

# BEFORE THE CITY COUNCIL FOR HOOD RIVER, OREGON

In the matter of a quasi-judicial Zone Change from Open Space/Public Facilities (OS/PF) to Urban High Density Residential (R-3) for ~5.03 acres of a 5.33-acre parcel under public ownership.

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

### Morrison Park Rezone (City File No. 2016-37)

#### I. Summary:

This is the City Council's final decision approving this application by the City of Hood River for a zone change from Open Space/Public Facilities (OS/PF) to Urban High Density Residential (R-3) for an approximately 5.03-acre parcel, subject to the following conditions of approval:

1. Include only that portion of Tax Lot 700 on the north side of Wasco Avenue (which reduces the rezone area to 5.03 acres).
2. Preserve a significant park area to include an onsite bike/pedestrian greenway connection.
3. Work with the Mid-Columbia Housing Authority and Columbia Cascade Housing or successor agency as a partner in developing this property after the zoning is changed to R-3. If this does not happen, don't sell the property for a market rate development.
4. Construction of a westbound left turn lane on Cascade Avenue at Mt. Adams Avenue (City's proportionate share = \$1,200), and
5. Construct a traffic signal at the intersection on Cascade Avenue and 20<sup>th</sup> Street (City's proportionate share = \$109,000).

#### II. Introduction to the Property and Application:

Applicant/Owner ..... City of Hood River  
Attn: Steve Wheeler, City Manager  
211 Second Street  
Hood River, OR 97031

Property ..... 3N 10E 26DB Tax Lot 700, located in the northwest corner of Wasco and Jaymar/20<sup>th</sup> Streets.

#### Applicable Local Criteria:

1. HRMC Section 17.08.040 – Quasi-Judicial Zone Change Criteria
2. HRMC Section 17.08.050 – Transportation Planning Rule (Quasi-Judicial)
3. HRMC Section 17.09.040 – Quasi-Judicial Review Procedures
4. Goal 1 – Citizen Involvement: Policy A and Implementation Strategy B
5. Goal 2 – Land Use Planning: Policy 1 and Implementation Strategies a-d
6. Goal 8 – Recreation Needs: All
7. Goal 10 – Housing: Policies 1, 6, 11, 12, 15 & 18; and Strategies 1 & 3

#### Summary of the Proposal:

The City of Hood River, as owner and applicant, seeks to rezone a single ~5.03 acre parcel from Open Space and Public Facilities (OS/PF) to Urban High Density Residential (R-3). The property, known as Morrison Park, has been owned in fee by the City since December 19, 1939. Initially and until approximately 1976 it was zoned multi-family residential. Then, in 1976 the parcel was first zoned Open Space, and, as part of a comprehensive planning process, the parcel was zoned Open Space/Public

Facility. In 1989 the Council attempted to surplus the property and rezone it to R-3; however, that request was denied, and the OS/PF designation retained. Consequently, Morrison Park has been zoned for park use and open space since 1976, and is currently undeveloped except for scattered disk golf facilities. Morrison Park was also included in a list of then-existing parks on a background inventory in 1983, but is not an inventoried Goal 5 open space resource. Morrison park is managed and operated by the Hood River Valley Parks and Recreation District (HRVPRD) under an interlocal cooperative agreement with the City as a disc golf course. The parcel has several clusters of mature trees, and portions have a well-developed understory, but neither the property nor any of its features are inventoried Goal 5 natural habitat, open space or recreational park resources.

In cooperation with the Mid-Columbia Housing Authority and Columbia Cascade Housing Corporation the City plans to make this property available as a development site for an affordable housing project. The City would rezone the property to a multi-family residential designation and make it available for development of an affordable housing project. The Mid-Columbia Housing Authority and Columbia Cascade Housing would provide funding for the design and construction of the project. As such, this development plan and the City's ultimate objective of providing a site for the construction of an affordable housing project are material components of the present zone change request. The first step in the process is to rezone the parcel to a designation that allows the development of a multi-family residential project.

### **III. Summary of the Local Proceeding and the Record:**

The City submitted a quasi-judicial application to rezone the subject site from Open Space/Public Facilities (OS/PF) to Urban High Density Residential (R-3) on August 26, 2016. Planning staff provided DLCD with 35-day pre-hearing notice on August 26, 2016 and mailed notice of the proposal and an October 17, 2016 Planning Commission hearing to owners of property within 250 feet on September 23, 2016. Staff issued a comprehensive report to the Planning Commission, publicly released on October 10, 2016, recommending approval of the rezone request. The initial evidentiary public hearing was duly noticed and held before the Planning Commission on October 17, 2016 and continued to February 21 and then to April 17, 2017.

