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bcc

Subject UGB Expansion



2112 NE 4th St., Bend Oregon 97701

January 30, 2008

Bend Urban Area Planning Commission
City of Bend
710 NW Wall St.
Bend, OR 97701

RE: Bend UGB Residential Land Needs analysis

Dear Chairman Walkey and Commissioners,

COAR is gratified with the direction that the city's UGB proposal has taken. We appreciate the time and energy that the Bend Planning Commission and Deschutes County Commissioners Quatre, Pace and Smith have invested in this process. The city's original proposal was flawed. Fortunately, the Planning Commission took charge of the project and elected to reexamine the analyses and decisions that went in to the map boundaries the city introduced in June.

We are also supportive of the city council's policy statements that were approved in November. They represent a refreshing change in perspective. The city council's decision not to recommend a specific acreage from Juniper Ridge to be included in the new UGB is a step in the right direction. COAR is on record as urging the city to include Juniper Ridge in the urban reserve along with other qualified lands. We support a UGB process that determines land need and then evaluates eligible land according to the state priorities and local government policies. Under such a scenario exception land would be considered first and then Juniper Ridge would be evaluated appropriately with other resource land.

We encourage the Planning Commission to pursue the city's objective to expand the UGB by as much land as is defensible. Having the land needed to accommodate our expected growth is critical for us to have any hope of seeing affordable real estate prices. We hope the Planning Commission will keep that in

mind as you revisit the decisions made by the city in the first proposal. Because the population growth factor cannot be changed it will be necessary to employ whatever discretion you have to modify the other variables that will constrain the UGB's acreage. Choosing figures that will result in a maximum expansion of the UGB recognizes the reality of future population growth, real estate market demands, and the challenge of affordable housing.

Concerns that a larger UGB will result in rapid and disorganized sprawl are unwarranted. Where and how growth occurs will be determined by annexation. That process will give the city ample opportunity to manage growth. As we are witnessing in Redmond, annexation gives the city more than enough control over the pattern and speed of future development. Annexation will determine how much land is available to fill the needs of the housing marketplace. Available land and the demands of homebuyers will ultimately determine the types of housing that are added to our local inventory.

We also urge the Planning Commission to incorporate realistic assumptions about future housing density and housing types as you refine the buildable lands inventory. Market conditions will dictate the types of development we see in the future. The percentage of multi-family products and the density of new neighborhoods will be decided by consumers. Mandates for higher density and a higher ratio of attached to detached housing will be unrealistic and meaningless if the projected demand for housing does not reflect the Central Oregon marketplace.

Data presented by city staff at the January 10 TAC meeting shows that single family detached homes, including manufactured homes, have accounted for at least 70% of the market for the last seventeen years. The estimate for 2008 is 78%. This trend is unlikely to change over the next 20 years. The active lifestyles of our residents, and the needs of young families for yards where young children can play will dictate much of the market. That market will favor single family detached products, preferably with acreage. Any attempts to force people into living at a higher density will simply result in the creation of houses that no one wants.

Coupled with consumer preference is the economic reality of our local marketplace. Newland Communities has testified (letter of Oct. 16, 2007) to the financial challenges facing builders of multi-family products. That situation will not change without a significant reduction in land prices. Land prices may not fall under any circumstances, but they certainly won't if land supply is constrained by an inadequate UGB. Adopting projections for density and housing mix that do not reflect the local marketplace will result in a UGB with too little acreage to meet our housing needs.

Likewise, as the city adopts estimates for the capacity of redevelopable land it should be mindful of current land use restrictions and the expectations of existing residents. An assessment of voluntary restrictions on land use through existing subdivision CC&Rs shows that the majority will never be redeveloped. Barriers to redevelopment include explicit prohibitions on subdividing property, requirements for large setbacks that preclude further subdivision, and the high

cost of subdividing older properties and providing sewer. For practical purposes these neighborhoods should be excluded from an assessment of acreage within the city that may support redevelopment in the future.

In those neighborhoods that are reasonable candidates for redevelopment the Planning Commission should consider the barrier posed by public opposition and other practical constraints. Bruce White's letter to the Planning Commission of Oct. 22, 2007 explains very well why the city should not constrain its UGB by adopting unrealistic assumptions about the redevelopment of property within city limits. Additionally, the challenges of managing stormwater in a redevelopment project are significant. Combined with other requirements of the development code, stormwater management practices make it incrementally more difficult to design a project that meets marketplace demands. We urge the Planning Commission to recommend a density variable that recognizes the multiple challenges facing denser redevelopment within city limits.

At the Planning Commission work session January 14 the city's proposed density and housing mix projections were represented as "aspirations." The city's aspirations should be to provide sufficient buildable land to accommodate our housing needs rather than an arbitrary standard of urban living that does not represent the wishes of residents. Most people move to Central Oregon to escape high density, characterless communities. There is certainly a place for more high density growth and attached housing products. The entire Central Area Plan comes to mind, as do opportunities along transit corridors and employment/mixed-use areas. But that type of housing will remain a small fraction of market demand.

Incorporating unrealistic assumptions about density and housing mix will result in a UGB that does not meet the needs of the city. Continued constraints in land supply, artificially imposed, will force developers to create more high density developments of large homes on small lots, something we already have a glut of. This top-down approach to land use planning will force Bend to look like other westside Oregon communities rather than retain its unique character. A UGB that does not provide sufficient land for the creation of diverse housing products at a range of price points will represent failed policymaking.

Lastly, we request that the city not draw the boundaries of the UGB down the middle of existing streets. The map boundaries should include the perimeter streets in their entirety. Including both sides of the street recognizes that infrastructure is planned and constructed that way.

Thank you for considering the views of the real estate industry.

Sincerely,

Bill Robie



Government Affairs Director Bill Robie.vcf