¹. These tasks require the City to revise its housing needs analysis (HNA) in compliance with the Order and to plan land within the existing UGB and any expansion so that there are sufficient buildable lands in each plan district for needed housing. The Draft Housing Needs Analysis incorporates prior work that has been reviewed by the RTF and the public at your September 8 and November 10, 2011 RTF meetings. The draft includes the results of completing the first five (5) steps of the HNA process. This work was compiled into one product so that the Department (DLCD), the RTF, and the public would have this information available in one place while reviewing the two new memoranda. The related memorandum on Step 6 presents the analysis determining the needed net density range for each plan designation and the average needed net density for all residential plan designations. The second memorandum builds on these prior products to compare the future needed net density and mix of housing with the actual density and mix of housing².

/DPS

¹ See pages 26 through 36 of LCDC's November 2010 order.

² Please note that Task 4 refers to a task from the "Planning for Residential Growth" guidebook - http://www.oregon.gov/LCD/docs/publications/planning_for_residential_growth.pdf.

M E M O R A N D U M

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TO: **BEND UGB REMAND TASK FORCE**
FROM: **LONG RANGE PLANNING STAFF, CITY OF BEND**
SUBJECT: **ESTIMATE OF HOUSING DENSITY NEEDS – TASK 3, STEP 6 OF
“PLANNING FOR RESIDENTIAL GROWTH”**
DATE: **MARCH 27, 2012**

Introduction

This memo presents the City’s response to Step 6 of Task 3 of the *Planning for Residential Growth* handbook. This part of the handbook guides cities in preparing a Housing Needs Analysis (HNA) consistent with requirements in state law. Step 6 builds on Steps 1-5 for the HNA, and directs the City to, “Determine the needed net density range for each plan designation and the average needed net density for all designations.”

Contents of this memo will be incorporated into a revised HNA document, as directed by Sub-Issue 2.3 of the UGB remand. This memo and its preliminary estimates of needed density for needed housing types have been reviewed by DLCD staff. Based on discussions with DLCD staff, the Staff understands that they have review this work product, are satisfied with the work to date, and support the City moving forward to seek RTF and public review

Relevant Remand Issues

Remand Sub-Issue 2.3 addresses the questions,

“Whether the City’s Housing Needs Analysis and Comprehensive Plan identify needed housing as required by Goal 10 and the needed housing statutes. Whether the City is required to analyze housing need by tenure, given that it does not regulate tenure (OAR 660-008-0040). Whether ORS 197.296 requires an analysis of housing needs for owner-occupied and rental housing?”¹

The remand’s conclusion for this sub-issue finds that the City is not required to analyze housing need by tenure, but directs the City “to revise its findings and Chapter 5 of its comprehensive plan consistent with the analysis” that precedes the conclusion.² Chapter 5 of the Bend Area General Plan is the housing element of Bend’s comprehensive plan. As submitted to DLCD for acknowledgment in 2009, Chapter 5 contained the Housing Needs Analysis

¹ Remand and Partial Acknowledgement Order, 10-REMAND-PARTIAL ACKNOW-001795, Oregon Land Conservation and Development Commission, November 2, 2010, p. 26.

² Ibid., p. 32.

which is the subject of Remand Sub-Issue 2.3, which the Commission found was not in compliance with state law. As noted above, the purpose of this memo is to determine the needed net density range for each of Bend's residential plan designations, and the needed net density for all designations.

The Analysis section of the Remand Order for Sub-Issue 2.3 states that "the needed housing statutes do require the City to identify housing need by at least three categories of housing types: single-family detached, single-family attached, and multi-family attached. In turn, the commission's rules define these three basic types of needed housing as follows:

- 'Attached Single Family Housing' means common-wall dwellings or roughhouses (sic) where each dwelling unit occupies a separate lot. OAR 660-008-0005(1).
- 'Detached Single Family Housing' means a housing unit that is free standing and separate from other housing units. OAR 660-008-0005(3).
- 'Multiple Family Housing' means attached housing where each dwelling unit is not located on a separate lot. OAR 660-008-0005(5)."³

Consistent with this direction, and as required by OAR 660-008, this memo considers needed densities for three needed housing types: single-family detached, single-family attached, and multiple family housing.

The analysis section of Remand Sub-Issue 2.3 also states the following:

While past development trends are clearly one required part of a local government's housing needs projection, ORS 197.296(5)(a), under Goals 10 and 14 the City also must consider the *future* housing needs of area residents during the (twenty-year) planning period. The purpose of the analysis of both past trends and future needs is that – if there is a difference – the local government must show how it is planning to alter those past trends in order to meet the future needs. Specifically, if the *future* needs require a different density or mix of housing types than has occurred in the past, then ORS 197.296(7) requires the local government to show how new measures demonstrably increase the likelihood that the needed density and/or mix will be achieved.⁴

Accordingly, this memo considers historic and current average net densities by the three housing types, allowed and actual built densities by zone, and the distribution of needed housing units by zone for the 2008-28 planning period, based on a previously proposed housing mix for the planning period. This memo concludes with an estimate of needed acres by needed housing type for the planning period, based on projected net densities for those needed housing types. In these ways, the contents of this memo demonstrate compliance with directives of Remand Sub-Issue 2.3 and applicable provisions of state law.

³ Ibid., p. 31.

⁴ Ibid., p. 32.

Draft Findings Addressing Task 3, Step 6

Step 6.a: “Examine the relationship between lot size and square feet of living space over time, using county assessor’s data to determine local trends in housing density.”

Response: Attachment A of the revised Buildable Lands Inventory (August 31, 2011) illustrates historic trends in housing density by plan designation.⁵ Table 1, below, summarizes these trends:⁶

**Table 1.
Historic and Current Average Net Densities**

	RL			RS			RM			RH		
	Pre-1998	1998-2008	2008	Pre-1998	1998-2008	2008	Pre-1998	1998-2008	2008	Pre-1998	1998-2008	2008
Single-family detached housing	2.0	2.1	2.0	3.1	4.6	3.8	4.7	8.6	5.6	6.6	13.4	7.2
Single-family attached housing	0	0	0	5.1	8.7	8.4	21.5	12.5	13.1	0	0	0
Multi-family attached housing	8.8	0	8.8	9.7	14.2	11.3	16.6	16.1	16.6	20.9	17.1	18.8
Average Density – All Housing Types	2.1	2.1	2.1	3.2	4.9	3.9	8.5	13.4	9.9	14.4	16.9	15.5

As indicated in Table 1, average net densities have increased over time in most zones. The overall density in the low-density RL zone has held steady at 2.1 units/net acre (the RL zone contains less than 10% of total housing units), but it has increased somewhat in all other zones. The RS, RM, and RH zones showed increases in overall density from the pre-1998 period to 2008. The unusually

⁵ In this memo, the terms, plan designation” and “zoning designation” are used interchangeably. In general, zoning designations are consistent with plan designations. Where these designations are not consistent, data from both designations are included in the analysis.

⁶ Attachment A of the revised BLI contains data for five housing types. The three types shown in Table 1 are those that must, at a minimum, be considered in the Housing Needs Analysis (see Remand Sub-Issue 2.3). In order to determine average net densities for these three housing types, the category “Manufactured Homes – On Lots” shown in Attachment A has been combined with data for the “Single Family – Detached” category. Likewise, Attachment A data for “Manufactured Homes – In Parks” have been combined with the “Multiple Family Housing” category.

high pace of construction activity during 1998-2008 is reflected in higher densities for that period in all zones, except RL. The unique economic conditions of that decade are not expected to repeat during the 2008-2028 planning period.⁷

The most abundant housing type built, both before 1998 and during the 1998-2008 period, has been single-family detached. The majority of these detached single-family units have been built in the RS zone, during both historical periods. Table 1 indicates that the size of lots for single-family detached units in the RS zone has decreased historically as densities have increased. Average net density in the RS zone has increased from historical levels of 3.1 units/acre to 3.8 units/acre as of 2008.

Table 1 also indicates that the average net density for multi-family units in the RM zone held steady at 16.6 units/net acre from 1998 to 2008, and decreased slightly in the RH zone from 20.9 to 18.8 units/net acre. At the same time, multi-family density in the RS zone (consisting primarily of duplex units) increased from 9.7 to 11.3 units per net acre during that period.

Single-family attached units are relatively new to Bend's housing inventory. Only 48 units (less than 1% of total housing units) existed prior to 1998. During 1998-2008 they made up 9.5% (610) of total new housing units permitted. Most of those (71%) were built in the RS zone, with the rest built in the RM zone. As indicated in Table 1, average net density for single-family attached units in the RS zone increased from 5.1 to 8.7 units per net acre during 1998-2008, an increase of 71%. Overall, the average density of SFA units in all zones increased from 7.8 units/net acre prior to 1998 to 9.4 units/net acre in 2008.

Across all zones, for single-family detached units the average density increased by 24%, from 2.9 units/net acre before 1998 to 3.6 units/net acre by 2008. For single-family attached units across all zones, average density increased by 21%, during the same period. The change in average density for multi-family attached units across all zones was more modest, increasing by 2% from 15.5 units/net acre before 1998 to 15.8% by 2008.

Step 6.b: "Describe the likely effect of land price, availability, and location and future housing prices on these trends..."

Response: Data analyzed in Task 3, Steps 4 and 5, of the "Planning for Residential Growth" handbook, and the updated Buildable Lands Inventory suggest the following conclusions:

- The housing type in greatest need during the planning period will be single-family detached units.
- Demand for these single-family detached units will be greatest in the RS zone, with smaller numbers of units being built in the RL and RM zones.

⁷ See updated Buildable Lands Inventory, memo to UGB Remand Task Force, August 31, 2011, p. 12.

- Land prices within these zones, and within residential zones generally, can be expected to increase moderately in response to a gradually shrinking inventory of buildable residential land within the current UGB.
- Prices can be expected to increase moderately for all forms of housing as a result of increasing land costs and inflation.
- Land and housing price escalations are unlikely to return to levels seen during the height of the recent housing bubble (2001-2005).
- Some smaller and older households will seek housing types that occupy less land area, but offer the privacy of detached single-family units, e.g. cottage or cluster housing.
- A significant share of the market for rental housing for all households will continue to be met by single-family detached units in the RS, RL, and RM zones.⁸
- The increasing share of households headed by older persons will lead to greater interest in higher-density housing types with convenient access to shopping and services, e.g. the central core area, transit corridors, and mixed-use neighborhoods.

Step 6.c: “Allocate future needed housing units to the respective plan designation in which it is anticipated they will be developed.”

Response: Based on Steps 1-5 of the revised Housing Needs Analysis,⁹ Table 2, below, summarizes the number of housing units needed by type during the 2008-2028 planning period.

Table 2. Proposed Mix of Housing for 2008 to 2028		
Type	Proportion	Number
Single family detached	65%	10,842
Single family attached	2%	334
Multi-family attached	33%	5,505
	100%	16,681

For initial comparison purposes, Table 3 below allocates needed housing units to plan and zone designations under a scenario based on the distribution of units by type during 1998-2008. For example, during the 1998-2008 period 90% of detached single-family units were built in the RS zone, 8% were built in the RM zone, and 2% were built in the RL zone. Those same proportions for detached single-family units, and corresponding proportions for single-family attached and multi-family attached units built during 1998-2008 are replicated in Table 3.

⁸ See Memo to UGB Remand Task Force from Damian Syrnyk, September 2, 2011, p. 24, Table 16. As of 2007, 41% of all single-family units were renter-occupied. Between 2000-2007, the proportion of single-family units that were owner-occupied decreased from 55% to 53%; During that same period, the proportion of renter-occupied single-family units increased from 16% to 20%.

⁹ See Memo to Bend UGB Remand Task Force from Damian Syrnyk, November 3, 2011, p. 16.

Table 3
Scenario 1: Distribution of Needed
Housing Units by Zone 2008-28

	RL		RS		RM		RH		TOTAL	
	%	Units	%	Units	%	Units	%	Units	%	Units
SF Detached	2%	217	90%	9,758	8%	867	0%	0	100%	10,842
SF Attached	0%	0	10%	33	50%	167	40%	134	100%	334
MF Attached	0%	0	14%	771	71%	3,909	15%	826	100%	5,505
TOTAL	1%	217	63%	10,562	30%	4,943	6%	959	100%	16,681

For reasons outlined in response to Step 6.b, above, and based on conclusions from Steps 1-5, a distribution of needed housing units among zones that mirrors proportions observed during 1998-2008 (as shown above in Table 3) is unlikely, and would not adequately respond to changing economic and demographic conditions.

Table 4, below, illustrates an alternative scenario for distribution of needed housing units by zone that more effectively addresses issues identified in Steps 1-5 of the HNA. Assumptions built into Table 4 include the following:

- While single-family detached units will continue to be the most needed form of housing overall, the proportion of new units built in the RS zone will decrease from 90% during 1998-2008 to 80% during the planning period.
- The demand for single-family detached units at somewhat higher densities (e.g. cottage cluster housing or smaller-lot subdivisions) will increase, resulting in more of these units being built in the RM zone. The RM zone will account for 18% of total single-family detached units, up from 8% during 1998-2008.
- This increase in smaller, detached housing units will reflect a departure from the trend of larger homes being developed through 2005. Smaller, older households with higher incomes will have the option of purchasing smaller detached units in lieu of renting retirement housing or purchasing larger SFD homes.
- Consistent with the pattern seen during 1998-2008, and in order to be closer to jobs, shopping, and services, 90% of projected single-family attached units will be located in the RM and RH zones. The remaining 10% will be built in the RS zone.
- Consistent with the 1998-2008 period, 15% of new multi-family units will be built in the RS zone. These will consist mostly of duplex and triplex developments. Currently, these units are allowed conditionally in the RS zone.
- Larger-scale multi-family attached developments will locate in the RM and RH zones; reflecting historical trends, these developments will be of relatively modest size, typically consisting of less than 50 units.
- Although most future multi-family units will be built in the RM zone, the proportion of new units between RM and RH zones will shift somewhat

from what was observed during 1998-2008: The share of units built in the RM zone will decline from 71% to 60%, and the share of units built in the RH zone will increase from 14% to 25%.

Given these assumptions, future needed housing units for Scenario 2 are allocated to plan designations as shown in Table 4, below:

Table 4
Scenario 2: Distribution of Needed
Housing Units by Zone 2008-2028

	RL		RS		RM		RH		TOTAL	
	%	Units	%	Units	%	Units	%	Units	%	Units
SF Detached	2%	217	80%	8,674	18%	1,952	0%	0	100%	10,842
SF Attached	0%	0	10%	33	50%	167	40%	134	100%	334
MF Attached	0%	0	15%	826	60%	3,303	25%	1,376	100%	5,505
TOTAL	1%	217	57%	9,533	33%	5,422	9%	1,510	100%	16,681

Step 6.d: “Estimate the needed net density range for each plan designation, based on the types of structures that would be allowed in each designation; and on an estimate of the density at which each structure type is likely to develop in the community based on recent housing developments and current local policies.”

Response: Table 5, below, shows the current allowable density ranges for each of Bend’s residential zones.¹⁰ These ranges are shown as both gross and net densities. Table 5 also shows actual average density (net) for each housing type by zone as of 2008 for comparison purposes.

Table 5
Allowed and Actual Built Residential Densities by Zone¹¹

	RL	RS	RM	RH
Allowable Density By Zone (Units/Gross Acre)	1.1 - 2.2	2.0 - 7.3	7.3 - 21.7	21.7 - 43.0
Allowable Density By Zone (Units/Net Acre)	1.3 - 2.7	2.4 – 8.8	8.8 - 26.3	23.9 – 47.3
Average Built Density 2008 (Units/Net Acre)	2.1	3.9	9.9	15.5

¹⁰ Chapter 2.1 of the Bend Development Code lists minimum and maximum densities for each zone as gross density figures. The net density figures shown in Table 5 have been derived by multiplying gross density by 1.25 to reflect dedication of future rights-of-ways and other development standards.

¹¹ The conversion from gross to net density is achieved for the RL, RS, and RM zones by multiplying the gross density ranges by 1.21 to account for 21% of gross site area typically dedicated for streets and utilities. For the RH zone, a 10% dedication factor is used, acknowledging that a typical multi-family housing site in that zone may already have existing street frontage, thus the additional amount needed for dedication is less.

The City's policy, with respect to densities programmed to meet a wide range of housing needs, is summarized for each zone as follows in Chapter 2.1 of the Bend Development Code:

Low Density Residential (RL): The Low Density Residential District consists of large urban residential lots that are served with a community water system and DEQ permitted community or municipal sewer systems. The residential density range in this district is 1.1 to 2.2 dwelling units per gross acre.

Standard Density Residential (RS): The Standard Density Residential District is intended to provide opportunities for a wide variety of residential housing types at the most common residential densities in places where community sewer and water services are available. The residential density range in this district is 2.0 to 7.3 dwelling units per gross acre.

Medium Density Residential (RM): The Medium Density Residential District is intended to provide primarily for the development of multiple family residential housing in areas where sewer and water service are available. The residential density range in the District is 7.3 to 21.7 units per gross acre and shall provide a transitional use area between other residential districts and other less restrictive areas.

High Density Residential (RH): The High Density Residential District is intended to provide land for primarily high density residential multiple family housing in locations close to shopping and services, transportation and public open space. The density range of the district is 21.7 to 43 units per gross acre and shall provide a transitional use area between other residential districts and other less restrictive areas.