At the beginning of each hearing, each commissioner made a public disclosure of ex parte contacts, conflict of interest and potential bias, and the public were provided an opportunity to question the commissioners about their disclosures. The only commissioner to face a challenge was Tina Lassen, who was appointed to the planning commission on December 12, 2016. Ms. Lassen, prior to her appointment to the planning commission, submitted an October 7, 2016 e-mail expressing general support for the proposal as a resident of the City interested in increasing the number of affordable housing units.

A member of the public (Susan Crowley) and one planning commission member (Casey Weeks) challenged Ms. Lassen for bias (prejudgment) based on her October 7, 2016 e-mail in support of the proposal. In her disclosure and response to the challenge, Ms. Lassen stated that her earlier letter was based on her general sense of the proposal without knowing any of the details, foundation, legal criteria or standards that the planning commission must evaluate when deciding this proposal. She stated that, despite that earlier preliminary view, she was now a planning commission member and fully apprised of all of the facts and legal arguments in the record as well as the applicable approval criteria that controlled the planning commission's recommendation on the proposal. She stated that she was capable of and, in fact, would render an impartial decision based strictly on the facts, evidence and arguments in the record and the applicable approval criteria and that her earlier preliminary view, which was not based on any understanding of those facts, arguments or criteria, did not affect her ability to fully, impartially and objectively render a decision based on the record and criteria. Accordingly, she declined to recuse herself from participation in the planning commission proceeding.

During the planning commission's three hearings, a substantial amount of written and verbal public testimony was accepted into the record. Based on the record it compiled, including the application

materials, staff reports and the large volume of written comments, the planning commission recommended City Council approval of the zone change request at the conclusion of its April 17<sup>th</sup> hearing, with the following recommended conditions of approval:

1. Include only that portion of Tax Lot 700 on the north side of Wasco Avenue.
2. Preserve a park area to include an onsite bike/pedestrian connection to the north on the south and east side of the property (no size specified).
3. Work with the Mid-Columbia Housing Authority and Columbia Cascade Housing as a partner in developing this property after the zoning is changed to R-3. If this does not happen, don't sell the property for a market rate development.

Staff also recommended two additional conditions based on findings of the required Traffic Impact Analysis and agreement with ODOT to comply with the Transportation Planning Rule:

1. Construction of a westbound left turn lane on Cascade Avenue at Mt. Adams Avenue (City's proportionate share = \$1,200), and
2. Construct a traffic signal at the intersection on Cascade Avenue and 20<sup>th</sup> Street (City's proportionate share = \$109,000).

The City Council considered the planning commission's recommendations at a duly noticed de novo public hearing on May 11, 2017, at which time the Council accepted written and verbal public testimony from anyone on any relevant topic. At the conclusion of the May 11<sup>th</sup> hearing, the City Council left open the record and continued the matter to May 22, 2017 for two presentations by opponents to the zone change proposal, deliberation and a tentative oral decision. At the May 22<sup>nd</sup> continued hearing, two opponent presentations were received from Jürgen Hess and Jim Klaas. Additionally, opponent Susan Crowley requested by e-mail the opportunity to rebut new evidence submitted after the May 11<sup>th</sup> hearing, and she was afforded that opportunity at the May 22<sup>nd</sup> continuance hearing. No one requested any further open record periods, continuances or the opportunity to rebut, and no one raised any procedural objections. The record closed, and Cindy Walbridge provided the applicant's final rebuttal. Following the conclusion of public testimony, the Council deliberated and voted 5-2 to approve the rezone subject to five conditions of approval.

#### **IV. Findings:**

Only issues and criteria raised in the course of the application, during the hearings and before the close of the record are discussed in this section. All approval criteria not raised by staff, the applicant or a party to the proceeding have been waived as contested issues, and no argument with regard to these issues can be raised in any subsequent appeal. The City Council finds those criteria to be met, even though they are not specifically addressed in these findings. The City Council adopts the following findings in response to the approval criteria and the issues raised by opponents to the application. The Council also adopts as its own and incorporates herein by this reference findings set forth in staff reports dated October 14, 2016, February 15, 2017 and April 10, 2017, and the argument, justification and the documentation provided by the applicant in support of this Application:

**A. Procedural issues:** A member of the public and a fellow commissioner challenged Planning Commissioner Lassen for bias (prejudgment) at each of the planning commission hearings based on the letter that she previously submitted in support of this proposal prior to her appointment to the planning commission. Ms. Lassen responded that her initial impulse on this application prior to having reviewed the written application materials, approval criteria or staff report was general support for the idea of a low income or affordable rental residential project. She claimed that her October 7, 2016 e-mail was a general statement in support of those ideas, did not flow from an analysis of the application or criteria. Following her appointment to the planning commission, so she claimed, she was obligated to read the application, read the approval criteria and reviewed all testimony both for and against the proposal.

Because her initial impulse was not a firm conviction on the merits of the proposal, she said that she was able to review the entire record and the approval criteria impartially and with fresh eyes. For that reason, her prior general impulse did not affect her ability to form an opinion about the application on the merits in her capacity as a planning commissioner. In short, she claimed that, as a planning commissioner, she was not biased for or against and had not prejudged the application.

So far as the City Council is concerned, we find that Commissioner Lassen's participation, even if biased, does not affect our review of the application, the record before us or our evaluation of the approval criteria. We take Commissioner Lassen's explanation at face value and find that, in her capacity as a commissioner, she was not biased and had not prejudged the application on the merits. Nonetheless, any procedural error that her participation may have introduced into the planning commission process is cured by us in our de novo public hearing review.

**B. HRMC 17.08.040 – Quasi-Judicial Zone Changes and Plan Amendment Criteria:** This section controls the Council's decision in this matter and provides as follows:

- A. *Quasi-Judicial zone or plan changes may be approved if the change will not be unreasonably harmful or incompatible with existing uses and one or more of the following exist:*
  1. *A mistake was made in the original zone or plan designation; or*
  2. *There is a public need for the change, and this identified need will be served by changing the zone or plan designation for the subject property(ies); or*
  3. *Conditions have changed within the affected area, and the proposed zone or plan change would therefore be more suitable than the existing zone or plan designation.*
  
- B. *The hearing body shall consider factors pertinent to the preservation and promotion of the public health, safety, and welfare, including, but not limited to:*
  1. *The character of the area involved;*
  2. *It's peculiar suitability for particular uses;*
  3. *Conservation of property values; and*
  4. *The direction of building development.*

As a starting point under HRMC 17.08.040(A), we conclude that the requested change will not be unreasonably harmful or incompatible with existing uses. In interpreting and applying this threshold requirement, we interpret this ambiguous expression to require an analysis of uses and properties surrounding the subject site. We reject any suggestion that this threshold requirement involves an evaluation of the uses existing on the subject parcel as the focus of the inquiry. The point of a zone change is to change the uses on a particular parcel, not preserve them. Therefore, it defies logic to require that the new zone and the uses the new zone will allow be compatible with the existing uses on the subject parcel, which presumably will change. The intent of this and most zone change requests is to change, at least in part, the property's existing uses to something else, but to ensure that the new uses are compatible with existing uses in the area. In that light, a zone change, by definition, is designed to adopt new zoning that is inconsistent with the current/existing uses. Thus, we interpret the introductory section of HRMC 17.08.040 to require findings that the range of uses allowed in the target zone will "not be unreasonably harmful or incompatible with existing uses" on surrounding properties, not with the uses currently allowed on the subject property.

With this interpretation in mind, we note that the parcels surrounding the Morrison Park property are zoned Residential and Open Space/Public Facilities (OS/PF). We note the following zoning and predominant uses surrounding this parcel:

North: I-84 over 100 feet of interstate highway right-of-way.

South: Open Space/Public Facilities - the use is the City of Hood River's skate park.

East: Urban High Density Residential 'R-3' - this area includes all residential uses – single-family, duplex and multi-family, many of the opponents to this proposal live in this high density (R-3) area in single-family dwellings.

West: Light Industrial 'LI' – Sailworks is a manufacturer, distributor and retailer of high performance windsurfing equipment specializing in windsurfing sails, masts, booms, hardware, lines. FED EX and another small light industrial business are located west of the site. Columbia Area Transit, Hood River County's transportation districts' public transportation offices and park and ride facility are also to the west.

The Council finds that the high-density multi-family uses allowed in the R-3 zone will not be unreasonably harmful or incompatible with these existing residential or light industrial zones or these uses that surround the site. The proposed R-3 zoning and R-3 uses are, by definition, compatible with the surrounding existing R-3 zoning and R-3 uses south and east of the site. The proposed R-3 zoning will not detract or be unreasonably harmful to the light industrial uses west of the site, as evidenced by the relatively pervasive R-3 zoning and single-family uses that already exist in this area. No incompatibility between R-3 zoning and the existing light industrial uses has been raised in this proceeding; in fact, the public transportation will be a valuable amenity to the future residents who will live on this site. Likewise, the proposed R-3 zoning will not be unreasonably harmful to the Hood River Skate Park across the street; in fact, the park will be a valuable amenity to the future residents who will live on this site, just as it is for the neighbors who already live nearby and oppose this proposal. Finally, a condition of approval we impose in this decision requires the retention of a significant greenway pedestrian/bike path. Any residential development proposed on this site as a PUD will also have to provide a significant open space area.