Data shown in Table 5 suggest that the currently allowable densities in the RL, RS, and RM zones are well suited for accommodating the types of housing that are needed and expected during the 2008-2028 planning period. However, the actual, average built density for housing units in the RH zone (15.5 units/net acre) appears to be lower than the minimum allowed density in that zone (23.9 units/net acre). This does not necessarily indicate a mismatch between historical densities and the current range of allowable densities in the RH zone. Part of the reason for the discrepancy is that the minimum allowed density for the RH zone was not in effect until adoption of the current Bend Development Code in 2006. As more multi-family housing is built in the RH zone meeting the minimum density requirement, this average density figure will increase. But the relatively low built density of multi-family developments in the RH zone does suggest that the market is more attuned to providing multi-family housing at RM density levels, or slightly higher, rather than at the higher densities allowed in the RH zone. This trend can be expected to continue. Even during the height of the housing boom of 1998-2008 the average net density of multi-family developments in the RH zone was only 17.1 units/net acre. Although multi-family housing will make up a larger share of total needed units during the planning period, and more of it will be built in the RH zone, it will generally be built at moderate densities, close to the minimum allowed that zone.

Step 6.e: “Estimate land needs by dividing the number of needed units of each structure type by the net density at which it is most likely to be developed (from the analysis in Step 6.d) and apportion the acres into each residential plan designation.”

Step 6.f: “Estimate the average needed net density by dividing the total number of needed net acres by the total number of needed units.”

Response: This response addresses both 6e and 6f above. Table 6, below, shows the number of needed housing units by housing type for the 2008-2028 planning period distributed by zone, as shown in Table 4, Scenario 2. The number of buildable net acres needed to accommodate needed housing under this scenario is 3,092. Table 6 also indicates expected average net densities for each housing type by zone, based on actual built densities for 2008 as shown in Table 1 for the RL, RS, and RM zones. For the RH zone, a net density assumption of 23.9 units/acre is used, since that corresponds to the minimum allowable net density in that zone. Finally, Table 6 includes a calculation of overall average net density needed to accommodate the projected housing types, as called for by Step 6.f. That overall average density is estimated at 5.4 units per net acre. This represents a 42% increase in the average density of housing from 1998-2008.

**Table 6
Needed Acres by Housing Type and by Zone 2008-2028**

Zone	RL			RS			RM			RH			TOTAL		
Housing Type	Net Density	Units	Net Acres Needed	Net Density	Units	Net Acres Needed	Net Density	Units	Net Acres Needed	Net Density	Units	Net Acres Needed	Average Net Density	Units	Net Acres Needed
SF Detached	2.0	217	109	3.8	8,674	2,283	5.6	1,952	349	0.0	0	0	4.0	10,843	2,740
SF Attached	NA	0	0	8.4	33	4	13.1	167	13	23.9	134	6	15.0	334	22
MF Attached	NA	0	0	11.3	826	73	16.6	3,303	199	23.9	1,376	58	16.7	5,505	330
TOTAL	2.0	217	109	4.0	9,533	2,360	9.7	5,422	560	23.9	1,510	63	5.4	16,682	3,092

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TO: **UGB REMAND TASK FORCE**
FROM: **LONG RANGE PLANNING STAFF, CITY OF BEND**
SUBJECT: **COMPARISON OF NEEDED DENSITY/MIX WITH ACTUAL DENSITY/MIX –
TASK 4 OF “PLANNING FOR RESIDENTIAL GROWTH”**
DATE: **MARCH 27, 2012**

Introduction

This memo presents the City’s response to Task 4 of the *Planning for Residential Growth* handbook, which directs the City to address the following questions: “Is *needed* density the same as or less than *actual* density? Is *needed* mix the same as *actual* mix?”

Contents of this memo will be incorporated into a revised Housing Needs Analysis (HNA), as directed by Sub-Issue 2.3 of the UGB remand. This memo has been reviewed by DLCD staff. Based on discussions with DLCD staff, Staff understands that they have review this work product, are satisfied with the work to date, and support the City moving forward to seek RTF and public review.

Relevant Remand Issues

Remand Sub-Issue 2.3 addresses the following questions:

“Whether the City’s Housing Needs Analysis and Comprehensive Plan identify needed housing as required by Goal 10 and the needed housing statutes. Whether the City is required to analyze housing need by tenure, given that it does not regulate tenure (OAR 660-008-0040). Whether ORS 197.296 requires an analysis of housing needs for owner-occupied and rental housing?”¹

The remand’s conclusion for this sub-issue finds that the City is not required to analyze housing need by tenure, but directs the City “to revise its findings and Chapter 5 of its comprehensive plan consistent with the analysis” that precedes the conclusion.² Chapter 5 of the Bend Area General Plan is the housing element of Bend’s comprehensive plan. As submitted to DLCD for acknowledgment in 2009, Chapter 5 contained the Housing Needs Analysis which is the subject of Remand Sub-Issue 2.3, which the Commission found was not in compliance with state law.

¹ Remand and Partial Acknowledgement Order, 10-REMAND-PARTIAL ACKNOW-001795, Oregon Land Conservation and Development Commission, November 2, 2010, p. 26.

² Ibid., p. 33.

As noted above, the purpose of this memo is to compare the densities and mix of needed housing types for the planning period with the actual densities and mix of housing types existing as of 2008. The analysis and conclusions of this memo will be incorporated into a revised Chapter 5 of the General Plan, in support of revised projections of the housing densities and mix needed for the planning period.

The Analysis section of the Remand Order for Sub-Issue 2.3 states that:

OAR 660-008-0005(4) defines the “Housing Needs Projection” required by Goal 10 and ORS 197.296 as:

“* * * a local determination, justified in the plan, of the mix of housing types and densities that will be:

(a) Commensurate with the financial capabilities of present and future area residents of all income levels during the planning period.”

. . . Specifically, if the future needs require a different density or mix of housing types than has occurred in the past, then ORS 197.296(7) requires the local government to show how new measures demonstrably increase the likelihood that the needed density and/or mix will be achieved.³

Consistent with this direction, and as required by ORS 197.296(3) and (5), Goal 10, and OAR 660-008, this memo considers the actual densities and actual mix of three needed housing types, and compares those actual densities and mix with the needed densities and mix for the 2008-28 planning period. The three housing types considered are single-family detached, single-family attached, and multiple family housing.

Planning for Residential Growth – Task 4

Step 1: “Compare the actual housing mix with the needed housing mix.”

Step 1a: “Obtain the actual housing mix from the results of Task 2, Step 5. This is the percentage of total housing for each housing type.”

Response: Table 1 below summarizes the actual housing mix in Bend as of 2008.⁴

³ Ibid. p. 32.

⁴ Note that the Single-Family Detached housing type includes manufactured homes on individual lots, and the Multiple-Family Attached housing type includes manufactured homes in manufactured home parks.

Table 1
Actual Housing Mix 2008

Housing Type	Total Units	All Units - % of Total
Single Family - Detached	24,967	71%
Single Family - Attached	658	2%
Multiple Family Attached	9,304	27%
TOTAL	34,929	100%

Step 1b: “Obtain the future needed housing mix from the results of Task 3, Step 5e.”

Response: The table below summarizes the needed housing mix, resulting from Task 3, Step 5e:

Table 2
Proposed Mix of Housing Types 2008-28

Housing Type	Total Units	All Units - % of Total
Single family detached	10,842	65%
Single family attached	334	2%
Multi-family attached	5,505	33%
Total	16,681	100%

Step 1c: “Compare the actual housing mix with the future needed housing mix.”

Response: The table below compares the actual housing mix as of 2008 with the needed housing mix:

Table 3
Comparison of Actual vs. Needed Housing Mix

Housing Type	Actual Housing Mix	Needed Housing Mix	Difference Between Actual and Needed
Single-family detached	71%	65%	-6%
Single-family attached	2%	2%	0%
Multi-family attached	27%	33%	+6%
Total	100%	100%	

Step 2: “Compare the average actual net density with the average needed net density.”

Step 2a: “Obtain the average actual net density for all housing types from the results of Task 2, Step 7.”

Response: The average actual net density for all housing types as of 2008 is 4.4 units per net acre.⁵

Step 2b: “Obtain the average needed net density from the results of Task 3, Step 6.f.”

Response: The average needed net density for all housing types, from the results of Task 3, Step 6.f., is 5.4 units per net acre.

Step 2c: “Compare the average actual net density with the average needed net density.”

Response: Table 4 below compares average actual net density as of 2008 with average needed net density for the 2008-28 planning period.

Table 4
Comparison of Actual Net Density with Needed Net Density

	Actual Net Density	Needed Net Density	Difference
Average Net Density	4.4	5.4	1.0

Table 4 shows that the difference in needed net density is an additional unit per acre, a 23% increase over actual net density. This data also suggests that the density of housing development between 1998 and 2008 was moving closer to that density needed between 2008 and 2028. This further suggests that any measures the City adopts to encourage the development of needed housing will not need to encourage development of housing at significantly higher densities.

Step 3: “Compare the actual net density for specific housing types with the needed net density ranges.”

Step 3a: “Obtain the actual net density for each housing type from the results of Task 2, Step 6.c.”

Response: The actual net density for each housing type as of 2008 is shown below in Table 5.⁶

⁵ See Attachment A, Memo to UGB Remand Task Force on Draft Buildable Lands Inventory – Sub-Issue 2.2, August 31, 2011.

⁶ Net densities shown in Table 5 are derived from Attachment A, Memo to UGB Remand Task Force on Draft Buildable Lands Inventory – Sub-Issue 2.2, August 31, 2011. The Single-Family Detached category includes both conventional SFD units and manufactured homes on individual lots. The Multi-Family Attached category includes both conventional MFA units and manufactured homes in manufactured home parks. See memo to Bend UGB Remand Task Force from Damian Syrnyk, “Draft Results of Steps 4 and 5 of Housing Needs Analysis,” November 3, 2011, Table 4-1, p. 2.

Table 5
Actual Net Density by Housing Type - 2008

Housing Type	Actual Net Density
Single family detached	3.6
Single family attached	9.4
Multi-family attached	11.4

Step 3b: “Obtain the needed net density ranges from the results of Task 3, Step 6.d.”

Response: The results of Task 3, Step 6.d. indicate that needed density ranges for needed housing types are generally consistent with density ranges currently allowed by existing residential General Plan designations and zoning districts in the Bend Development Code. Recently built net density in the RH zone (1998-2008) has been lower than the current minimum allowable density for that zone. However, the needed density for the RH zone for the planning period will be achieved by ensuring compliance with the currently required minimum density for that zone. Table 6 below summarizes the needed and currently allowable net density ranges from the results of Task 3, Step 6.d.

Table 6
Needed Net Density Ranges by Residential Plan Designation

	RL	RS	RM	RH
Allowable Density By Zone (Units/Net Acre)	1.3 - 2.7	2.4 – 8.8	8.8 - 26.3	23.9 – 47.3
Needed Net Density (Units/Net Acre)	2.1	3.9	9.9	15.5

Step 3c: “Compare the actual net density for each housing type with the needed net density ranges by housing type and determine whether the actual net densities are within the needed net density ranges.”

Response: Table 7 below compares actual net density for each housing type (from Table 5) and zone with the needed net density ranges. Table 7 indicates that needed housing at actual net densities for each housing type can be accommodated in at least one of the existing residential zones in the Bend Development Code.

Table 7
Comparison of Actual Net Density by Housing Type and Zone
With Needed Net Density

Housing Type	Actual Net Density (2008)	RL		RS		RM		RH	
		Needed Net Density Range	Is Actual in Needed Range?	Needed Net Density Range	Is Actual in Needed Range?	Needed Net Density Range	Is Actual in Needed Range?	Needed Net Density Range	Is Actual in Needed Range?
Single-Family Detached	3.6	1.3 – 2.7	No	2.4 – 8.8	Yes	8.8 – 26.3	No	23.9 – 47.3	No
Single-Family Attached	9.4	1.3 – 2.7	No	2.4 – 8.8	No	8.8 – 26.3	Yes	23.9 – 47.3	No
Multi-Family Attached	11.4	1.3 – 2.7	No	2.4 – 8.8	No	8.8 – 26.3	Yes	23.9 – 47.3	No

Table 7 also suggests that the RS and RM zones can accommodate needed housing at actual densities, while the RL and RH zones cannot. However, a closer look will show this is not the case. The RL zone, for example, can accommodate very low density single-family detached units within its density range of 1.4 – 2.8 units/net acre. New SFD units can be accommodated and should be encouraged on the 217 existing, platted vacant lots in the RL zone. That number of SFD units was allocated to the RL zone for the planning period in response to Task 3, Step 6. With respect to SFA and MFA units in the RL zone, data in Table 7 correctly suggest that those needed housing types cannot be accommodated at actual net densities in the RL zone.

Table 7 also indicates that the density range of the existing RH zone cannot accommodate any needed housing types at actual densities. However, as discussed in response to Task 3, Step 6d, the actual net density for needed MFA units in the RH zone will increase during the planning period to at least meet the minimum 23.9 units/net acre, because the Bend Development Code requires any new housing development in that zone to meet or exceed the required minimum density. The response to Task 3, Step 6.c. also allocates needed MFA housing units to the RH zone at that minimum density for reasons discussed in the memo addressing Step 6.⁷

Step 4: “Determine if measures are required to achieve either the needed housing mix or needed densities, or both.”

Response: Based on data contained in Table 3, the actual housing mix as of 2008 is not the same as the needed housing mix for the 2008-28 planning period.

⁷ Memo from Long Range Planning Staff, City of Bend, re Estimate of Housing Density Needs – Task 3, Step 6 of “Planning for Residential Growth,” March 27, 2012, p. 5-7.

Similarly, based on Table 4, the actual net density as of 2008 is not adequate to achieve needed housing densities for the planning period. Therefore, the City must consider measures that may enable both the needed housing mix and density to be achieved. The identification and evaluation of a broad range of potential measures will be undertaken in direct response to Sub-Issues 3.1 and 3.2 of the UGB remand order.

City of Bend Housing Needs Analysis 2008-2028



Community Development Department
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March 2012



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Introduction

Purpose

This report presents the City of Bend's housing needs analysis. The purpose of this analysis is to address the requirements for planning for needed housing in urban areas under ORS 197.296(3) and (5). The document includes a buildable lands inventory and a related analysis of capacity for additional housing in the Bend urban growth boundary (UGB). The report also includes an analysis of national, state, and local demographic and economic trends, and makes recommendations for a mix and density of needed housing types. The data relied upon in this report is current as of 2008, and considers housing needs over a 2008 to 2028 planning period. This report builds on prior housing need analyses, including the city's 2005 housing needs analysis, and updates to this analysis adopted in 2009 with the City's 2009 urban growth boundary (UGB) expansion proposal. The City prepared this HNA to respond to Order 001775 from the Land Conservation and Development Commission (LCDC) through which they remanded certain work related to the city's housing needs analysis. Sub-Issue 2.3 of the UGB Remand Order requires the City to prepare a revised HNA consistent with provisions in state law. This document is prepared in response to that directive.

In an effort to address all requirements in statutes and administrative rules for an HNA, this document follows the suggested framework of "Planning for Residential Growth," a guide book prepared in 1997 by DLCD to assist local governments in compiling an HNA that complies fully with applicable portions of ORS 197.296 and 197.303, as well as OAR 660-008.¹

Legal and Policy Framework

Statewide Planning Goal 10, Housing, is to provide for the housing needs of the citizens of the state². Goal 10 requires cities to inventory lands for residential use and to develop plans that encourage the development of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

Oregon Revised Statutes (ORS) 197.296 provides further requirements for complying with Goal 10. ORS 197.296 requires the city to conduct an analysis of housing need by type and density range in accordance with ORS 197.303 and statewide planning goals and rules relating to housing. The purpose of this is to determine amount of land needed for each needed housing type for the next 20 years.

(3) In performing the duties under subsection (2) of this section, a local government shall:
(b) Conduct an analysis of housing need by type and density range, in accordance with ORS 197.303 and statewide planning goals and rules relating to housing, to determine the number of units and amount of land needed for each needed housing type for the next 20 years.

(5)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity and need pursuant to subsection (3) of this section must be based on data

¹ The guidebook is available on-line at http://www.oregon.gov/LCD/docs/publications/planning_for_residential_growth.pdf.

² See OAR 660-0015-0000(10)

relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater. The data shall include:

(A) The number, density and average mix of housing types of urban residential development that have actually occurred;

(B) Trends in density and average mix of housing types of urban residential development;

(C) Demographic and population trends;

(D) Economic trends and cycles; and

(E) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

(b) A local government shall make the determination described in paragraph (a) of this subsection using a shorter time period than the time period described in paragraph (a) of this subsection if the local government finds that the shorter time period will provide more accurate and reliable data related to housing capacity and need. The shorter time period may not be less than three years.

(c) A local government shall use data from a wider geographic area or use a time period for economic cycles and trends longer than the time period described in paragraph (a) of this subsection if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to paragraph (a) of this subsection. The local government must clearly describe the geographic area, time frame and source of data used in a determination performed under this paragraph.

In addition, ORS 197.303 and 197.307 define needed housing and what actions a local government must take to ensure an adequate supply of land is available for the development of needed housing.

LCDC has adopted an administrative rule at OAR 660-008 to assure opportunity for the provision of adequate numbers of needed housing units, the efficient use of buildable land within urban growth boundaries and to provide greater certainty in the development process so as to reduce housing costs³. This rule is intended to define standards for compliance with Goal 10 and to implement ORS 197.303 through 197.307. The pertinent sections of these statutes are:

197.303 “Needed housing” defined. (1) As used in ORS 197.307, until the beginning of the first periodic review of a local government’s acknowledged comprehensive plan, “needed housing” means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government’s acknowledged comprehensive plan, “needed housing” also means:

(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;

(b) Government assisted housing;

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

³ See OAR 660-008-0000, Purpose.

197.307 Effect of need for certain housing in urban growth areas; approval standards for certain residential development; placement standards for approval of manufactured dwellings.