**C. HRMC 17.08.040(A) (1) – Mistake.** The applicant does not suggest, nor does the record support, the conclusion that the original zoning was a mistake. The most that appears from the record is that the parcel was zoned multi-family residential from about the time of its acquisition in fee by the City in 1939 until approximately 1976, at which time it was rezoned to OS/PF. We do not find that the 1976 rezoning was a mistake; instead, it would appear that circumstances in the City have changed since then to the point where affordable housing is extremely rare or nonexistent. Thus, this circumstance does not exist in this case.

**D. HRMC 17.08.040(A) (2) – Public Need.** The record demonstrates a compelling and critical public need for more affordable and low-income housing in Hood River, which justifies the conversion of this parcel for the development of a multi-family affordable housing project to partially address that need. The Council's recent Housing Needs Analysis and our experience with short-term rental regulations demonstrated the extreme shortage of affordable housing options for standard wage earning individuals and families within the City. Rezoning this site from OS/PF to R-3 will make it available for the development of a low-income housing project in collaboration with the Mid-Columbia Housing Authority. As such, the "public need" that justifies this zone change is based on the need for affordable housing, and warrants a condition of approval to ensure that this causal connection is made in a legally enforceable way. What follows in this section is our explanation of this public need and how the current proposal addresses it.

1. Housing Needs Analysis and Buildable Lands Inventory, funded by DLCD technical assistance grant with Regional Solutions support in the prioritization and elements of the HNA/BLI. Based on input from its public meetings on this subject, the planning commission noticed and conducted public hearings and work sessions on June 22, June 29, July 6 and July 20, 2015 and produced a recommendation for City Council to adopt the Buildable Lands Inventory and Housing Analysis and certain amendments to Goal 10 in the City's Comprehensive Plan.

2. The City Council conducted a public hearing on August 10, 2015 at which time it reviewed the Planning Commission recommendation and record, including a comprehensive set of findings, accepted additional oral and written testimony, deliberated and then approved amendments to its Comprehensive Plan on August 17, 2015. Through Ordinance No. 2018, Hood River Comprehensive Plan, Goal 10 – Housing (Background Report, Goals, Policies, and Implementation Strategies for housing), adopted pursuant to Ordinance 1487 on December 23, 1980 was repealed in its entirety. In its place a new Goal 10- Housing (Background Report, Goals, Policies and Implementation Strategies for Housing) as set forth in the Housing Needs Analysis was adopted and made part of the Hood River Comprehensive Plan August 24, 2015.
  3. At their September 15, 2015 meeting, the Council adopted along with the Housing Needs Analysis - a strategy document organized into three broad strategic areas:
    - Strategy 1 - Increasing residential land use efficiency,
    - Strategy 2 - Regulation of secondary housing and short-term rental housing, and
    - Strategy 3 - Development of affordable housing.
  4. The broad goal of the Hood River Housing Strategy is to help the City manage the land within the UGB to meet current and future housing development capacity while maintaining the character and quality of life in Hood River and protecting public interests such as housing affordability, health, safety and municipal revenues.
  5. The actions reflected in the Housing Strategies are not being evaluated in a vacuum. This Council and past Councils have been building on a vision set forth in the original (1983) Comprehensive Plan. The Comprehensive Plan is developed on the premise that if certain citizens and governmental agencies work together toward shared goals, the City of Hood River and the surrounding area will continue to be a good place to live and work. The purpose of the Comprehensive Plan is to establish a land use planning process and policy framework as a basis for all decisions and actions related to the use of land and to assure an adequate factual base for such decisions. All of these documents were evaluated along with adopted policies for each subsequent study including the Housing Analysis.
    - Vision 1995 – Adopted by Council
    - Vision 2006 – Adopted by Council
    - Population 2008 – Adopted by Council
    - Transportation System Plan 2011 – Adopted by Council
    - Economic Opportunities Analysis 2011– Adopted by Council
    - Housing Needs Analysis 2015 – Adopted by Council
- The City is working from a 1983 adopted plan for parks in the City, which it has not updated since then. Comments from the Department of Land Conservation and Development (DLCD) have directed us to use and rely upon the 1983 Comprehensive Plan, even though it is outdated. Since 1983 none of the parks in the plan have been removed, but the City has added the Waterfront Park at 6 acres and another 21 acres of parkland have been added on the east side of town for use as trails to the Hood River.
6. The Council made affordable housing its number one priority as an adopted Council goal for the last few years. The Housing Strategy Attachment D is the blueprint to adopt zoning and municipal code changes for increasing land efficiency within our urban growth area and developing affordable housing.