(3)(a) When a need has been shown for housing within an urban growth boundary at particular price ranges and rent levels, needed housing, including housing for farmworkers, shall be permitted in one or more zoning districts or in zones described by some comprehensive plans as overlay zones with sufficient buildable land to satisfy that need.

Housing Needs Analysis Steps

In 1997, DLCD published a guidebook, “Planning for Residential Growth,” that outlined what steps to perform to complete a housing needs analysis that satisfies state law⁴. These six steps include:

Step 1 – Project the number of new housing units needed in the next 20 years.

Step 2 – Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year project of structure type mix.

Step 3 – Describe the demographic characteristics of the population, and, if possible, household trends that related to demand for different types of housing.

Step 4 – Determine the types of housing that are likely to be affordable to the projected households based on household income

Step 5 – Estimate the number of additional needed units by structure type.

Step 6 – Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

To summarize, the City is required to consider its needs for future housing based on type and density over a 20-year planning period. This analysis of housing must examine current and future demographic and economic trends that will influence the types of housing produced and purchased or rented. In addition, this analysis must consider the types of housing needed at various price ranges and rent levels. One of the final steps in this process is an estimate of the number of additional units that will be needed by structure type. Once the City has done this, the City must show that adequate land has been or will be planned and zoned within the existing UGB, and if necessary any area added through an expansion, to demonstrate that the General Plan satisfies Goal 10.

⁴ See pages 25 through 33, Planning for Residential Growth: A Workbook for Oregon’s Urban Areas. Transportation and Growth Management Program, Lane Council of Governments, and ECO-Northwest (1997) -: http://www.oregon.gov/LCD/docs/publications/planning_for_residential_growth.pdf.

Prior Housing Needs Analyses and Remand Tasks

The purpose of this section is to provide a brief review of the city's past work on completing a housing needs analysis consistent with Goal 10. The City provided this information to DLCD and LCDC in January of 2010 as a component of the City's Appeal of the Director's January 8, 2010 Order and Report on the City's Proposed UGB Expansion.

In 2005, the City completed a buildable lands inventory (2005 BLI) (see Supp. Rec. 1987) and a housing needs analysis (2005 HNA). (Rec. 2046) The City followed DLCD's Goal 10 guidebook to develop both products. After further work with a technical advisory committee (TAC), the City updated the 2005 HNA in April 2006. (Supp. Rec. 2157.) Based on the findings of the 2005 HNA and the analysis of trends, the City concluded that manufactured homes would be provided on separate lots in the future, not in parks. The City also concluded that a more relevant factor for estimating current and future housing needs is type of housing unit (attached/detached) rather than tenure (rent/own).

In 2007, consultant Angelo Planning Group prepared a final report that presented land need estimates for housing, schools, parks, and institutional uses. (Rec. 2137.) This 2007 report also presented a series of forecasts for residential land needs, following ORS 197.296 and DLCD's Goal 10 workbook. Another consultant, Cogan Owens, prepared a draft General Plan housing element that, along with the 2007 Angelo land need report, were submitted to DLCD with a 45-day notice on June 11, 2007. (Supp. Rec. 1587, 1789.) Following the initial public hearings in July and August of 2007, the City, working in public work sessions of the Bend Planning Commission and with liaisons of the Deschutes County Planning Commission, reviewed and amended the proposed elements of the UGB expansion, including the work that supported the housing element.

From September 2007 through October 2008, the Bend Planning Commission held 35 public work sessions on the UGB expansion. Through these work sessions, which included extensive public input, the City revised its draft buildable lands inventory, housing needs analysis, and residential land need estimate. This work resulted in 2008 versions of the buildable lands inventory, housing needs analysis (Rec. 1280, 1728), and residential land needs analysis that were incorporated in the 2008 version of the housing element submitted to DLCD in 2009.

The Department issued a Director's Report dated January 8, 2010 that included analysis and findings resulting in a remand of the city's submittal of the UGB expansion. On January 29, 2010, the City filed an appeal of the Director's Report to LCDC. After receiving the Director's Report the City filed exceptions dated March 8, 2010. On both January 29, 2010 and March 8, 2010, the City provided the Commission with findings showing where the City addressed those issues raised on remand.

On November 2, 2010, LCDC issued its final order of remand and partial acknowledgement on the UGB expansion and its components. The final order was not appealed, and became final in January 2011. With respect to the HNA adopted as part of the UGB expansion, the Commission's order" remands the city's decision for it to revise its findings and chapter 5 of its comprehensive plan consistent with"⁵ a detailed analysis contained in the order. That analysis is based on the January 2010 Director's Report and Order which specifies that the City must:

1. Prepare a final housing needs analysis (HNA) that complies with ORS 197.296, ORS 197.303, OAR 660 Division 8, and OAR 660-024-0040(4). This product would replace the product adopted in 2008 and would be adopted as an element of the city's general plan. The final HNA must:
 - a. analyze housing needs for at least three (3) types, including: attached and detached single family housing, multi-family attached housing, and manufactured housing;
 - b. identify the types of housing that will meet the city's needs are allowed or proposed to be allowed in one or more residential zoning districts, and;
 - c. explain the city's policy choices for the final housing mix that includes at least three (3) types of housing, and how this proposed mix has been translated into types that are allowed in one or more residential zoning districts.
2. Prepare new findings that show whether the proposed housing needs analysis, mix, and types of housing are consistent with the housing policies in Chapter 5 of the Bend Area General Plan, in particular Housing Policies 4, 17, and 21. The new findings must also address Remand Task 3.2 and show that the proposed and any new measures will demonstrably increase the likelihood that residential development will occur at types and densities.
3. Prepare new findings that address Remand Task 3.2 and ORS 197.296(7) and (9). These findings must show how the proposed measures allow types of housing that will be needed over the 20-year planning period, and point to zoning districts that allow these types of housing. A key element of this task will be preparing a reasonable estimate of the potential numbers of units the city could see develop under these measures and supporting these estimates with adequate findings and a Goal 2 adequate factual base.

⁵ See Remand and Partial Acknowledgment Order ACKNOW-001795, LCDC, November 2, 2010, Sub-Issue 2.3, p. 33.

Factual Base and Data Sources

The City's plans must be supported by an adequate factual base. For a legislative land use decision such as this housing needs analysis, an adequate factual base must be supported by substantial evidence. Substantial evidence exists to support a finding of fact when the record, viewed as a whole, would permit a reasonable person to make that finding. This HNA relies on a number of data sources and documents. These sources include, but are not limited to, the following documents with their record references from the proceedings before the Land Conservation and Development Commission.

- ❖ 2005 to 2025 Deschutes County Coordinated Population Forecast, Rec. 1980
- ❖ 2005 Buildable Lands Inventory, Supp. Rec. 1987
- ❖ 2005 Housing Needs Analysis, Rec. 2046 - 2113
- ❖ 2007 Residential Land Need report, Rec. 1798-1835, 2137
- ❖ 2008 Housing Chapter of BAGP (Ch. 5), Rec. 1720, including 2008 Housing Needs Analysis at Rec. p 1728
- ❖ Draft Revised Buildable Lands Inventory, Memo to UGB Remand Task Force, August 31, 2011.

In addition to these documents, the analysis presented on Steps 2 and 3 also relies on data from the 2000 Census and the 2007 American Community Survey. This data is available online through factfinder2.census.gov.

Step 1: Project the number of new housing units needed in the next 20 years

The first step in the HNA process is to forecast the number of housing units that will be needed to house the projected population growth over the planning period. In 2008, the City developed and relied on a 2028 population forecast for Bend of 115,063, reflecting an increase in population of 38,512 people between 2008 and 2028. The January 2010 DLCD Director's Report and Order on the UGB Expansion concluded that the forecast complied with applicable law⁶. The 2028 population forecast for Bend was prepared using the 2004 Coordinated Population Forecast for Bend as a base. The Coordinated Population Forecast for Bend is 109,389 people by 2025⁷. Staff extended the forecast out another three (3) years to 2028 using the same growth rate used to forecast population beyond 2025 in the Housing Needs Analysis⁸.

⁶ See page 25 of 156, January 8, 2010 Director's Report and Order

⁷ See Exhibit L-2, Deschutes County Coordinated Population Forecast 2000-2025 (2004) to 45-Day notice

⁸ See Exhibit L-3, City of Bend Housing Needs Analysis (2005) to 45-day notice, pages 7-8.

The City relied on this 2028 population forecast to develop a housing unit forecast for Bend from 2008 to 2028. The DLCD Director also concluded that the housing unit forecast of 16,681 new units between 2008 and 2028 complied with the applicable law in his January 2010 Report and Order⁹. The following table presents the 2008 to 2028 housing unit forecast for the City of Bend.

Table 1-1: Housing Unit Forecast: 2008 to 2028	
Population forecast for 2028	115,063
(-) Less Population on 7/1/08	76,551
(=) New population 2008 to 2028	38,512
(-) Less population in group quarters (2.3%)	886
(=) New population in households	37,626
(/) Divided by household size (2.4)	
(=) Equals new occupied housing units	15,678
(+) Plus vacancy factor (6.4%)	1,003
= New housing units 2008 to 2028	16,681

Staff used the same method for forecasting housing units already used in the record¹⁰. The household size, group quarters percentage, and vacancy factor are all based on the 2000 Census results for Bend¹¹. The housing units forecast relies on the 2028 population forecast of 115,063. Subtracting the population forecast for 2008 leaves a remainder of 38,512, this represents the new population growth between 2008 and 2028. Subtracting the population in group quarters (2.3% or 886) leaves the new population in households in 2028. Dividing the population in households by a household size of 2.4 persons per household provides the number of new occupied housing units between 2008 and 2028, 15,678. The final forecast is obtained by adding another 1,003 units to account for vacant units (a rate of 6.4%), which increase the forecast to 16,681 needed new housing units between 2008 and 2028.

Step 2: Identify relevant national, state and local demographic and economic trends and factors that may affect the 20-year projections of structure type mix

ORS 197.296(5) requires communities to examine demographic and economic trends that will inform the city's analysis of what types of housing will be needed in the future. This section presents an examination of relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of the types and mix of housing. The analysis of trends focuses on the period following the acknowledgement of the 1998 Bend Area General Plan to 2007. For many variables, this analysis will include data from 1998 or 1999 to 2007; for others, two periods will be presented to look at trends. These periods will include 1990 to 2000, between the two Censuses, and from 2000 to 2007. For 2007, the City is relying on data

⁹ See page 31 of 156, January 8, 2010 Director's Report and Order

¹⁰ See Residential Land Needs 2005-2030 Memorandum (April 25, 2007); Table 3, Page 5.

¹¹ See the 2000 Demographic profile for Bend at: <http://censtats.census.gov/data/OR/1604105800.pdf>.

collected for the nation, the State of Oregon, and Bend from the American Community Survey¹². In addition, this analysis incorporates previous work from the 2005 Housing Needs Analysis and the 2007 Residential Land Need Analysis¹³.

National Demographic Trends

This section begins with a brief overview of national demographic trends that may affect the 20-year projection for new housing. This discussion summarizes the most recent information and data from several sources. The Census Bureau released a brief on Households and Families based on the results of the 2000 Census¹⁴. This report provides further data on trends of households and families that may affect the 20-year forecast for housing:

- ❖ Family households increased by 11 percent, from 64.5 million to 71.8 million between 1990 and 2000;
- ❖ Nonfamily households increased by 23 percent, from 27.4 million to 33.7 million between 1990 and 2000;
- ❖ Family households represent about 68 percent of all households nationally;
- ❖ The average household size decreased from 2.63 to 2.59;
- ❖ The average family size remained fairly constant, declining from 3.16 to 3.14, and;
- ❖ Female family households (family households with no husband present) increased from 6.0 million (6.6 percent of total households) in 1990 to 7.6 million (7.2 percent of all households) in 2000.

The Census Bureau also published a subsequent report on families and living arrangements in November 2004¹⁵. This report examined trends in families and living arrangements between 1970 and 2003. The following summarizes the demographic trends identified in this report that are related to housing:

- ❖ Family households, those households with at least two members related by birth, marriage, or adoption, represented 81 percent of all households in 1970. By 2003 that proportion had decreased to 68 percent of all households;
- ❖ Married couple households with children represented 40 percent of all households in 1970. By 2003, this proportion declined to 23 percent of all households;

¹² For more information about the American Community Survey (ACS), See <http://www.census.gov/acs/www/>. The ACS data can be accessed from the Census Bureau's American Factfinder website at http://factfinder.census.gov/home/saff/main.html?_lang=en.

¹³ See 2005 Housing Needs Analysis at Rec p 2046 and 2007 Residential Land Need Analysis at Rec. P. 2114.

¹⁴ Households and Families: 2000 A Census 2000 Brief (2001) US Census Bureau www.census.gov.

¹⁵ America's Families and Living Arrangements: 2003 (2004) US Census Bureau www.census.gov.

- ❖ In 2003,
 - The average household size 2.57 persons,
 - The average family household size was 3.19 persons,
 - The average non-family household size was 1.24 persons,
- ❖ Households with children represented 45 percent of all households in 1970. This proportion decreased to 32 percent of all households in 2003, and;
- ❖ In 2003, of the 111,278,000 households in the United States:
 - 26.4 percent were one person households
 - 33.3 percent were 2 person households
 - 16.1 percent were 3 person households
 - 14.3 percent were 4 person households
 - 9.8 percent were 5 or more person households.

Despite the decreases in the proportions of households that are either family or married couple with children households, 40 percent of households in 2003 were occupied by three or more people. The following table provides some summary data on key housing variables for the United States, comparing the results of the 2000 Census with the 2007 American Community Survey (ACS). This report includes similar tables presenting data for Oregon and Bend for comparison.

Table 2-1: United States - 2000 to 2007				
	Census	ACS	Change	% Change
	2000	2007	2000-2007	2000-2007
Population	281,421,906	301,621,159	20,199,253	7%
Household Size	2.59	2.62	0.03	1%
Family Size	3.14	3.2	0.06	2%
Age of Householder				
Under 25 years	5,533,613	5,272,168	(261,445)	-5%
25 to 44 years	42,266,048	40,775,077	(1,490,971)	-4%
45 to 64 years	35,539,686	43,295,140	7,755,454	22%
65 years and over	22,140,754	23,666,713	1,525,959	7%
Households by Type				
Total Households	105,480,101	112,377,977	6,897,876	7%
Family households (families)	71,787,347	75,119,260	3,331,913	5%
Married-couple family	54,493,232	55,867,091	1,373,859	3%
Nonfamily households	33,692,754	37,258,717	3,565,963	11%
Householder living alone	27,230,075	30,645,140	3,415,065	13%
Householder 65 years and over	9,722,857	10,264,914	542,057	6%
Median household income	\$41,994	\$50,740	\$8,746	21%
Median family income	\$50,046	\$61,173	\$11,127	22%
Sources: 2000 Census data and 2007 American Community Survey (ACS) data from American Factfinder - http://factfinder.census.gov/home/saff/main.html?_lang=en .				

- ❖ Over past seven years, the nation's population grew by seven (7) percent.
- ❖ The average household size increased by one percent; the average family size by two percent
- ❖ Households headed by individuals between the ages of 45 and 64 increased by 22 percent during this same period. Conversely, households headed by individuals less than 45 years of age decreased by four (4) percent during this period.
- ❖ Non-family households grew by a greater percentage than family households, increasing by 11 percent. The number of households with a householder living alone increased by 13 percent.
- ❖ Median household and family income grew by at least 21%.

In addition to the American Community Survey, the Joint Center for Housing Studies of Harvard University publishes an annual State of the Nation's Housing. The following summarizes the 2008 report's findings on drivers of housing demand¹⁶. The Center's findings focus on households and household characteristics.

- ❖ From 1994 to 2004, the national homeownership rate surged by 5.0 percentage points, peaking at 69.0 percent. In the three years since, homeownership rates have fallen back for most groups, including a nearly 2.0-point drop among black households and a 1.4-point drop among young households.
- ❖ The number of renter households increased by more than 2 million from 2004 to 2007, lowering the national homeownership rate to 68.1 percent in 2007.
- ❖ Thanks to higher rates of immigration and natural increase, minorities contributed over 60 percent of household growth in 2000–2006. Minorities now account for 29 percent of all households, up from 17 percent in 1980 and 25 percent in 2000. The minority share is likely to reach about 35 percent by 2020.
- ❖ In 2007, fully 29 percent of heads of households with children were unmarried. Within this group, about 18 percent lived with partners and another 21 percent lived with other non-partner adults.
- ❖ Education still remains the key to higher earnings. For example, the median earnings of college-educated male workers aged 35 to 54 rose from \$71,700 in 1986 to \$75,000 in 2006 in constant 2006 dollars, while those for same-age males who only completed high-school fell from \$48,000 to \$39,000.
- ❖ Among homeowners that bought units between 1999 and 2005, fully 85 percent saw an increase in wealth, with their median net wealth rising from \$11,100 to \$88,000 in real terms. Among households that already owned homes, 75 percent also saw an increase in their wealth, with their median net wealth nearly doubling from \$152,400 to \$289,000.

¹⁶ Joint Center for Housing Studies of Harvard University (2008) The State of the Nation's Housing 2008. <http://www.jchs.harvard.edu>.

- ❖ Changes in the number and age distribution of the adult population should lift household growth from 12.6 million in 1995–2005 to 14.4 million in 2010–2020.
- ❖ Minority household growth among 35 to 64 year-olds should remain strong in 2010–2020. In contrast, the number of white middle-aged households will start to decline after 2010 as the baby boomers begin to turn 65. White household growth in the next decade will be almost entirely among older couples without minor children and among older singles (usually widowed or divorced).
- ❖ In total, persons living alone are expected to account for 36 percent of household growth between 2010 and 2020. Three-quarters of the more than 5.3 million projected increase in single-person households in 2010–2020 will be among individuals aged 65 and older—a group that has shown a marked preference for remaining in their homes as they age.
- ❖ Unmarried partners are projected to head 5.6 million households in 2020, up from 5.2 million in 2005. Of these households, 36 percent will include children under the age of 18.

Finally, the 2008 report highlights a number of challenges households face with the affordability of their housing.

- ❖ In 2006, the number of severely-burdened households—paying more than half their income for housing—surged by almost four million to 17.7 million households.
- ❖ Between 2001 and 2006, the number of severely-burdened renters in the bottom-income quartile increased by 1.2 million, while the number of severely-burdened homeowners in the two middle-income quartiles ballooned by 1.4 million.
- ❖ Fully 47 percent of households in the bottom-income quartile were severely burdened in 2006, compared with 11 percent of lower middle-income households and just 4 percent of upper middle-income households.
- ❖ In 2006, approximately 20 percent of all middle-income homeowners with second mortgages paid more than half their incomes for housing. This is nearly twice the share among those with only a first mortgage.
- ❖ More than a quarter of severely-burdened households have at least one full-time worker and 64 percent at least one full- or part-time worker. Even households with two or more full-time workers are not exempt, making up fully 19 percent of the severely burdened.
- ❖ More than a third of households with incomes one to two times the full-time equivalent of the minimum wage have severe housing cost burdens. Even among the 15.3 million households earning two to three times the full-time minimum wage equivalent, 15 percent pay more than half their incomes for housing.
- ❖ More than one out of six children—12.7 million—in the United States live in households paying more than half their incomes for housing.

- ❖ In 2006, severely-burdened households with children in the bottom-expenditure quartile had only \$548 per month on average for all other needs. As a result, these families spent 32 percent less on food, 56 percent less on clothes, and 79 percent less on healthcare than families with low housing outlays.
- ❖ Nearly one in five low-income families—and nearly one in four low-income minority families—reported living in structurally inadequate housing in 2005. These families have a slightly higher incidence of severe cost burdens than otherwise similar families living in adequate units.
- ❖ Veterans with disabilities make up 29 percent of the 16.4 million veteran households, but 42 percent of the more than 1.5 million veterans with severe housing cost burdens.
- ❖ From 1997 to 2007, housing assistance programs fell from 10 percent to 8 percent of the nation's dwindling domestic discretionary outlays, even as the number of households with severe burdens rose by more than 20 percent from 2001 to 2005.
- ❖ About 14 percent of the low-cost rental stock—with rents under \$400—built before 1940 was permanently removed between 1995 and 2005.
- ❖ Older, lower-cost rentals are also being lost to rent inflation, with rents in more than half shifting up to a higher range between 2003 and 2005.
- ❖ From 1995 to 2005, the supply of rentals affordable to households earning less than \$16,000 in constant 2005 dollars shrank by 17 percent.
- ❖ Today, there are only about 6 million rentals affordable to the nearly 9 million households with the lowest incomes, and nearly half of these are either inhabited by higher-income households or stand vacant.
- ❖ The homeless population is up to 744,000 on any given night, and is estimated to be between 2.3 million and 3.5 million over the course of a year. Homelessness affects more than 600,000 families and more than 1.35 million children every year.
- ❖ Veterans are overrepresented among the homeless. While accounting for only 10 percent of all adults, veterans are somewhere between 23 percent and 40 percent of homeless adults. Moreover, veterans make up an estimated 63,000 of the 170,000 chronically homeless.

State Demographic Trends

The State of Oregon reached an estimated population of 3,791,075 on July 1, 2008, an estimated increase of 369,676 from the April 1, 2008 Census¹⁷.

- ❖ Oregon's population grew at a rate of 1.2 percent per year from 2000 to 2008.
- ❖ The population grew at increasing annual rates between 2000 and 2005. Growth rates stabilized between 2006 and 2007; growth rates slowed between 2007 and 2008.
- ❖ Between 2000 and 2008, net migration (in-migration minus out-migration) accounted for an estimated 237,481 in population growth, an estimated 64% of Oregon's population growth. Natural increase (births minus deaths) accounted for 132,180 or 36% of the state's population growth.
- ❖ Deschutes County's 2008 population was an estimated 167,015. Between 2000 and 2008, the county's population grew by 44.8%, or 51,648. Of this growth, net migration accounted for 45,887 in population growth, or 89% of the population growth between 2000 and 2008. Natural increase accounted for 11% of the county's population growth between 2000 and 2008.
- ❖ Deschutes County's estimated population growth of 51,648 represents 14% of the state's population growth between 2000 and 2008.

The following table presents data for Oregon from 2000 Census and the 2007 ACS, much like the forgoing table presented for the nation.

Table 2-2: Oregon - 2000 to 2007				
	Census	ACS	Change	% Change
	2000	2007	2000-2007	2000-2007
Population	3,421,399	3,747,455	326,056	10%
Household Size	2.51	2.49	-0.02	-1%
Family Size	3.02	3.05	0.03	1%
Age of Householder				
Under 25 years	83,213	74,928	-8,285	-10%
25 to 44 years	505,578	520,849	15,271	3%
45 to 64 years	466,637	575,969	109,332	23%
65 years and over	278,295	300,219	21,924	8%
Households by Type				
Total Households	1,333,723	1,471,965	138,242	10%
Family households (families)	877,671	940,771	63,100	7%
Married-couple family	692,532	734,363	41,831	6%

¹⁷ 2008 Oregon Population Report, Population Research Center, Portland State University
www.pdx.edu/prc.

Nonfamily households	456,052	531,194	75,142	16%
Householder living alone	347,624	414,031	66,407	19%
Householder 65 years and over	121,200	132,319	11,119	9%
Median household income	\$40,916	\$48,730	\$7,814	19%
Median family income	\$48,680	\$59,152	\$10,472	22%
Sources: 2000 Census data and 2007 American Community Survey (ACS) data from American Factfinder - http://factfinder.census.gov/home/saff/main.html?_lang=en .				

- ❖ The Census Bureau estimates the state's population has grown by 10 percent over the last seven (7) years.
- ❖ The state's average household size decreased slightly, while the average family size increased slightly.
- ❖ Like the rest of the nation, households headed by a householder between the ages of 45 and 65 increased by 23%.
- ❖ The number of households headed by a householder between the ages of 25 and 44 stayed about the same, increasing by three (3) percent.
- ❖ The number of households with the householder living alone increased by 19%.
- ❖ Median household and family income increased by at least 22%.

Summary of National and State Demographic Trends

- ❖ Households headed by individuals between the ages of 45 and 64 grew the most both nationally and at the state level.
- ❖ Conversely, households headed by younger individuals (e.g. 25 years or less of age) declined during the same period.
- ❖ Household and family sizes did not change significantly.
- ❖ Non-family households continue to represent a larger proportion of all households, particularly those with the householder living alone. The SON predicts this trend will continue between 2010 and 2020.
- ❖ Households are changing in composition, but not so much in size.
- ❖ Despite increases in household and family income, a number of households are still cost-burdened with respect to housing.

National Economic Trends and Cycles

This report draws from the State of the Nation's Housing (2008), produced by the Joint Center for Housing Studies at Harvard University. The report focuses on two key economic trends that have and will continue to affect the production of housing across the county. These trends are the downturn in the housing market in the latter part of the decade, and the increasing number of foreclosures that were, in part, a contributing factor.

Downturn in the housing market

- ❖ Sales fell sharply for the second year in a row. Existing home sales fell 13 percent in 2007 to 4.9 million, while sales of new homes plummeted 26 percent to 776,000, the lowest level since 1996.
- ❖ For the first time since recordkeeping began in 1968, the national median single-family home price as reported by the National Association of Realtors® fell for the year in nominal terms, by 1.8 percent on an annual basis to \$217,900.
- ❖ The National Association of Realtors® (NAR) national median single-family home price declined 6.1 percent from the fourth quarter of 2006 to the fourth quarter of 2007, while the S&P/Case Shiller® US National Home Price Index registered a fourth-quarter to fourth-quarter nominal decline of 8.9 percent.
- ❖ At the start of 2007, quarterly nominal median sales prices were still rising in 85 of 144 metros. By the end of the year, however, prices were increasing in only 26 metros. Fourth-quarter nominal house prices in 2007 fell back to 2006 levels in 12 metros, to 2005 levels in 35 metros, to 2004 levels in 19 metros, and to 2003 or earlier levels in 16 metros.
- ❖ The homeowner vacancy rate jumped from 2.0 percent in the last quarter of 2005 to 2.8 percent in the last quarter of 2007 as the number of vacant units for sale shot up by more than 600,000. In addition, the number of vacant homes held off the market other than for seasonal or occasional use surged from 5.7 million units in 2005 to 6.2 million in 2007.
- ❖ Assuming the vacancy rate prevailing in 1999–2001 was close to equilibrium, the oversupply of vacant for-sale units at the end of last year was around 800,000 units.
- ❖ Nationwide, the number of housing permits issued fell 35 percent from 2005 to 2007, including a 42 percent reduction in single-family permits. Florida topped the list of states with the sharpest cutbacks 2005–2007 at 64 percent, followed by Michigan at 61 percent and Minnesota at 51 percent.
- ❖ Completions of for-rent units in multifamily structures fell to just 169,000, down 15 percent from 2006 and 38 percent from 2000. The rental share of all multifamily completions dipped below 60 percent for the first time in the 43-year history of recordkeeping.
- ❖ The months' supply of unsold new single-family homes rose to more than 11 months in late 2007 and early 2008—a level previously not seen since the late 1970s—before

dropping back slightly. The months' supply of existing single-family homes for sale rocketed to 10.7 months by April 2008.

- ❖ By the end of 2007, the nation had 232,000 fewer construction jobs than a year earlier, dragging down employment growth in many states with previously booming housing markets such as Florida (74,000 construction jobs lost vs. 52,000 other jobs added) and Arizona (25,000 construction jobs lost vs. 23,000 other jobs added).

Foreclosures

- ❖ The number of homes in foreclosure proceedings nearly doubled to almost one million by the end of 2007, while the number entering foreclosure topped 400,000 in the fourth quarter alone.
- ❖ The share of all loans in foreclosure jumped from less than 1.0 percent in the fourth quarter of 2005 to more than 2.0 percent by the end of last year.
- ❖ In the fourth quarter of 2007, Ohio had the country's highest foreclosure rate of 3.9 percent—equivalent to 1 in 25 loans—followed closely by Michigan and Indiana.
- ❖ The foreclosure rate on all subprime loans soared from 4.5 percent in the fourth quarter of 2006 to 8.7 percent a year later, while the rate on adjustable-rate subprime loans more than doubled from 5.6 percent to 13.4 percent. Foreclosure rates on adjustable subprime mortgages were over five times higher than those on adjustable prime loans.
- ❖ Because of their abysmal performance, subprime loans fell from 20 percent of originations in 2005–2006 to just 3.1 percent in the fourth quarter of 2007. The real dollar volume plummeted from \$139 billion in the fourth quarter of 2006 to \$14 billion at the end of last year.
- ❖ Interest-only and payment-option loans fell from 19.3 percent of originations in 2006 to 10.7 percent in 2007, with especially large declines in the nation's most expensive metro areas where loans with affordability features were most common. States with high 2006 shares and large 2007 declines include Nevada (from 41 percent to 25 percent), Arizona (29 percent to 18 percent), Florida (25 percent to 13 percent), and Washington, DC (26 percent to 15 percent).
- ❖ The dollar volume of all non-prime investor loans plunged by two-thirds from the first quarter of 2006 to the third quarter of 2007, and of just subprime investor loans by a whopping seven-eighths.
- ❖ According to the Mortgage Bankers Association, loans to absentee owners also accounted for almost one in five loans entering foreclosure in the third quarter of 2007.
- ❖ In 2006, more than 40 percent of loans on one- to four-unit properties originated in low-income census tracts were high cost, as were 45 percent of such loans originated in low-income minority communities. By comparison, high-cost loans accounted for only 23 percent of originations in middle-income white areas and 15 percent in high-income white areas.

US Housing Market

The US Department of Housing and Urban Development's U.S. Housing Market Conditions (1st Quarter 2008) reported on the following trends in the national housing market, as of first quarter 2008¹⁸.

- ❖ The housing market performed very poorly during the first quarter of 2008, continuing two (2) years of decline. The number of single-family building permits, starts, and completions all declined in the first quarter and new and existing home sales decreased as well. Excessive inventories of both new and existing homes amounted to nearly 10 months' supply. The multifamily sector was somewhat mixed: permits and starts decreased, but completions increased.
- ❖ The subprime meltdown continues, with foreclosure rates on subprime adjustable-rate mortgages (ARMs) doubling over the past year. On the rental side, the vacancy rate increased, but the absorption rate showed some improvement.
- ❖ The overall economy posted a Gross Domestic Product (GDP) growth rate of only 0.6 percent in the first quarter of 2008. The housing component of GDP decreased by 26.7 percent, which reduced GDP growth by 1.2 percentage points.
- ❖ Housing affordability improved in the first quarter of 2008, according to the index published by the NATIONAL ASSOCIATION OF REALTORS®. The composite index indicates that the family earning the median income had 132.3 percent of the income needed to purchase the median-priced, existing single-family home using standard lending guidelines. This value is up 11.5 points from the fourth quarter of 2007 and up 17.8 points from the first quarter of 2007. The increase from the fourth quarter is attributable to a decline (4.6 percent) in the median price of an existing single-family home, an increase (0.2 percent) in median family income, and a 40 basis-point decrease in the mortgage interest rate. The first quarter homeownership rate was 67.8 percent, unchanged from the fourth quarter 2007 rate but 0.6 percentage point below the rate of the first quarter of 2007.
- ❖ The multifamily (five or more units) sector performed better than the single-family sector did in the first quarter of 2008. Production indicators were mixed; building permits and starts decreased, but completions increased. The absorption of new rental units improved, but the rental vacancy rate increased.

¹⁸ US Housing Market Conditions (1st Quarter 2008) U.S. Department of Housing and Urban Development, Office of Policy Development and Research - <http://www.huduser.org/portal/periodicals/ushmc.html>.

State Economic Trends and Cycles

Worksource Oregon's Oregon Labor Trends (May 2008) included the following summary of employment trends in Oregon through the first quarter of 2008.

- ❖ Oregon's seasonally adjusted unemployment rate was 5.7 percent in March and the revised figure for February was 5.4 percent. This puts Oregon's rate well above the 5.0 percent figure reached during March 2007, which was the lowest in over five years.
- ❖ In March, seasonally adjusted payroll employment dropped by 2,700, the first decline in six months. February's figure was revised upward to show a gain of 900 jobs.
- ❖ In March, several major industries recorded substantial seasonally adjusted job declines: trade, transportation, and utilities (-1,600 jobs), manufacturing (-1,300), construction (-700), and leisure and hospitality (-700). These losses were partially balanced by seasonally adjusted job gains in educational and health services (+1,300 jobs) and government (+1,100).
- ❖ Despite the weak March employment in trade, transportation, and utilities, over the past few months' retail trade has shown modest growth, with employment up 2,900, or 1.5 percent, since March 2007. On the other hand, wholesale trade has been hurt by declines in manufacturing and is down 300 jobs during the past 12 months.
- ❖ Manufacturing continued to trend downward in March as durable goods manufacturing shed 1,200 jobs. Durable goods have declined at a rapid rate since reaching a multi-year peak of 156,900 jobs in August 2006. Conversely, nondurable goods manufacturing has expanded over the last two years and has gained 900 jobs since March 2007.
- ❖ Construction posted no employment change during a month in which 700 jobs typically would be added. The March construction employment total of 93,700 was down 6,800 jobs from the year-ago figure. The residential side saw substantial cutbacks in March as residential building construction shed 500 jobs and building foundation and exterior contractors also cut 500 jobs.
- ❖ Seasonally adjusted construction employment peaked at 105,200 in August 2007 and is now down to 97,900 jobs, a loss of nearly 7 percent in seven months' time.
- ❖ The trend in leisure and hospitality shows continued growth. This industry, dominated by restaurant employment, had an over-the-year gain of 5,200 jobs, or close to 3 percent.
- ❖ Educational and health services continued to be the fastest growing major industry, adding 1,700 jobs in March. Since March 2007, it is up 8,400 jobs, or 4.0 percent. Employment trends over the past two years accelerated gradually as older baby boomers moved into their early 60s and as the age 65+ group increased by more than 2 percent per year.

- ❖ Government added 2,400 jobs in March nearly double its expected seasonal gain. It was up 8,100 jobs since March 2007, a gain of 2.8 percent. Local governments have expanded both their educational employment component as well as their other segments. In March, local government employed 195,600, a gain of 5,500, or 2.9 percent, from March 2007.

Summary of National and State Economic Trends

- ❖ Nationally, by the first quarter of 2008, the rapid rate of housing construction that occurred during the 2004-2007 period almost stopped with a slow down in construction and sales.
- ❖ Inventories of units for sale and rent increased to 10 to 11 months' worth of inventory.
- ❖ The rapid rise of home values and prices had started to finally ease, and in some areas decline to more affordable levels.
- ❖ One outcome of this change in the housing market was the increase in the number of homes facing foreclosure.
- ❖ The number of homes facing foreclosure added to inventories of homes for sale, which represented 10 months of supply.
- ❖ The slowdown in home construction and sales had a positive effect for potential consumers with prices decreasing and become more affordable to a greater number of household.
- ❖ However, in Oregon, seasonally adjusted payroll employment was beginning to drop.
- ❖ Concurrent trends of an increasing supply of housing that was potentially becoming more affordable due to prices decreasing to spur sales at the same time payroll employment was declining.
- ❖ Due to circumstances such as foreclosure, more pressure will be placed on the rental housing markets as households that owned or were buying housing need to transition into renting housing.
- ❖ The challenge for planning for housing is exacerbated because households that were cost-burdened a few years ago now face the additional challenges of a supply of housing prices not dropping enough, unemployment, and incomes not keeping up with the price of housing.