7. The Council decided in October, 2015 to begin the process of limiting short term rentals in residential zones, in part, to increase the supply of affordable housing available for long-term rental. Every short-term rental is by definition not affordable and not a long-term housing option. That process resulted in amendments to Title 17 and Title 5 regulating short-term rentals and limiting their spread. The next steps involve Strategy 1 (Increasing Residential Efficiency) and Strategy 3 (Development of Affordable Housing), and the present zone change begins the process of implementing these strategies through the following Actions.

- *Action 1.1: Identify land to rezone to allow additional moderate- and high-density single-family detached and multifamily development*

This action requires the City to identify residential land for rezoning for higher development densities, with the intention of providing more opportunities for the development of moderate- and high-density single-family detached and multifamily housing. When selecting land to rezone, the City should focus on land that is vacant, along transportation corridors, in areas with current or planned water and wastewater service, in areas with current or planned access to retail and other services, and in a location that will not disrupt existing neighborhoods. The areas selected for rezoning should be areas where multifamily development is reasonably likely.

- *Action 3.1: Identify publicly-owned properties that could be used for affordable housing and partner with the Mid-Columbia Housing Authority and Columbia Cascade Housing to develop affordable housing*

The City of Hood River and Hood River County have identified surplus properties that may be suitable for affordable housing development and could serve as a land bank for future affordable housing development. The City and County should work with the Mid-Columbia Housing Authority and Columbia Cascade Housing to evaluate whether these properties are suitable for affordable housing development and determine the best way to proceed forward with developing affordable housing on these properties. In addition, the City and County must ensure that the land is zoned to allow the planned-for type of housing. The potential impact of this policy on housing affordability in Hood River depends on the size and number of the parcels and their potential housing capacity. At a minimum, this action will add some number of new affordable rental housing units to Hood River's rental housing stock and could result in development of a substantial number of new dwelling units to allow people who work in Hood River to also live in Hood River.

8. This rezone is part of the Housing Strategy for obtaining more affordable and multi-family housing. Morrison Park is not the total solution for needed housing at or below 80% AMI, which typically means rental households (apartments). Table 1 from the adopted Housing Needs Analysis shows that the need is for 694 units. The City will need more R-3 Zoned parcels to meet the need and is working toward that end under Strategy 1; however, Strategy 3 directs us to "identify publicly-owned properties that could be used for affordable housing and partner with Mid-Columbia Housing Authority and Columbia Cascade Housing to develop affordable housing." The present proposal implements Strategy 3.

Table 1. Forecast of needed housing by housing type, Hood River UGB, 2015 to 2035

	New Dwelling Units (2015-2035)
<b>Total new dwelling units (2015-2035)</b>	<b>1,985</b>
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	55%
<b>equals Total new single-family detached DU</b>	<b>1,092</b>
Single-family attached	
Percent single-family attached DU	10%
<b>equals Total new single-family attached DU</b>	<b>199</b>
Multifamily	
Percent multifamily detached DU	35%
<b>Total new multifamily DU</b>	<b>694</b>
<b>equals Total new dwelling units (2015-2035)</b>	<b>1,985</b>

Source: ECONorthwest

Note: DU is dwelling unit.

9. Morrison Park has been discussed for several years as a location for R-3 Zoning and affordable housing. It was originally zoned R-3 in the 1954 Zoning Map, and was rezoned to Open Space/Public Facilities in 1980 in recognition that it was city-owned land. It is included in the 1983 City park inventory, and the only current development in this park is a Disc Golf Course, which was allowed as a temporary use. See Attachment C. We view the rezone and development of all or a part of Morrison Park as one step forward in meeting the City's adopted goals for increasing the number of affordable housing units in Hood River.
10. Hood River has an existing deficit of affordable housing, and one of the most significant ways that the City can encourage development of housing is through ensuring that enough land is zoned for residential development. Hood River has a very limited supply of land for multi-family development, with only approximately 18 acres of vacant R-3 land. The supply of available residential land may become more constrained if landowners choose to delay development in these areas or under-develop these areas to less than full density similar to what has occurred around Morrison Park where single family homes are located on high density residential zoned parcels...

Morrison Park provides an excellent opportunity to implement the City's Comprehensive Plan and findings from the Housing Needs Analysis as it meets the criteria for public land to be used for affordable housing. In that light, we find that this zone change application is well-suited to meet, in part the need for affordable housing sites, and satisfies the public need criterion for a quasi-judicial rezone.

**E. HRMC 17.08.040(A)(3) – Changed Conditions.** The Council finds that the third criterion also is met as an alternative basis for concluding that HRMC 17.08.040(A) is met. In particular, when this parcel was zoned OS/PF in 1976, there did not exist, or at least it wasn't recognized, a compelling need for more affordable housing in the City. As explained in the preceding section, that public need is now recognized and compelling and that change constitutes a changed condition in the area that justifies a new/different zone for this parcel to help address an acute shortage of affordable housing.