Step 3: Identify the local demographic characteristics of the population and, if possible, household trends that relate to demand for different types of housing

The forgoing portion of the HNA examined the relevant national and state demographic and economic trends and their influence on the future mix of housing in Bend. This section continues this examination of trends by looking at demographic and economic trends in Bend, including a description of Bend's population in 2007. This examination of trends begins with a brief examination of how the characteristics of Bend's population have changed since the 2000 Census. This section then focuses on key demographic variables that provide information on households and their housing choices including: 1) Households by type, size, age of householder, and household income; 2) Tenure – whether households are owner or renter occupied, and; 3) Types of housing, including the changes composition of the housing supply.

Characteristics of Bend's Population

The following table presents data on how Bend's population changed from 2000 to 2007. This table compares the data from 2000 Census with the 2007 American Community Survey.

Table 3-1: Bend - 2000 to 2007				
	Census	ACS	Change	% Change
	2000	2007	2000-2007	2000-2007
Population	52,029	73,368	21,339	41%
Household Size	2.42	2.34	-0.08	-3%
Family Size	2.92	2.79	-0.13	-4%
Age of Householder				
Under 25 years	1,674	2,188	514	31%
25 to 44 years	8,615	12,739	4,124	48%
45 to 64 years	6,770	10,534	3,764	56%
65 years and over	4,003	5,156	1,153	29%
Households by Type				
Total Households	21,062	30,617	9,555	45%
Family households (families)	13,396	18,666	5,270	39%
Married-couple family	10,563	14,977	4,414	42%
Nonfamily households	7,666	11,951	4,285	56%
Householder living alone	5,497	7,512	2,015	37%
Householder 65 years and over	1,819	1,834	15	1%
Median household income	\$40,857	\$56,053	\$15,196	37%
Median family income	\$49,387	\$66,740	\$17,353	35%
Sources: 2000 Census data and 2007 American Community Survey (ACS) data from American Factfinder - http://factfinder.census.gov/home/saff/main.html?_lang=en .				

- ❖ Bend's population grew by an estimated 41% between 2000 and 2007, at a rate much faster than that of the populations of the nation or the state.
- ❖ While household and family sizes remained stable nationally and at the state level, both the average household and family sizes each decreased by an estimated three percent.
- ❖ The number of households with a householder between 45 and 64 years of age increased by 56% over the last seven years, representing the largest percentage increase among all householder age groups.
- ❖ The total number of households increased by 45%, with non-family households increasing by 56%.
- ❖ Both the median household and family incomes in Bend increased by at least 35% between 2000 and 2007.

Bend's population has grown significantly since 1990. Between 1990 and 2000, Bend's population grew from 20,469 to 52,029. This change represents an increase of 31,560 people, or 154%. Of these 31,560 new people, approximately 17,060 people were annexed to the city between 1990 and 1998. Actual population growth accounted for an increase of 14,500 people, or 71% over the city's population in 1990.

Bend grew significantly again between 2000 and 2007. The city's population grew by 25,751 over this seven year period, and without being influenced by annexation¹⁹. Bend's average annual growth rate from 2000 to 2007 was 4.5% per year. This reflects the period of high population growth from 2004 to 2006, and slower growth in 2006 and 2007 that mirrored the downturn in the economy.

Table 3-2 : Population Growth of Oregon, Deschutes County, and Bend; 1990 to 2007					
Area	April 1, 1990	April 1, 2000	July 1, 2007	Change 1990 - 2007	Percent Change
Oregon	2,842,321	3,421,399	3,745,455	903,134	32%
Deschutes County	74,958	115,367	160,810	85,852	115%
Bend	20,469	52,029	77,780	57,311	280%
Source: Population Research Center, Portland State University – http://www.pdx.edu/prc/ .					

The following table presents data showing the changes in the composition of Bend's population, based on age groups. Each group includes a number of persons by age, and their numbers in 1990, 2000, and 2007. The percent distribution of the population by age is shown at the end of each table.

¹⁹ See 2007 Oregon Population Report, Population Research Center, Portland State University, available online at: <http://www.pdx.edu/prc/annual-oregon-population-report>.

Table 3-3: Age of Population in Bend: 1990, 2000, and 2007

Age Group	1990	2000	Change	%Change	2000 Distribution
Under 25 years	7,225	18,058	10,833	150%	35%
25 to 44 years	7,413	16,171	8,758	118%	31%
45 to 54 years	1,771	7,459	5,688	321%	14%
55 to 59 years	628	2,209	1,581	252%	4%
60 to 64 years	672	1,701	1,029	153%	3%
65 to 74 years	1,436	3,109	1,673	117%	6%
75 years and over	1,324	3,322	1,998	151%	6%
Total	20,469	52,029	31,560	154%	100%

Age Group	2000	2007	Change	%Change	2007 Distribution
Under 25 years	18,058	21,683	3,625	20%	30%
25 to 44 years	16,171	25,296	9,125	56%	34%
45 to 54 years	7,459	9,331	1,872	25%	13%
55 to 59 years	2,209	5,332	3,123	141%	7%
60 to 64 years	1,701	3,292	1,591	94%	4%
65 to 74 years	3,109	4,110	1,001	32%	6%
75 years and over	3,322	4,324	1,002	30%	6%
Total	52,029	73,368	21,339	41%	100%

Sources: 2000 Census data and 2007 American Community Survey for Bend through American Factfinder: http://factfinder.census.gov/home/saff/main.html?_lang=en.

- ❖ Between 1990 and 2000, the city saw the greatest population growth in people between the ages of 45 and 59 years of age.
- ❖ That trend continued between 2000 and 2007, where the greatest increases in population occurred with people between the ages of 55 to 64 years of age.
- ❖ The proportion of the population under 25 years of age decreased from 35% to 30%.
- ❖ The proportion of the population between 25 and 44 years increased from 31% to 34%.

The next tables present data on tenure, whether housing is owned or rented, by type of households. This presentation includes data on family households and nonfamily households, and breaks this data down further by the age of the householder.

Table 3-4: Tenure by Type of Households				
	Owner occupied households		Renter occupied households	
	Number	Distribution	Number	Distribution
Total Households	18,032	100%	12,585	100%
Family households:	13,031	72%	5,635	45%
Married-couple family:	11,847	66%	3,130	25%
Householder 15 to 34 years	1,889	10%	1,371	11%
Householder 35 to 64 years	7,406	41%	1,610	13%
Householder 65 years and over	2,552	14%	149	1%
Other family:	1,184	7%	2,505	20%
Male householder, no wife present:	196	1%	485	4%
Householder 15 to 34 years	-	0%	271	2%
Householder 35 to 64 years	196	1%	214	2%
Householder 65 years and over	-	0%	-	0%
Female householder, no husband present:	988	5%	2,020	16%
Householder 15 to 34 years	86	0%	1,072	9%
Householder 35 to 64 years	427	2%	870	7%
Householder 65 years and over	475	3%	78	1%
Nonfamily households:	5,001	28%	6,950	55%
Householder living alone:	3,968	22%	3,544	28%
Householder 15 to 34 years	593	3%	785	6%
Householder 35 to 64 years	2,247	12%	2,053	16%
Householder 65 years and over	1,128	6%	706	6%
Householder not living alone:	1,033	6%	3,406	27%
Householder 15 to 34 years	58	0%	2,837	23%
Householder 35 to 64 years	907	5%	569	5%
Householder 65 years and over	68	0%	-	0%
Source: 2007 American Community Survey data for Bend city, Oregon, available online at: http://factfinder.census.gov/home/saff/main.html?_lang=en .				

- ❖ By 2007, 72% of family households were owner occupied households; 45% of family households were renter-occupied households.
- ❖ 28% of non-family households were living in owner occupied housing, and 55% of renter occupied households were non-family households.
- ❖ The total number of households grew from 21,062 in 2000 to an estimated 30,617, an increase of 9,555 households, or 45%.

In addition to the forgoing data on tenure, this report considers household types (family or nonfamily) by size. The purpose for doing so is to consider data on household size and whether households are purchasing or renting housing. The following table compares data on households by type and size for 2000 and 2007. Following this data is a table that compares households by size and the proportions that were owner-occupied and renter-occupied.

Table 3-5: Household Types by Household Size: Estimated Change between 2000 and 2007						
	2000 Census		2007 ACS		Change	% Change
	Number	Distribution	Number	Distribution		
Total:	21,050		30,617		9,567	45%
Family households:	13,554	100%	18,666	100%	5,112	38%
2-person household	6,200	46%	9,118	49%	2,918	47%
3-person household	3,159	23%	3,540	19%	381	12%
4-person household	2,656	20%	4,255	23%	1,599	60%
5-person household	1,049	8%	1,257	7%	208	20%
6-person household	407	3%	496	3%	89	22%
7-or-more person household	83	1%	0	0%	-83	-100%
Nonfamily households:	7,496	100%	11,951	100%	4,455	59%
1-person household	5,516	74%	7,512	63%	1,996	36%
2-person household	1,536	20%	3,115	26%	1,579	103%
3-person household	352	5%	1,066	9%	714	203%
4-person household	66	1%	258	2%	192	291%
5-person household	16	0%	0	0%	-16	-100%
6-person household	5	0%	0	0%	-5	-100%
7-or-more person household	5	0%	0	0%	-5	-100%
Source: 2000 Census data and 2007 American Community Survey data for Bend city, Oregon, available online at: http://factfinder.census.gov/home/saff/main.html?_lang=en .						

- ❖ The number of family households grew by 38% between 2000 and 2007; non-family households grew by 59%.
- ❖ Among family households the number of 2-person households grew the most, by 4-person households increased by a greater percentage.
- ❖ Among non-family households, households with 2 to 4 persons increased the most on a percentage basis; 1 and 2 person households grew the most in number.

Table 3-6: Tenure by Household size for 2000 and 2007 for Bend

	2000 Census		2007 ACS		Change	
	Number	Distribution	Number	Distribution	Number	Percent
Total Households:	21,062		30,617		9,555	45%
Owner occupied:	13,244	100	18,032	100%	4,788	36%
1-person household	2,921	22.1	3,968	22%	1,047	36%
2-person household	5,348	40.4	8,801	49%	3,453	65%
3-person household	2,044	15.4	1,600	9%	-444	-22%
4-person household	1,937	14.6	2,772	15%	835	43%
5-person household	724	5.5	777	4%	53	7%
6-person household	184	1.4	114	1%	-70	-38%
7-or-more person household	86	0.6	0	0%	-86	-100%
Renter occupied:	7,818	100	12,585	100%	4,767	61%
1-person household	2,576	32.9	3,544	28%	968	38%
2-person household	2,451	31.4	3,432	27%	981	40%
3-person household	1,417	18.1	3,006	24%	1,589	112%
4-person household	838	10.7	1,741	14%	903	108%
5-person household	336	4.3	480	4%	144	43%
6-person household	125	1.6	382	3%	257	206%
7-or-more person household	75	1	0	0%	-75	-100%

Source: 2000 Census data and 2007 American Community Survey data for Bend city, Oregon, available online at: http://factfinder.census.gov/home/saff/main.html?_lang=en.

- ❖ Owner occupied households grew by 36% between 2000 and 2007; the number of renter occupied households grew at a greater rate, by 61%.
- ❖ Among owner occupied households, 2-person households grew the most; the number of 3-person households decreased
- ❖ Among renter-occupied households, 3 and 4 person households each increased by at least 108%, with 6 person households increasing by 206%
- ❖ The largest group of owner occupied households are those with 2 persons; the large among renter occupied households are those with 3 persons

The next group of tables presents data on age of household by household income. This is an important variable to consider when planning for housing. These two variables are valuable indicators for identifying housing choices households are making at different points in life and based on what they can afford.

Table 3-7: Households by Age of Householder and Household Income (2007)				
	Under 25 years	25 to 44 years	45 to 64 years	65 years and over
Total	2,188	12,739	10,534	5,156
Less than \$10,000	-	192	230	55
\$10,000 to \$14,999	180	60	188	435
\$15,000 to \$19,999	86	437	842	266
\$20,000 to \$24,999	523	1,033	574	269
\$25,000 to \$29,999	136	1,141	394	313
\$30,000 to \$34,999	-	209	650	221
\$35,000 to \$39,999	-	488	235	279
\$40,000 to \$44,999	387	625	176	545
\$45,000 to \$49,999	230	829	493	96
\$50,000 to \$59,999	420	1,115	1,085	441
\$60,000 to \$74,999	226	2,022	1,227	686
\$75,000 to \$99,999	-	2,205	1,196	807
\$100,000 to \$124,999	-	1,176	1,062	457
\$125,000 to \$149,999	-	417	675	132
\$150,000 to \$199,999	-	325	879	59
\$200,000 or more	-	465	628	95

Table 3-8: Distribution of Households by Age of Householder and Household Income (2007)				
	Under 25 years	25 to 44 years	45 to 64 years	65 years and over
Total	100%	100%	100%	100%
Less than \$10,000	0%	2%	2%	1%
\$10,000 to \$14,999	8%	0%	2%	8%
\$15,000 to \$19,999	4%	3%	8%	5%
\$20,000 to \$24,999	24%	8%	5%	5%
\$25,000 to \$29,999	6%	9%	4%	6%
\$30,000 to \$34,999	0%	2%	6%	4%
\$35,000 to \$39,999	0%	4%	2%	5%
\$40,000 to \$44,999	18%	5%	2%	11%
\$45,000 to \$49,999	11%	7%	5%	2%
\$50,000 to \$59,999	19%	9%	10%	9%
\$60,000 to \$74,999	10%	16%	12%	13%
\$75,000 to \$99,999	0%	17%	11%	16%
\$100,000 to \$124,999	0%	9%	10%	9%
\$125,000 to \$149,999	0%	3%	6%	3%
\$150,000 to \$199,999	0%	3%	8%	1%
\$200,000 or more	0%	4%	6%	2%

- ❖ For households with a householder under 25 years of age, 36% of these households had household incomes under \$25,000; 58% of these households had incomes between \$40,000 and \$74,999.

- ❖ For households with a householder between 25 and 44 years of age, 33% of these households had incomes between \$60,000 and \$99,999.
- ❖ For households with a householder between 45 and 64 years of age, 43% of these households had incomes between \$50,000 and \$124,999.
- ❖ For households with a household that was 65 years of age and over, 51% of these households had incomes between \$40,000 and \$99,999.

The next tables present data on occupancy and tenure trends for Bend between 1990 and 2007. The data on occupancy presents numbers of housing units occupied and vacant. The data on tenure informs the analysis by describing the numbers of units that are owner-occupied and renter occupied. Please note that the number of units described by tenure are occupied and also describe household choices on whether to purchase or rent housing.

Table 3-9: Occupancy and Tenure for Bend: 1990 to 2000						
	1990		2000		Change 1990-2000	%Change 1990-2000
Occupancy	Number	Percent	Number	Percent		
All housing units	9,004	100%	22,507	100%	13,503	150%
Occupied housing units	8,526	95%	21,062	94%	12,536	147%
Vacant housing units	478	5%	1,445	6%	967	202%
Tenure	Number	Percent	Number	Percent	Change 1990-2000	%Change 1990-2000
Occupied housing units	8,526	100%	21,062	100%	12,536	147%
Owner-occupied housing units	4,614	54%	13,244	63%	8,630	187%
Renter-occupied housing units	3,912	46%	7,818	37%	3,906	100%

Source: US Census Bureau STF3 (1990) and SF3 (2000) through American Factfinder, available online at www.factfinder2.census.gov.

- ❖ The proportions of units occupied and vacant did not change significantly between 1990 and 2000.
- ❖ The tenure split did shift during the decade, with the proportion of owner occupied housing increasing by nine (9) percentage points, and the proportion of renter-occupied housing decreasing by a similar amount.

Table 3-10: Occupancy and Tenure for Bend: 2000 to 2007						
	2000		2007		Change 2000-2007	%Change 2000-2007
Occupancy	Number	Percent	Number	Percent		
All housing units	22,507	100%	34,160	100%	11,653	52%
Occupied housing units	21,062	94%	30,617	90%	9,555	45%
Vacant housing units	1,445	6%	3,543	10%	2,098	145%

	2000		2007		Change 2000-2007	%Change 2000-2007
Tenure	Number	Percent	Number	Percent		
Occupied housing units	21,062	100%	30,617	100%	9,555	45%
Owner-occupied housing units	13,244	63%	18,032	59%	4,788	36%
Renter-occupied housing units	7,818	37%	12,585	41%	4,767	61%

Source: 2000 Census and 2007 American Community Survey (ACS) data for Bend from American Factfinder - http://factfinder2.census.gov/home/saff/main.html?_lang=en.

- ❖ During the last seven years, the vacancy rate for housing units increased from six (6) percent in 2000 to 10 percent in 2007. This change represents an increase of 145% over this seven year period.
- ❖ The tenure split shifted in a direction opposite of what happened between 1990 and 2000. The proportion of owner occupied units decreased from 63% to 59%, while the proportion of renter occupied units increased from 37% to 41%.
- ❖ These shifts in occupancy and tenure occurred during the height of the housing bubble and the beginning of its decline, reflecting the number households seeking rental housing.

The next series of tables presents data on the distribution of housing by type, or the number of units in each structure. For example, single family detached housing is identified as “1-unit, detached.” The purpose for considering this data is to see whether the distribution of housing has changed, thereby reflecting different housing choices among Bend households. The first table presents the data on changes in units in structure from 1990 to 2000 followed a table that reflects the same data for 2000 to 2007. Please note that the data considers all housing units regardless of whether they are occupied or vacant. This data is followed by a table that further breaks down the data by whether housing was owned or renter occupied, and how these distributions changed between 2000 and 2007.

Table 3-11: Change in Units in Structure for City of Bend 1990 to 2000						
Units in Structure	1990	2000	Change	% Change	% Distribution	
	Census	Census			1990	2000
1-units detached	5,907	15,027	9,120	154%	66%	67%
1-unit attached	281	792	511	182%	3%	4%
2 to 4 units	990	1,723	733	74%	11%	8%
5 to 9 units	365	1,001	636	174%	4%	4%
10 or more units	978	1,681	703	72%	11%	7%
Mobile home, trailer, or other	483	2,274	1,791	371%	5%	10%
Total units	9,004	22,498	13,494	150%		
Source: US Census Bureau, SFT3 (1990) and SF3 (2000)						

- ❖ Due to both housing construction and annexation, the supply of housing units in Bend grew by 150% between 1990 and 2000.
- ❖ The distribution of units by type did not change drastically over this decade; single family detached dwellings represented 66% to 67% of the supply of housing units.
- ❖ Single family attached units increased slightly from 3% to 4% of the housing units.
- ❖ Multi-family attached units (all other units), decreased slightly, from 31% and 29%, of all units.

Table 3-12: Change in Units in Structure for City of Bend: 2000 to 2007						
Units in Structure	2000	2007	Change		% Distribution	
	Census	ACS	Number	Percent	2000	2007
1-units detached	15,027	23,853	8,826	59%	67%	70%
1-unit attached	792	1,151	359	45%	4%	3%
2 to 4 units	1,723	3,326	1,603	93%	8%	10%
5 to 9 units	1,001	1,362	361	36%	4%	4%
10 or more units	1,681	2,697	1,016	60%	7%	8%
Mobile home, trailer, or other	2,274	1,771	-503	-22%	10%	5%
Total units	22,498	34,160	11,662	52%	100%	100%
Source: 2000 Census and 2007 American Community Survey data for Bend through American Factfinder, available online at www.factfinder.census.gov .						

- ❖ From 2000 to 2007, the supply of housing units increased by 11,662 units, or 52%, and not through annexation.
- ❖ The proportion of housing that was single family detached increased from 67% to 70% of all housing units.

- ❖ The proportion of single family attached increased by 45%, but represented a smaller proportion of the city's housing supply.
- ❖ The proportion of all housing that were multi-family attached also decreased from 29% in 2000 to 27% in 2007.

Table 3-13: Tenure of units in structure for Bend in 2000 and 2007						
	2000 Census		2007 ACS		Change 2000 to 2007	
	Number	Distribution	Number	Distribution	Number	Percent
Total:	21,049	100%	30,617	100%	9,568	45%
Owner-occupied housing units:	13,339	63%	18,032	59%	4,693	35%
1, detached or attached	11,475	55%	16,279	53%	4,804	42%
2 to 9 units	117	1%	360	1%	243	208%
10 or more units	18	0%	50	0%	32	178%
Mobile home and all other types of units	1,729	8%	1,343	4%	(386)	-22%
Renter-occupied housing units:	7,710	37%	12,585	41%	4,875	63%
1, detached or attached	3,379	16%	6,039	20%	2,660	79%
2 to 9 units	2,464	12%	3,946	13%	1,482	60%
10 or more units	1,541	7%	2,386	8%	845	55%
Mobile home and all other types of units	326	2%	214	1%	(112)	-34%
Source: 2000 Census and 2007 American Community Survey (ACS) data for Bend from American Factfinder - http://factfinder.census.gov/home/saff/main.html?_lang=en .						

- ❖ The proportion of single family detached and attached units that were owner occupied decreased over the last seven years. Conversely, the proportion of these types of dwellings that were renter-occupied increased over this same period.
- ❖ While the numbers of owner occupied units that were multi-family attached (2 to 9, 10 or more) increased significantly on a percentage basis, they still represented a very small portion of the supply of owner occupied housing.
- ❖ The proportion both owner and renter occupied units that were mobile or manufactured homes, and other types of housing, decreased over this period.

Local Demographic and Economic Trends

The forgoing sections on local trends examined the characteristics of Bend's population and the changes in these characteristics will influence the demand for housing. This section draws from the city's 2008 General Plan Housing Chapter and 2008 Economic Opportunities Analysis to examine local demographic and economic trends that will influence both the supply of and demand for housing²⁰.

- ❖ Bend's population grew rapidly from 2000 to 2007, increasing by 41% and growing at an annualized rate of 5% per year.
- ❖ By 2007, Bend's population represented 48% of the population in Deschutes County.
- ❖ Most of the population growth in the county occurred through positive net migration; the number of people moving in exceeded the number of people moving out. Between 2000 and 2007, net migration represented 89% of the county's growth in population.
- ❖ Bend's population is forecasted to grow to 115,063 people by 2028; this would represent 45% of the county's population by this year.
- ❖ Bend has higher percentages of college educated workers compared to Deschutes County and the state. This is expected to generate more higher-paying jobs, increase average incomes, and be more responsive to changes in economic trends.
- ❖ Bend's incomes for households were consistent with those of the county, state, and nation. However, Bend had 10% more households with incomes of \$50,000 to \$74,999.
- ❖ Maintaining an adequate supply of land available and zoned appropriately to provide opportunities for a range of housing types needed in Bend in the face of rapid recent and expected continuing population growth. Bend's population increased by 154% between 1990 and 2000 and by another 50% between 2000 and 2005. "The Regional Economist for the Worksource Oregon Employment Department stated that Central Oregon has the highest net migration in the state (29 new residents for every 1,000 in population in 2004)." The inadequate supply of land led to a lack of multi-family units, as high land costs influenced development of luxury townhomes rather than more affordable apartments or condominiums.²¹
- ❖ The rapid increase in population resulted in a growth in demand for workforce housing that outpaced the production of workforce housing units. Between 2000 and 2005, job growth created a demand for 9,057 units of workforce housing while only 8,230 units were produced.²²
- ❖ The housing and land markets appreciated significantly at the beginning of the decade, driving the cost of housing up significantly and leaving relatively few market opportunities for low-cost owner-occupied housing. Land prices reportedly increased three to four-fold

²⁰ See Section 3: Review of National, State, Regional, and Local Trends at pages 12 through 59 of the 2008 EOA.

²¹ Central Oregon Workforce Housing Needs Assessment (2006). Rees Consulting, Inc.

²² Central Oregon Workforce Housing Needs Assessment (2006). Rees Consulting, Inc.

during the past ten years and the median home price increased by 54% between 2001 and 2005. Many housing developers, advocates, other community stakeholders city officials commented on the difficulty of finding land with a purchase price that will allow for the construction of affordable housing.

- ❖ Affordable housing for service workers, both for individuals and families, is in short supply in Bend. Rapid increases in home prices combined with growth in the (low wage) service sector to make it difficult for much of Bend's workforce to live in the city. The Worksource Oregon Employment Department forecasts that between 2004 and 2014, Central Oregon jobs will grow by approximately 24.4% or 17,520 new jobs.²³ There are limited affordable housing grants, down payment assistance programs or other support systems to aid residents in attaining affordable housing. Further complicating the issue is the seasonality of many jobs in the region, such as those in the construction, hospitality and leisure industries. In Deschutes County, approximately 5,000 more jobs exist in the summer than in the winter, making it difficult for the region to meet peak housing needs.
- ❖ The lack of affordable housing for the workforce had a negative effect on employers in Central Oregon. In a survey of 118 private and public sector employers, more than half felt that insufficient availability of affordable housing for the workforce was the most critical problem or one of the more serious problems in the region. These problems affect many aspects of a business, including service levels, hours of operation, and customer satisfaction.²⁴
- ❖ The lack of housing affordable to low and moderate income households led to many area workers purchasing homes and living in other communities, such as Redmond and Prineville. A survey of employers suggests that 23.3% of Bend's workforce lives outside the City of Bend.²⁵ Census data show from 1990 to 2000 shows an increasing number of workers commuting to Deschutes County from other counties.²⁶ Census data on travel times to work further suggest significant numbers of commuters in other Central Oregon cities were commuting to Bend for work.²⁷ This trend exacerbated traffic congestion and other issues caused by rapid growth in the community.
- ❖ Increasing land prices also influenced the conversion of manufactured home parks as land owners sold their land for a large profit or developed the land for a higher return. No new manufactured home parks were developed in Bend since 1998 and the supply of manufactured homes in manufactured home parks decreased from 2,159 units in 2000 to 1,403 units in 2005.²⁸ High land values also stimulated the conversion of rental apartments to condominiums. These processes result in a lack of affordable rental housing at a time when there is a limited amount of rental development.

²³ Central Oregon Workforce Housing Needs Assessment (2006). Rees Consulting, Inc.

²⁴ Central Oregon Workforce Housing Needs Assessment (2006). Rees Consulting, Inc.

²⁵ Central Oregon Workforce Housing Needs Assessment (2006). Rees Consulting, Inc.

²⁶ Commuting Patterns Within Central and South Central Oregon (2003). Steve Williams, Oregon Employment Department. www.qualityinfo.org/olmisj.

²⁷ City of Bend Housing Needs Analysis and Residential Lands Study. June 30, 2005.

²⁸ See City of Bend Buildable Lands Inventory (2005).

- ❖ Special needs populations faced gaps in service delivery, including transitional housing for low-income families, supportive transitional housing for people with substance abuse problems and mental illnesses and some emergency housing. These gaps may be exacerbated by the State of Oregon's budget shortfall.

Summary of Bend's population characteristics, and local demographic and economic trends

- ❖ Bend's population grew much faster than the nation's or the state's between 2000 and 2007
- ❖ This growth included an increase in the number of smaller households, and households with a householder between 45 and 64 years of age.
- ❖ This growth in population also includes an aging of the population; between 2000 and 2007, the number of persons in Bend between 55 and 59 years of age increase by 141%. The number of persons 60 to 64 years of age increased by 94%.
- ❖ Nonfamily households grew at a greater rate (59% to 39%) than family households
- ❖ More households were renting their housing in 2007 than in 2000, but owner occupied households still represented 59% of households in 2007
- ❖ With the downturn in the housing market, the number of vacant housing units increased from 6% in 2000 to 10% in 2007
- ❖ The distribution of housing units also changed with single family detached units representing a greater proportion of units in 2007; the proportion of multi-family units decreased from 29% to 27% of the supply of housing units by 2007.
- ❖ By 2007, there were more households with householders between the ages of 45 and 64 that also had household incomes greater than \$50,000 a year.
- ❖ Land prices had increased rapidly between 2001 and 2005, and during a time when growth in employment occurred in industries with lower wages and income.
- ❖ These same industries are expected to see more growth between 2004 and 2014, and requiring housing affordable for the wages and income that could be earned.
- ❖ Much of the apparently serious affordable housing situation observed during 2005-06 was the result of unique economic conditions that were beginning to moderate during 2006-08, and are unlikely to be repeated during the planning period.²⁹
- ❖ Even under the unique economic conditions of 2000-2005, 91% of needed "workforce housing units" were produced in Bend.³⁰

²⁹ ²⁹ See updated Buildable Lands Inventory, memo to UGB Remand Task Force, August 31, 2011, p. 12.

³⁰ Central Oregon Workforce Housing Needs Assessment (2006). Rees Consulting, Inc.

- ❖ In response to dwindling numbers of affordable mobile home units, City Council has adopted a program to promote re-zoning of closed manufactured home parks to higher-density zoning to provide an incentive for park owners to replace those units with affordable rental housing.
- ❖ By 2007, 41% of all single-family units were occupied as rental units. It appears that a significant share of demand for rental housing is being met by these single-family units. This suggests a continuing need for an adequate supply of land for single-family housing to meet a significant portion of the demand for rental housing.
- ❖ The proportion of single-family detached and single-family attached units that were owner-occupied decreased (55% to 53%) between 2000 and 2007, and the proportion of these dwellings that were renter-occupied increased (16% to 20%). This appears to be a trend toward a higher proportion of rental housing needs being met by SF units rather than by MF units.
- ❖ The overall proportion of single-family units increased slightly between 2000 and 2007, from 67% to 70%. This ratio has held relatively constant since 1990, changing only from 66% in 1990 to 67% in 2000.
- ❖ In 1990 the ratio of owner-occupied units to renter-occupied units was 54:46. By 2000 this ratio had changed in favor of owner-occupied units to 63:37. However, this trend was reversed from 2000-07. During that period the ratio went from 63:37 to 59:41 (Table 13). Also during that period, the number of owner-occupied units increased by only 36% while the number renter-occupied units increased by 61%. This suggests a trend toward increasing opportunities in the single-family detached rental market.
- ❖ Between 2000-2007 households with householders 45-64 years old increased faster than any other age group (56%). This same age group also had the highest proportion of households earning \$50,000 or greater (63%). This suggests that the fastest growing segment of the population has more purchasing power, and therefore has options in selecting housing type and tenure.

Step 4. Determine the types of housing that are likely to be affordable to the projected population based on household income.

4a. Identify the types of housing that are likely to be affordable to the projected population based on household income.

LCDC's November 2010 order identifies the types of housing the City must consider through this housing needs analysis. The Commission's disposition of this matter was based, in part, on ORS 197.303(3)(a), which identifies "needed housing:"

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
- (b) Government assisted housing;
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

The Commission's rules further define the three (3) types of housing that must be considered in the housing needs analysis. The following table lists these three types of housing and how they are classified under the Bend Development Code.

Table 4-1: Comparison of OAR 660, Division 8 Definitions with Types of Housing Allowed under the Bend Development Code.	
OAR 660-008-005, Definitions	Bend Development Code (See BDC Chapter 1.2)
<i>"Attached Single Family Housing" means common-wall dwellings or roughhouses where each dwelling unit occupies a separate lot. OAR 660-008-0005(1).</i>	Dwelling, single family attached
<i>"Detached Single Family Housing" means a housing unit that is free standing and separate from other housing units. OAR 660-008-0005(3).</i>	Courtyard housing Dwelling, single family detached Manufactured home on individual lot
<i>"Multiple Family Housing" means attached housing where each dwelling unit is not located on a separate lot. OAR 660-008-0005(5).</i>	Condominium Two and three family housing (duplex and triplex) Multi-family housing (more than 3 units) Manufactured homes in parks ³¹

The following table displays the changes in the mix of housing in Bend between 1998 and 2008. It includes the mix of housing as of 1998, after the adoption of the current General Plan, between 1998 and 2008, and in 2008. The presentation of housing mix describes three types of housing, consistent with the Commission's Order and OAR 660-008-005³².

³¹ This form of housing is included under "Multiple-family housing" because the density of parks is similar to that of other forms of multi-family housing.

³² See OAR 660-008-005, Definitions, online at http://arcweb.sos.state.or.us/pages/rules/oars_600/oar_660/660_008.html.

Table 4-2: Presentation of Housing Mix						
Type of Housing	Pre-1998		1998-2008		2008	
	Number	Distribution	Number	Distribution	Number	Distribution
SFD	13,439	70%	11,528	73%	24,967	71%
SFA	48	0%	610	4%	658	2%
MFA	5,708	30%	3,596	23%	9,304	27%
Total	19,195	100%	15,734	100%	34,929	100%
Notes: SFD – Single family detached: includes detached single family dwellings and manufactured homes on individual lots SFA – Single family attached: includes attached single family housing such as row houses MFA – Multi-family attached: includes Condominiums, multi-family housing, duplexes, and manufactured homes in parks Source: City of Bend building and land use permit records						

4b. Organize data gathered on household incomes by income range categories (e.g., high, medium, and low. Calculate the percent of total households that fall into each category.)

Table 4-3 below summarizes data from the 1990 Census and the 2000 Census for household income in Bend. This table shows the distribution of households by household income, and the change in this distribution between 1990 and 2000. Please note that by 2000, 62% of Bend's households had household incomes less than \$50,000. A total of 31% of households had incomes between \$50,000 and \$99,999. The remaining 9% of households had incomes of \$100,000 or more. The median household income in 2000 was \$40,857.

Table 4-3: Change in Bend Household Incomes 1990 to 2000			
Household Income	% of Total Households in 1990	% of Total Households in 2000	% Change between 1990 and 2000
Less than \$10,000	15%	7%	12%
\$10,000 to \$14,999	11%	7%	50%
\$15,000 to \$19,999	10%	7%	54%
\$20,000 to \$24,999	11%	7%	41%
\$25,000 to \$29,999	11%	8%	71%
\$30,000 to \$34,999	9%	8%	118%
\$35,000 to \$39,999	7%	6%	114%
\$40,000 to \$44,999	6%	6%	144%
\$45,000 to \$49,999	3%	6%	339%
\$50,000 to \$59,999	6%	10%	289%
\$60,000 to \$74,999	4%	11%	494%
\$75,000 to \$99,999	3%	10%	853%
\$100,000 to \$124,999	1%	4%	1,009%
\$125,000 to \$149,999	0%	2%	869%
\$150,000 or more	1%	3%	1,107%
Median Household Income	\$35,787	\$40,857	58%
Source: US Census Bureau STF3 (1990) and SF3 (2000) available through American Factfinder www.factfinder2.census.gov .			

Table 4-4 shows the distribution of households by income based on the 2007 ACS data for Bend. In 2007, the median household income had increased to \$56,053, or about 37%, since the 2000 Census. At that time 42% of Bend's households earned less than \$50,000. An estimated 37% of Bend's households had incomes between \$50,000 and \$99,999, and the remaining 21% had incomes of more than \$100,000.