**F. HRMC 17.08.040(B) (2) – Public Health, Safety and Welfare Factors.** The factors listed in HRMC 17.08.040(B), among others, also militate in favor of approval of the requested zone change. The character of the area surrounding the subject parcel is discussed above and is largely high-density residential, with some light industrial, the Hood River Skate Park, and the I-84 freeway ROW. We find

that use of this parcel for additional R-3 Urban High Density residential development, including an affordable housing project will be compatible with the surrounding residential lands, park, light industrial and will not change these areas in any adverse or significant way.

We also make this determination in the context of balancing competing public health, safety and welfare objectives. The neighbors opposing this proposal seek to preserve their neighborhood from the perceived adverse impacts of an affordable housing development and the loss of a public park and open space amenity. We recognize that at least the loss of a park and open space amenity is detrimental to the public health, safety and welfare. We are not convinced that an affordable housing development at this location will be detrimental to the public health, safety or welfare; at least we see no credible evidence of those arguments in this record. As explained under Goal 8 below, we do not see that this zone change and the loss of open space and one park will be so detrimental to the area as to warrant denial, due to the predominate zones and uses that surround this site. There are other public parks within walking distance of this neighborhood (the Skate Park, the Waterfront Park) and near the City (USFS lands associated with Mt. Hood National Forest and the surrounding Columbia River National Scenic Area). The need for affordable housing is so great as to outweigh the relatively small impact of losing this open space and park resource.

The City received a substantial amount of opposition testimony that cited the need for park lands, the preservation of open space, and the promotion of civic values. The City Council acknowledges this impact, but finds that the argument reflects only one segment of our citizens, and is only one of many competing public needs. We find that a more compelling need for this particular site is reflected in our recently adopted policy to increase the amount and availability of affordable housing (Council Goals 2014, 2015, 2016 & 2017). This Council policy embraces the concept that if one works in the City, one should also be able to live in the City and a revised Goal 10 (Housing) that references the 2015 Buildable Lands and Housing Needs Analysis (Strategy 3 - Housing Needs Analysis). Several opponents asked rhetorically why does the City have to rezone public land to meet this affordable housing need? In our view, the answer is clear: there is little that the City can do to address the lack of affordable housing and any city involvement requires the contribution of public resources. The most cost-effective public contribution that we can make to create more affordable housing is to donate public land and partner with an established housing group such as the Mid-Columbia Housing Authority and Columbia Cascade Housing Corporation to develop an affordable housing project. The private sector housing market simply has not addressed this public need. Significantly, several participants testified in favor of this proposal for exactly the reasons that we now approve this rezone application, e.g., Tina Castanares, and we adopt and incorporate herein as our own, her written submissions in support of this proposal.

We have the unusual circumstance of being a small town in the center of a federally designated National Scenic Area (NSA), with tens of thousands of acres of publicly owned forest and recreation land. Through the Property Clause and under the auspices of the National Scenic Area and US Forest Service, this vast area surrounding Hood River on both sides of the Columbia River is protected from development, and much of it is available for public recreational use. Our proximity to these publicly owned recreational lands and numerous rivers has brought a dramatic increase in tourism, and the Urban Areas are expected to accommodate these burgeoning tourism needs. Those needs include lodging, eating, recreation, maintenance, retail - the whole gamut of the tourist economy and local residents need to keep their "playground" available. The typical worker in these tourist businesses, however, earns minimum wage, or just above. The typical worker in these tourist businesses cannot afford housing in Hood River. We reject the notion that the typical worker in Hood River, especially someone in a seasonal or tourist-based industry, has to live elsewhere. The Council has adopted policies based on the decision that people who work in the Hood River community should have decent affordable housing options within this community.

The private housing industry has said it cannot build multi-family housing units in Hood River (see 2/10/17 letter from David Simon in record) because of land cost, availability and financing. The available

housing and home sale price data bear that out. We received compelling testimony from Joel Madsen, Mid-Columbia Housing Authority and Columbia Cascade Housing and Tina Castanares that subsidized housing is critical in supporting the workers and our community's infrastructure. The Housing Needs Analysis concluded there is just enough residential land for the next 20 years. However, there currently are very limited lands available for subsidized attached or affordable housing within the City. Based on this and similar testimony, we conclude this is a high priority need in Hood River. Since the private sector cannot provide low cost land or developments, public sector investment is required to provide housing for people who work here and cannot afford market housing prices. Absent government investment, the City simply will not be able to accommodate all, or even many, of the people who work in the City and currently have to live elsewhere due to a lack of affordable housing in the City. The City is evaluating several other publicly owned parcels for housing, but the need is great and immediate and Tax Lot 700 is one means to address this public need. The housing needs analysis (HNA) found that over 2,000 units are needed within the next 20 years, and approximately 1,000 of those units need to be at a price point that is affordable to a household earning at or below \$52,900 per year (at or below 80% AMI). In addition to the public need shown in the HNA, a recent Oregon economic analysis identifies Hood River County as being in the 90<sup>th</sup> percentile of least affordable rural counties in the country with a price to income ratio greater than 3.7. Because the purpose of this rezone proposal is to make available a parcel for the development of low income housing to meet this need, we conclude that the public need for the re-zone of Tax Lot 700 has been justified by addressing the character of the area involved, it's peculiar suitability for particular uses, conservation of property values, and the direction of building development.