Table 4-4: Number of Households by Household Income in 2007		
Income Category	Number	Percent
Total:	30,617	100%
Less than \$10,000	477	2%
\$10,000 to \$14,999	863	3%
\$15,000 to \$19,999	1,631	5%
\$20,000 to \$24,999	2,399	8%
\$25,000 to \$29,999	1,984	6%
\$30,000 to \$34,999	1,080	4%
\$35,000 to \$39,999	1,002	3%
\$40,000 to \$44,999	1,733	6%
\$45,000 to \$49,999	1,648	5%
\$50,000 to \$59,999	3,061	10%
\$60,000 to \$74,999	4,161	14%
\$75,000 to \$99,999	4,208	14%
\$100,000 to \$124,999	2,695	9%
\$125,000 to \$149,999	1,224	4%
\$150,000 to \$199,999	1,263	4%
\$200,000 or more	1,188	4%
Source: American Community Survey data for Bend (2007) available online at www.factfinder2.census.gov .		

The following tables display the data in Table 4-4 in one of three categories: lower, middle, and higher. The purpose for this organization of the data is to better estimate the types of housing that will be affordable to each group based on household income. The households in the "lower" category are those that have household incomes of less than \$50,000; these households represent 42% of all households in 2007. The households in the "middle" category are those that have household incomes between \$50,000 and \$99,999; these households represent 37% of all households in 2007. The households in the "higher" category have household incomes of \$100,000 or more; these households represent 21% of all household in 2007.

Table 4-5: “Lower” household incomes – number of households by income category - 2007

Categories	Number of Households	Distribution among all households
Less than \$10,000	477	1.56%
\$10,000 to \$14,999	863	2.82%
\$15,000 to \$19,999	1,631	5.33%
\$20,000 to \$24,999	2,399	7.84%
\$25,000 to \$29,999	1,984	6.48%
\$30,000 to \$34,999	1,080	3.53%
\$35,000 to \$39,999	1,002	3.27%
\$40,000 to \$44,999	1,733	5.66%
\$45,000 to \$49,999	1,648	5.38%
Subtotals	12,817	42%

Table 4-6: “Middle” household incomes – number of households by income category - 2007

Categories	Number of Households	Distribution among all households
\$50,000 to \$59,999	3,061	10.00%
\$60,000 to \$74,999	4,161	13.59%
\$75,000 to \$99,999	4,208	13.74%
Subtotals	11,430	37%

Table 4-7: “Higher” household incomes – number of households by income category - 2007

Categories	Number of Households	Distribution among all households
\$100,000 to \$124,999	2,695	8.80%
\$125,000 to \$149,999	1,224	4.00%
\$150,000 to \$199,999	1,263	4.13%
\$200,000 or more	1,188	3.88%
Subtotals	6,370	21%

The organization of households by income into of these three groups is based in part on the distribution of the data. The ACS reports the number of households within a certain income range (e.g. \$50,000 to \$59,999). The data does not include a distribution by the actual value – household income – for organizing households into categories.

4c. Considering local housing prices for the same timeframe as the income data, identify the structure types financially attainable by each income. ³³

The following data describes local housing prices as of 2007 and early 2008. The data sources include the American Community Survey, which reported limited data on this topic in 2007³⁴. The ACS reports values of owner-occupied units, but not by type of unit (e.g. single family detached).

Table 4-8: Value of Owner-Occupied Units					
	Number of Units		Distribution Owner-Occupied Units		Distribution All Housing Units
Total:	18,032		100%		53%
Less than \$50,000	658		4%		2%
\$50,000 to \$99,999	306		2%		1%
\$100,000 to \$149,999	186		1%		1%
\$150,000 to \$199,999	815		5%		2%
\$200,000 to \$299,999	3,520		20%		10%
\$300,000 to \$499,999	7,375		41%		22%
\$500,000 to \$999,999	4,232		23%		12%
\$1,000,000 or more	940		5%		3%
Source: American Community Survey data for Bend (2007) available online at www.factfinder2.census.gov .					

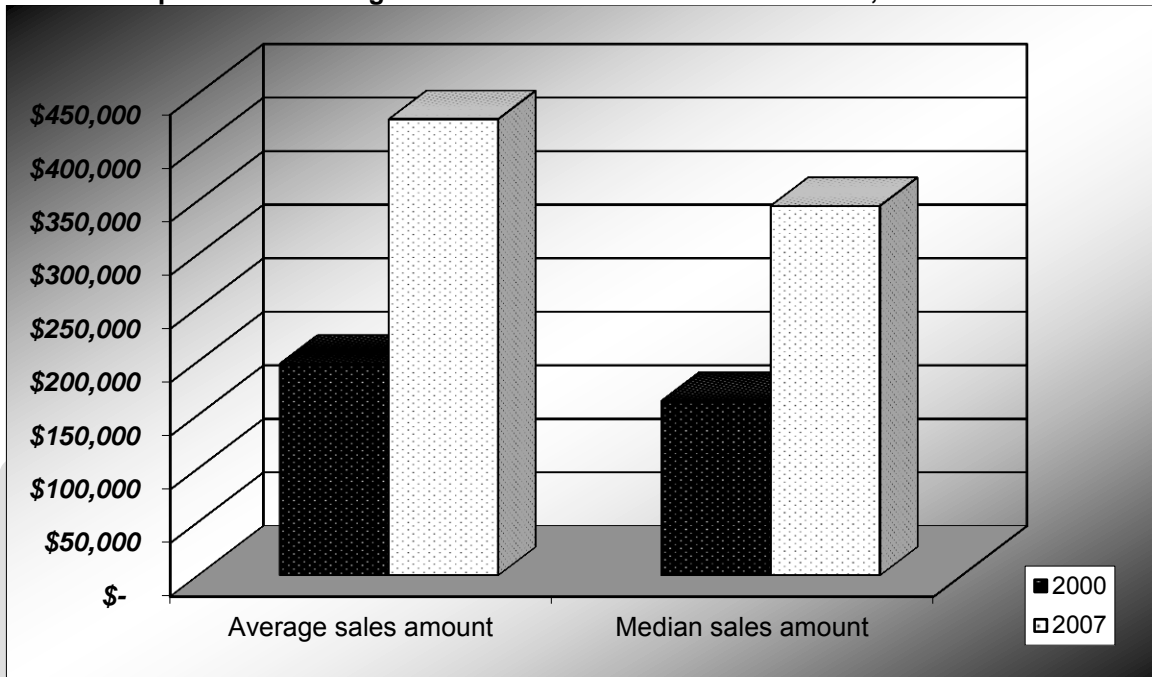
Table 4-8 shows that by 2007, 41% of the owner occupied units in Bend were valued between \$300,000 and \$499,999. An estimated 28% of the owner occupied units were \$500,000 or more in value. Approximately 32% of the owner occupied housing units in 2007 were valued at \$299,999 or less. Figure 1 below shows the changes in average and median sale values for housing in 2000 and in 2007³⁵.

³³ Please note that the 1997 guidebook directs the reader to consider structure types and tenure. For the purpose of this analysis, LCDC concluded that the city is not required to consider tenure in this HNA because the City does not regulate housing by tenure. See Order pages 26-33.

³⁴ The 2007 ACS data is available online at www.factfinder2.census.gov.

³⁵ See Central Oregon Association of Realtors for quarterly and yearly sales data at <http://www.centraaloregonrealtors.com/index.php?action=resources.stats>.

Figure 1
Comparison of Average and Median Sales Amounts for Bend, 2000 and 2007



Note: Data presented end of calendar years 2000 and 2007

Source: Central Oregon Association of Realtors - <http://www.centraleregonrealtors.com/index.cfm>

The price of housing has continued to rise between 2000 and 2007. In 2000, the median sales amount for residential property in Bend was \$163,000. By end of 2007, the median sales amount was \$345,000, an increase of \$182,000, or 112%, over this seven year period.

Table 4-9: Change in Housing Prices in Bend, 2 nd qtr 2004 through 2 nd qtr 2008						
Median Sales Amounts for...	Through Second Quarter of...					% Change '07-'08
	2004	2005	2006	2007	2008	
Single family	\$217,500	\$258,000	\$343,950	\$349,250	\$307,000	- 12.10%
Condo/Townhome	\$197,500	\$239,050	\$316,750	\$315,000	\$322,500	+ 2.38%
Manufactured Homes	\$125,000	\$138,500	\$198,450	\$185,000	\$172,500	- 6.76%

Source: Central Oregon Association of Realtors - <http://www.centraleregonrealtors.com/index.cfm>

The data reflect a shift in the housing market between 2006 and 2008. The median prices for single family homes increased between the 2nd quarter of 2004 and the 2nd quarter of 2007 by \$131,750 or 61%. Prices for new single family homes showed a decrease of 12% between 2nd quarter 2007 and 2nd quarter 2008. Table 4-10 shows the change in all types of housing units available for rent by their monthly cash rent between 2000 and 2007.

Table 4-10: Contract Rent (number of housing units rented for cash)				
	2000 Census		2007 ACS	
	Number	Distribution	Number	Distribution
Total:	7698	100%	12,585	100%
With cash rent:	7552	98%	12,507	99%
Less than \$200	245	3%	203	2%
\$200 to \$299	199	3%	83	1%
\$300 to \$499	2146	28%	897	7%
\$500 to \$749	3031	39%	5,098	41%
\$750 to \$999	1655	21%	3,845	31%
\$1,000 or more	276	4%	2,381	19%
No cash rent	146	2%	78	1%
Note: The number of units included in this table includes all types of units available for rent in Bend in 2000 and 2007. Source: American Community Survey data for Bend (2007) available online at www.factfinder2.census.gov .				

The units for rent for \$499 or less decreased between 2000 and 2007. By 2007, these units represented 10% of the units for which cash rent was sought; in 2000, the stock of rental units available for these rents represented 34% of the units rented. Conversely, the proportion of units available for rent for \$500 or more increased between 2000 and 2007. By 2007, this proportion of rental units represented 92% of the units rented. The data does not show a clear link between household income and the type of housing being purchased or rented (e.g. households with income x living in housing type y). For the purpose of completing this step, the following estimates the type of structure financially attainable by each income group listed above in Tables 4-6 through 4-8.

For “Lower” income category households (\$49,999 or less in household income):

- More likely to rent
- More likely to require some assistance to make monthly housing payments for those households with lower incomes in this category
- This assistance may include vouchers to make monthly rent payments, and possibly subsidized housing.
- More likely to rent multi-family attached housing, including mobile homes in parks.

For “Middle” income category households (\$50,000 to \$99,999):

- More likely to rent depending on incomes and household sizes
- More likely to buy at higher end of this range
- More likely to rent single family detached, multi-family attached housing.
- More likely to buy single family detached housing, particularly single family dwellings on their own lot.

For “higher” income category households (\$100,000 or more):

- Have more choices in housing market because of more purchasing power
- More likely to buy single family detached housing, particularly single family dwellings on their own lots.
- May buy single family attached housing or multi-family attached housing if households are smaller.

Step 5. Estimate the number of additional needed units by structure type.

5a. Describe the relationship between household size and structure type and tenure. Estimate likely shifts in the number of households by household size in 20 years and the implications for housing choice.

The sizes of households and families remained stable nationally and in Oregon between 2000 and 2007. For Bend, household sizes remained fairly stable between 1980 and 2000. In 2000, the Census reported a household size of 2.42 persons per household in Bend. The 2007 ACS estimated household size at 2.34, a decrease of about 0.08 persons per household or 4% since the 2000 Census. Family size has also decreased in Bend during this period from 2.92 persons per family to 2.79 persons per family, a decrease of 5%. The 2007 ACS also estimates that the average household sizes of owner-occupied housing at 2.31 persons per household, and 2.4 persons per household for renter-occupied housing.

Table 5-1: Persons Per Household in Bend in 1990 and 2000

Type of Household	1990	2000	Change	% Change	% of Total
1 person	2,515	5,516	3,001	119%	26%
2 persons	3,031	7,736	4,705	155%	37%
3 persons	1,353	3,511	2,158	159%	17%
4 persons	1,087	2,722	1,635	150%	13%
5 persons	377	1,065	688	182%	5%
6 persons	98	412	314	320%	2%
7 or more persons	75	88	13	17%	0%
Total households	8,536	21,050	12,514	147%	100%

Source: US Census Bureau STF3 (1990) and SF3 (2000)

As shown in Table 5-2 below, as of 2007, 1-person households still represented roughly one-quarter of all households in Bend. The proportion of 2-person households increased from 37% to 40% of all households. The proportions of 3- and 4-person households did not change significantly, each representing about 15% of Bend’s households in 2007.

Table 5-2: Persons Per Household in Bend 2007		
Household Size	Number of Households	Distribution
1-person household	7,512	25%
2-person household	12,233	40%
3-person household	4,606	15%
4-person household	4,513	15%
5-person household	1,257	4%
6-person household	496	2%
Source: American Community Survey data for Bend (2007) available online at www.factfinder2.census.gov .		

In 2007, 65% of Bend's households were 1 or 2 person households. The remaining 35% of Bend households had 3 or more persons per household. The following table describes household size by tenure; the proportions of households by size that were purchasing or renting housing in 2007. The tenure split shown in Table 5-3 is noteworthy because it indicates that while 59% of all units were owner-occupied, the remaining 41% were occupied by renters. This contrasts with the housing type split for single-family dwellings and for multi-family dwellings as of 2007, shown in Table 4-2. That table indicates that the ratio of single-family dwellings to all other types of housing was 70:30. This confirms that a significant share of Bend's rental housing demand is being met by single-family detached units.

Table 5-3: Households by tenure and household size (2007)			
	Number of Households	% Distribution of all Households	% Distribution by Tenure Category
Total:	30,617	100%	
Owner occupied:	18,032	59%	100%
1-person household	3,968	13%	22%
2-person household	8,801	29%	49%
3-person household	1,600	5%	9%
4-person household	2,772	9%	15%
5-person household	777	3%	4%
6-person household	114	0%	1%

Table 5-4: Households by tenure and household size (2007)			
	Number of Households	% Distribution of all Households	% Distribution by Tenure Category
Renter occupied:	12,585	41%	100%
1-person household	3,544	12%	28%
2-person household	3,432	11%	27%
3-person household	3,006	10%	24%
4-person household	1,741	6%	14%
5-person household	480	2%	4%
6-person household	382	1%	3%
Source: American Community Survey (2007) available online at www.factfinder2.census.gov .			

By 2007, almost half (49%) of owner-occupied households were 2 person households. Approximately 71% of all owner occupied households were 1 to 2 persons in size. The remaining 29% of owner occupied households were 3 or more persons in size. An estimated 79% of all renter occupied households were between 1 and 3 persons in size in 2007, with the remaining 21 percent between 3 and 6 persons in size. The following table shows the proportions of Bend households by size in 1990, 2000, and 2007. Please note, that during this period, 1 and 2 person households have remained the majority of all households.

Table 5-5: Changes in Distribution of Households by Size			
	1990	2000	2007
1-person households	29%	26%	25%
2-person households	36%	37%	40%
3-4 person households	29%	30%	30%
5 or more person households	6%	7%	6%
	100%	100%	100%
Source: 1990 and 2000 Census data, 2007 American Community Survey data for Bend through American Factfinder – www.factfinder2.census.gov . Percentages may not add to 100% due to rounding.			

1-person households have represented between 25% and 29% of Bend's households from 1990-2007. The number of these households increased between 2000 and 2007, and their proportion of all households has remained around one-quarter of all households.

2 person households have represented between 36% and 40% of all households, with the proportion of these households increasing between 2000 and 2007.

3- and 4-person households combined have represented between 30% and 40% of all households between 1990 and 2007. The proportion of all households that are 3 or 4 persons in size has decreased from 39% in 1990 to 30% in 2007.

5 or more person households have consistently represented between 6% and 7% of all households between 1990 and 2007.

Over the next 20 years, households with 1 to 2 persons per household are expected to represent the largest category of households by size. To consider the types of housing households are choosing, by their size, we can turn to the ACS data on family and nonfamily households. The data on household size by units in structure (e.g. single family detached), is limited. The data available includes family and nonfamily households, by their size, and some data on their choice of housing in 2007. In 2007, the ACS estimated a total of 30,617 households in Bend, of which 18,666 households were family households. Table 5-5 displays the data on the distribution of these households by size, and then by their chosen form of housing.

Table 5-6: Family Households in Bend (2007)

Family Households By Size			Family Households By Housing Type		
Size	Number	Distribution	Type	Number	Distribution
2-person	9,118	49%	1-unit structures	15,297	82%
3-person	3,540	19%	2-or-more-unit structures	2186	12%
4-person	4,255	23%	Mobile homes and all other types	1,183	6%
5-person	1,257	7%			
6+-person	496	3%			

Source: 2007 American Community Survey data for Bend through American Factfinder – www.factfinder2.census.gov

The ACS shows that just less than half of family households were 2-person households. Approximately 42% of family households were 3- or 4-person households. Compare this data to what types of housing they inhabited; 82% of family households were living in 1-unit structures, while 12% were living in structures with two or more units³⁶. This is surprising given the large proportion of family households that are 2-person households. This suggests that family households are choosing single-family detached units to purchase or rent. In 2007, the ACS estimated a total of 11,951 nonfamily households in Bend. The following table displays the same data for nonfamily households in 2007.

³⁶ See Table 4-2 on mix of housing types in Bend. Most single family units in Bend were single family detached units.