In the findings that follow we address the specific arguments raised in opposition to this zone change proposal, the Council discusses and adopts findings on many factors relevant to the public health, safety and welfare in HRMC 17.08.040(B). We incorporate those findings by this reference, as they support our ultimate conclusion that approval of this zone change, on balance, preserves and promotes the public health, safety and welfare. Clearly there are detrimental impacts to some people, but the net benefits outweigh the detriments, and on balance, approval preserves and promotes the public health, safety and welfare.

**G. Opponent Arguments of Detrimental Impact.** Many people residing within and outside of the city participated in opposition to this rezone request, raising issues and criteria that are not specifically listed as approval criteria. As such, many of those arguments and criteria fall broadly within the category of public health, safety and welfare under HRMC 17.08.040(B). As such, we adopt the following findings in response to these arguments in support of our conclusion that, on balance, approval of the requested zone change preserves and promotes the public health, safety and welfare and meets the applicable approval criteria in HRMC and is consistent with the City's comprehensive plan as required by ORS 197.175(2) (d).

1. No neighborhood park within a 15 to 20 minute walk of the neighborhood. While this argument does not relate to any particular approval criterion, we note that the Skate Park is a predominantly single use park that has some open area along with the improvements. An average sized citizen can walk comfortably at speeds of 3.5 to 4 miles an hour. The City of Hood River is comprised of 2.55 square miles of land and therefore the average sized person could walk to many of the City's parks within a 15 to 20 minute walk of the neighborhood.
2. Connectivity to Waterfront and Hook depend on Morrison Park connection. This argument does not relate to any explicit applicable approval standard, but we note that a path connection to the waterfront/Hook is in the City's TSP and will be included as a condition of approval for this rezone, i.e. connection from Wasco to 20<sup>th</sup>.
3. Poor location for public housing because all kids would have to be bussed, and cannot walk to school. The location of the property does require bussing kids to school; however, the location of

the property is near Safeway, Rite-Aid, adjacent to the public transit, walking distance to commercial zoned shopping areas. Therefore, while students that may reside in housing that could be built on this site will not necessarily be bussed to school, this location meets most of the indicators for placement of multi-family housing according to Joel Madsen, Director of Mid-Columbia Housing Authority and Columbia Cascade Housing Corporation

This rezone responds directly to and implements Housing Strategy 3. In addition, the City is also considering the parcel on Cascade/20<sup>th</sup> (ODOT) and the public works yard (County/City Shops), but all those parcels along with possible rezoned parcels within the City's TGM Westside Planning area will be needed to accommodate the identified need for affordable housing. This parcel is available and owned outright by the City and meets the approval criteria for rezoning to R-3.