Table 5-7: Nonfamily Households in Bend (2007)

Nonfamily Households By Size			Nonfamily Households By Housing Type		
Size	Number	Distribution	Type	Number	Distribution
1-person	7,512	63%	1-unit structures	7,021	59%
2-person	3,115	26%	2-or-more-unit structures	4,556	38%
3-person	1,066	9%	Mobile homes and all other types	374	3%
4-person	258	2%			

Source: 2007 American Community Survey data for Bend through American Factfinder – www.factfinder2.census.gov.

The largest category of nonfamily households was 1-person households. Households composed of 2-persons represented a quarter of all non-family households. Like family households, a majority of non-family households were living in 1-unit structures (e.g. single family dwellings), with a smaller proportion living in 2 or more unit structures. Although the shares are somewhat different for family households and non-family households, Table 5-6 also suggests that a large majority of non-family households (63%) are occupying single-family detached units, whether owned or rented. For both family and non-family households, a small proportion of households were living in mobile homes and all other types of housing.

5b. Age of household head: Based on the data gathered under 3a, describe the relationship between age of household head and structure type and tenure. Estimate likely shifts in the number of households by age of household head in 20 years and the implications for housing choice.

Table 5-7 shows the distribution of households in Bend in 2007 by the age of their householder.

Table 5-8: Distribution of Households by Age of Householder (2007)	
Householder 15 to 24 years	7%
Householder 25 to 34 years	22%
Householder 35 to 44 years	19%
Householder 45 to 54 years	18%
Householder 55 to 59 years	10%
Householder 60 to 64 years	6%
Householder 65 to 74 years	8%
Householder 75 to 84 years	7%
Householder 85 years and over	2%
Source: 2007 American Community Survey data for Bend – www.factfinder2.census.gov .	

Table 5-8 shows that most households in Bend – approximately 70% - were headed by a householder between 25 and 59 years of age. Approximately 28% of all householders were 45 to 59 years of age. Table 5-9 shows the distribution of which households – based on age of householder – were purchasing or renting housing in 2007.

Table 5-9: Distribution of Households by Age of Householder and Tenure (2007)		
Age of Householder	Owner-occupied Households	Renter-occupied Households
Householder 15 to 24 years	1%	16%
Householder 25 to 34 years	14%	34%
Householder 35 to 44 years	19%	21%
Householder 45 to 54 years	21%	13%
Householder 55 to 59 years	13%	7%
Householder 60 to 64 years	9%	2%
Householder 65 to 74 years	12%	3%
Householder 75 to 84 years	11%	2%
Householder 85 years +	1%	3%
Source: 2007 American Community Survey data for Bend through American Factfinder – www.factfinder2.census.gov .		

By 2007, owner-occupied households were almost evenly split between householders 54 and younger and 55 and older. At this time, 55% of the owner-occupied households were headed by a householder 54 years of age or less. The remaining 46% of households were headed by householders 55 years of age and older. For renter-occupied households, most households were headed by householders less than 34 years of age. An estimated 50% of householders renting housing were 34 years of age or less; the remaining 50% were 35 years of age and older. The following table expands on this analysis to the choices households made to purchase or rent housing by the type of housing.

Table 5-10: Distribution of Households by Tenure and Housing Type		
Type	Owner occupied Households	Renter occupied Households
1, detached or attached	90%	48%
2 to 9 units	2%	31%
10 or more units	1%	19%
Mobile home and all other types	7%	2%
Source: 2007 American Community Survey data from American Factfinder – www.factfinder2.census.gov .		

For both owner occupied households and renter occupied households, the form of housing most often purchased or rented was a single family detached or attached unit. Table 4-2 shows most of the single family units were detached units. Very few owner occupied households were living in structures with 2 or more units in 2007, and only seven (7) percent of owner occupied households were living in manufactured homes. For renter occupied households, 48% of all households were living in 1-unit structures, detached or attached. The second largest group was renter occupied households residing in structures with 2 to 9 units. This suggests that when considering meeting future housing needs, single family detached and attached units were chosen by either owner or renter occupied households before other types of housing, including those with 2 to 9 units in a structure. For both categories of household, structures with 10 or more units were chosen less than these other types.

5c. Based on the analysis in Steps 5a and 5b, and on knowledge about national, state, and local housing condition and trends and analysis in Step 4, describe how the characteristics of the projected households will likely affect housing choice. Consider trends in housing and land prices. Document conclusions drawn from the analysis, including a description of how and why local conditions and/or trends are expected to differ from the national and state trends.

Smaller households with lower household incomes, including family households, will have limited options for housing. These households will be more likely to rent detached single family dwellings and multi-family attached dwellings. Households toward the lower end of the income scale may still require some kind of assistance to meet monthly housing costs (e.g. rent, energy), regardless of land supply or the mix of housing provided by the market. Younger households, those with a household head less than 34 years of age, will more likely rent multi-family attached.

Two-person households are continuing to become a larger proportion of all households. These households have increased in number, and they choose single family detached housing more often by owner and renter occupied households. Single family attached does not represent a significant proportion of Bend's housing stock. Three and four person households represent 30% of Bend's households; more of these households rent than buy housing. Large majorities of both family and non-family households in Bend are choosing single family structures – both detached and attached – for housing. In 2007, 82% of family households and 59% of non-family households were living in 1-unit structures (See Tables 5-5 and 5-6).

This discussion of Bend households and their characteristics highlights one of many differences between local conditions and how they differ from national and state trends³⁷. As indicated earlier, while household and family sizes increased over the last seven years nationally and statewide, Bend saw decreases. From 2000 to 2007, average household size decreased by 3% and average family size by 4% in Bend. Bend saw greater growth in households headed by householders between the ages of 25 and 44 and householders between the ages of 45 and 64 than the nation and the state. This was also related to greater growth in households in Bend, on a percentage basis, than the nation and the state. Growth in family and nonfamily households occurred at a faster rate in Bend. Finally, while median household and family income grew around 22% nationally and statewide, Bend saw median household income grow by 37% and median family income grow by 35% since 2000.

³⁷ See Tables 2, 3, and 4, September 2, 2011 memorandum to the Remand Task Force on Steps 1-3 of the Housing Needs Analysis.

5d. Describe trends in construction by structure type and how future construction trends will likely be affected by changing demographics.

While the City will be forecasting housing needs using three structure types (single family attached, single family detached, and multi-family attached), the following table presents data on units permitted through building permits from 1999 to 2007³⁸.

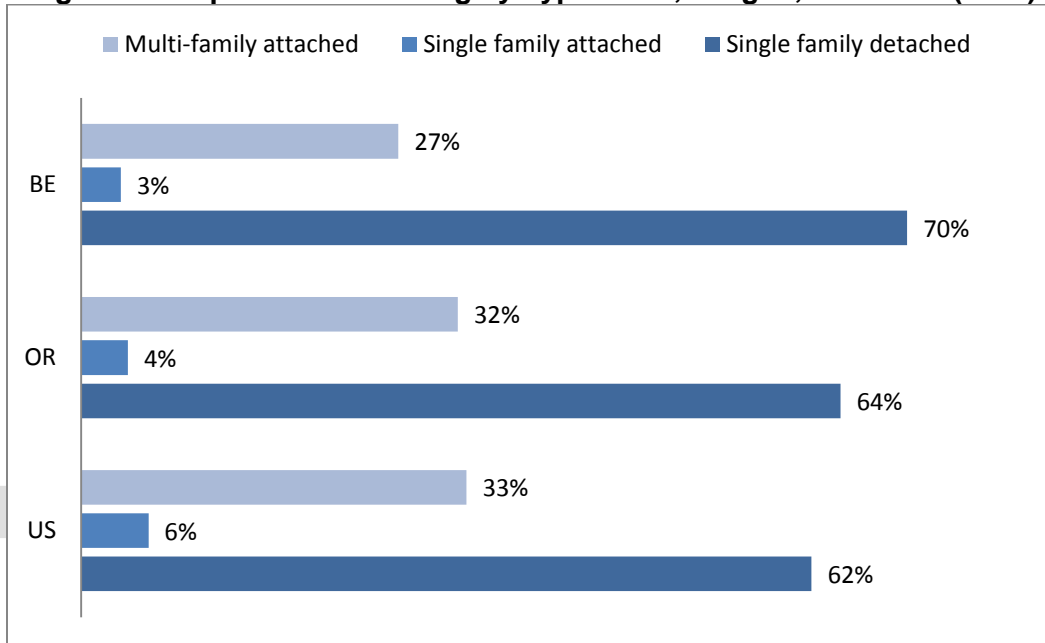
Table 5-11: Types of Housing Permitted in Bend, 1999-2007				
Structure Type	Total Units 1999-2007	Annual Average	Total Distribution 1999-2007	Annual Average Distribution
Single family detached	10,589	1,177	69%	73%
Single family attached	466	52	3%	3%
Two-family dwellings	1,037	115	7%	7%
3 and 4 family dwellings	371	41	2%	3%
5 or more family dwellings	1,588	176	10%	11%
Mobile Homes	425	47	3%	3%
Totals	14,476	1,608	100%	100%
Source: City of Bend building statistics, available on-line through: http://www.ci.bend.or.us/depts/community_development/building_division_2/building_statistics.html				

Most of the housing units permitted were single family detached dwellings. The second largest category behind SFD's was multi-family attached housing with five or more units. The third largest group was two-family dwellings, a.k.a. duplexes. Duplexes represented 7% of the units permitted between 1999 and 2007. In 2000, the Census counted 1,723 units, 8% of all housing units that were duplexes, triplexes, and fourplexes. During this time (1999-2007) 1,037 units, or about 7% of all units permitted, were duplexes. Adding triplexes and fourplexes in with duplexes represents 1,408 units, or 10% of all units. This suggests that some of Bend's demand for non-single-family detached types of housing could be met with these types of housing. While the proportions of single family detached, two-family dwellings, and 5 or more family dwellings increased, the proportions of single family attached, 3 and 4 family dwellings, and mobile homes have remained the same or slightly decreased.

With respect to changing demographics, household size has been decreasing in Bend since 2000. At the same time, the number of households headed by a householder between the age of 45 and 64 increased. Households with 1 or 2 persons are still the largest segment of households in Bend. These demographic trends might suggest potential demand for more attached housing, perhaps more single family attached housing. However, construction trends in Bend have shown that most of the units permitted between 2000 and 2007 have been single family detached. Multi-family attached housing represented 19% of the permitted units. Single family attached units represented three (3) percent of the permitted units. This is one trend where Bend's housing stock is changing in ways different from the nation or the state. The following figure shows the proportion of housing by type comparing the nation, state, and Bend.

³⁸ See discussion in Commission's Order at pages 31 through 33.

Figure 2: Proportion of Housing by Type in US, Oregon, and Bend (2007)



Source: American Community Survey – www.factfinder2.census.gov.

By 2007, approximately 70% of the housing in Bend was single family detached housing. This proportion of single family detached housing was higher than the Nation's or the State's. While demographic trends indicate that smaller and older households would suggest greater demand for attached housing, these trends are occurring at the same time single family detached housing has been permitted more often than other types of housing. By 2007, 82% of family households and 59% of nonfamily households were living in one-unit structures. According to the data on mix of housing, the majority of single unit structures in Bend were single family detached housing. Single-family detached units can be expected to continue to dominate as the preferred housing type in Bend, whether for owners or renters, and whether family or non-family households. Production of significant numbers of single-family detached units will be needed during the planning period to meet this large segment of total demand.

5e. Estimate the number of additional units by structure type needed for new households. Allow for a vacancy rate to provide for housing choice.

The housing unit forecast for Bend is 16,681 new housing units to house 38,512 people between 2008 and 2028. This forecast included a 6.4% vacancy rate³⁹. In 2007, the mix of housing in Bend was 71% single family detached, 2% single family attached, and 27% multi-family attached (See Table 4-2). The current distribution of households by income shows 42% of households in Bend have household incomes of less than \$50,000. This data suggests a need for additional housing affordable for these households. In addition, household composition is changing, with more non-family households and smaller (1 to 2 person) households. This change in demographics would suggest a stronger demand for multi-family attached housing. However, the trend data on recent construction and tenure suggest both owner and renter

³⁹ Please note that this rate was the City's vacancy rate reported in the 2000 Census results for Bend – www.factfinder2.census.gov.

occupied households, including smaller households, are purchasing or renting single family detached housing. These demographic trends indicate a preference for smaller detached units – single family detached or attached – rather than more multi-family attached units. At the same time, the significant share of households earning less than median income suggest that a somewhat greater share of multi-family attached units than exists in 2007 will be needed to meet total housing needs during the 2008-28 planning period.

This analysis proposes a mix of housing intended to ensure that an adequate supply of land is available for all forms of needed housing, including multi-family attached housing. This proposed mix also reflects that a significant proportion of future needed housing will continue to be single family detached.

Table 5-12: Proposed Mix of Housing for 2008 to 2028		
Type	Proportion	Number
Single family detached	65%	10,842
Single family attached	2%	334
Multi-family attached	33%	5,505
Totals	100%	16,681
Note: the total number of housing units reflected in the third column is the 2008-2028 housing unit forecast of 16,681 units.		

“Single family detached housing” includes both site-built single family detached dwellings and manufactured homes on their own lots. This category includes those dwellings classified as detached single family dwellings under OAR 660-008-005(3). The proposed proportion of 65% is intended to ensure an adequate supply of land for detached single family units. This proportion is based on an assumption that, consistent with demographic and economic trends, including recent construction trends, most of the housing produced will be single family detached. Going forward, the City also assumes that this proportion for single family detached will include adequate land for smaller detached housing units such as cottage housing and courtyard housing. These forms of detached housing are examples of single family detached housing that can be developed at higher densities (e.g. 8 to 12 units/acre) in the RM Zone and RM-10 Zone. This proportion (65%) is less than the current proportion (71%) of single family detached dwellings in Bend. This proposed proportion of 65% is not based on assumption that demand for single family detached dwellings will decrease over time. It indicates that the supply of this type of housing exists to meet the projected need and that the proportion of housing in other categories must be adjusted to ensure an adequate supply of land for these types of housing.

“Single family attached housing” consists of attached single family housing under the Bend Development Code. This category includes those dwellings classified as attached single family dwellings under OAR 660-008-005(1). The proposed proportion of 2% recognizes that this proportion of the housing stock has decreased over time, and with changing household characteristics – e.g. smaller and older households – has not increased in proportion. This proposed proportion is also based on an assumption, reflected in the forgoing discussions of housing mix, that other forms of housing are needed more than single family attached housing.

“Multi-family attached housing” consists of all other types of housing, including condominiums, duplexes, multi-family attached housing (3 or more units under Bend Development Code), and manufactured homes in parks. This category includes those dwellings classified as multiple

family housing under OAR 660-008-005(5). This proposed proportion of 33% is intended to ensure an adequate supply of land for duplexes, condominiums, and multi-family attached housing. The proportion of 33% is also recommended to provide the opportunity to increase the supply of this form housing for some households with household incomes of less than \$50,000. Going forward, this proposed proportion also assumes less housing will be provided in the form of new manufactured homes in parks. This proportion of additional multi-family attached housing (33%) would assume 5,505 new units of multi-family attached housing and an increase of 59% over the supply of 9,304 units in 2008. During the last seven years, on an annual basis, 73% of new housing units permitted were single family detached dwellings and 21% were multi-family attached dwellings⁴⁰. Using a higher proportion of multi-family attached housing in the proposed mix will support the addition of land both inside the current UGB and in the UGB expansion to ensure an adequate of supply of land for this type of housing.

Table 5-13, Change in Mix of Housing By 2028

Type	Distribution in 2008	Change 2008 to 2028	Distribution in 2028	% Distribution by 2028	% Change 2008-2028
SFD	24,967	10,842	35,809	69%	43%
SFA	658	334	992	2%	51%
MFA	9,304	5,505	14,809	29%	59%
	34,929	16,681	51,610	100%	

Source: Data in Tables 4-2 and 5-11

⁴⁰ See Table 5-10 of this memorandum.

Bend UGB Remand Task Force



April 5, 2012 Meeting

Recap



- Buildable lands inventory (BLI):
 - Presentation and Discussion June 2, 2011
 - Presentation of Draft BLI Sept 8, 2011
- Housing needs analysis (HNA):
 - Presentation and Discussion July 28, 2011
 - Presentation of Draft memo, Steps 1-3, Sept 8, 2011
 - Presentation of Draft memo, Steps 4-5, Nov 10, 2011
 - March 2012 draft includes the work reviewed in September and November

HNA Task 3, Step 6



- Shows density of housing developed in Bend increasing over time, 1998-2008 (Table 1)
- Relies on three (3) types of housing: single family detached, single family attached, multi-family attached
- Considers mix of housing by type and zone currently, and with changes based on HNA
- Compares allowed and actual built densities by zone
- Provides initial estimate of number of net needed acres by 2028 (Table 6)
- Completes Housing Needs Analysis

Task 4 – density/mix of housing



- This is first step in using both the BLI and the HNA to estimate future land need for housing.
- Mix of housing: actual vs. needed
 - -6% less single family detached
 - No changes on single family attached
 - +6% more multi-family attached
- Density of housing: actual vs. needed
 - Projecting continuation of actual (2008) densities
 - + 1 (one) unit per acre in average needed net density
 - 23% increase above actual net density

Task 4 – density/mix of housing



- Density of housing: actual (2008)
 - Single family detached: 3.6 units per net acre
 - Single family attached: 9.4 units per net acre
 - Multi-family attached: 11.5 units per acre
- Bend residential plan designations have density ranges broad enough for needed housing at actual net densities
- No changes to designations needed to accommodate housing at higher densities

Next steps on Residential remand



- Determine capacity of current UGB for future housing
- Next, move on to developing measures for meeting needs inside boundary
- Then, re-calculate capacity to determine extent of need that can't be accommodated and must be met through expansion of UGB.