4. Public housing (i.e. affordable) should be in small clusters, not all in one geographic area in the City. The reality is that multi-family is developed in the High Density Residential R-3 Zone and nowhere else. There are pockets of R-3, in the south part of the City. There are 5 multi-family affordable housing developments in close proximity to each other all off Sieverkropp and 8<sup>th</sup> Streets where there is one affordable housing development in this neighborhood (Rio Bella) and Columbia View off Cascade/ Oak. If anything, the Sieverkropp neighborhood has the most multi-family units called "affordable" in the entire City. Of the testimony received, most are those residents that live west of 13<sup>th</sup> Street and east of 20<sup>th</sup> Street – an R-3 neighborhood, which is not a single-family neighborhood. Therefore, the argument of these opponents that R-3 zoning of this site would be incompatible with the surrounding area is based, not so much on the proposed zoning, but on the City's ultimate objective of developing affordable housing on the site.
5. No sidewalks on Wasco – dangerous to walk or take a stroller or small kids to store. Any development on the parcel will be required to construct standard street frontage improvements, including sidewalks, as a condition of approval. There are sidewalks up to 20<sup>th</sup> and Cascade and a crosswalk, and there will just be a small gap along the north side of Wasco on an adjacent parcel toward Wal-Mart.
6. This is a truck route and cars drive fast (speeding tickets). The police chief said that when the 4-way stop was installed at 20<sup>th</sup> and Wasco over 10 years ago, speeding was reduced, and few tickets are now written. This development does not change the situation, and the best evidence convinces us that the surrounding street system is safe for a residential designation of this property. Certainly, any documented traffic safety problem would not be worse with an R-3 designation as opposed to the current OS/PF designation.
7. Cascade/20<sup>th</sup> is a problematic intersection. A traffic impact analysis (TIA) was submitted as part of this rezone application. The TIA concludes, in part, that the intersection gets no worse with OS/PF versus R-3 zoning during the 20-year time period, but there are traffic issues. The City may have to make improvements and/or a future developer (who will have to provide their own TIA) and what ODOT will require is not yet known. For purposes of this zone change, however (as opposed to some subsequent development), the record demonstrates that the traffic system is adequate to handle safely the most intensive use allowed in the new zone. This zone change also triggers proportionate share requirements for TSP projects to include; construction of a westbound left turn lane on Cascade Avenue at Mt. Adams Avenue (City's proportionate share = \$1,200), and construction of a traffic signal at the intersection on Cascade Avenue and 20<sup>th</sup> Street (City's proportionate share = \$109,000).
8. The skateboard park is already a nuisance to the neighborhood with people sleeping in restrooms, trash, noise, litter, and the neighbors are charged with keeping it up. The Parks

District operates both parks under agreement with City. There is open space at the Skate Park and some Open Space will remain on Tax Lot 700 if developed, and any multi-family development will have a playground and community gathering spaces.

9. This is just “putting out a fire” because the land is free. In a certain sense, this argument is correct, but does not detract from its approvability. The private housing market has failed to provide needed affordable housing, especially to support people earning less than 80% AMI. The ability of the city government to remedy the deficiency with public resources is limited. With that in mind, one thing the city government can do toward addressing this public need, within budgetary limits, is to provide the land and collaborate with other public entities and non-profits to construct affordable housing projects. That is precisely what is proposed here, and this rezone is but the first step in that process. Therefore, in one sense this proposal contributes to curbing a “fire,” but this proposal alone certainly will not put the fire out. Moreover, the land is not free, but it is within the City’s limited budget to contribute toward an affordable housing development that will reduce a bit of the need for affordable housing. This rezone is part of Housing Strategy 3, pursuant to which the City will also be considering the parcel on Cascade/20<sup>th</sup> (ODOT) and the public works yard (County/City Shops). All those parcels along with possible rezoned parcels within the City’s TGM Westside Planning area, however, will be needed to accommodate the need. This parcel is available and owned outright by the City.
10. City is “dumping” housing onto Morrison Park without a plan. This rezone is part of Housing Strategy 3 where the City will also be looking at other publicly owned property, e.g., the parcel on Cascade/20<sup>th</sup> (ODOT) and the public works yard (County/City Shops), but all those parcels along with possible rezoned parcels within the City’s TGM Westside Planning area will be needed to accommodate the need. This parcel is available and owned outright by the City and is within the City’s ability to put toward affordable housing.
11. Wasco neighborhood is already a low income area; this is turning it into a “ghetto.” The City Planner noted that Ghetto is defined as a crowded part of a city lived in by a specific ethnic group that is usually impoverished, which does not accurately describe this situation. The City as a whole has one of the highest real estate values in the State of Oregon. There is only one affordable housing development in this neighborhood (Rio Bella) in the area between Cascade/Wasco 7<sup>th</sup> and 20<sup>th</sup> - a large geographic area. The only other multiple units were sold as condominiums years ago. Therefore, evidence in the record and on the ground does not support this opposition argument.
12. Removal of trees is of top concern on other planning projects, why not here? This argument appears to be focused on a standard applicable to multi-family development and not one applicable to a zone change, in particular:

17.16.050 Multi-Family and Group Residential Decision Criteria under Natural Features: *Significant natural features shall be protected to the maximum extent feasible. Where existing natural or topographic features are present, they shall be used to enhance the development. The use of small streams in the landscaping design shall be encouraged rather than culvert and fill. Existing trees and large woody plants shall be left standing except where necessary for building placement, sun exposure, safety, or other valid purpose. Vegetative buffers should be left along major street or highways, or to separate adjacent uses. The use should have minimal adverse impacts on the land and water quality. Possible impacts to consider may include pollution, soil contamination, siltation, and habitat degradation or loss.*

This argument is premature at this zone change stage of the development process, and therefore does not apply. However, the Council is mindful of this site’s natural features, including trees,

and the planning commission's second recommended condition addresses this concern.

13. We are losing a public space. Neighbors use the park every day for walking, hiking, disc golf and dog walking. There is also a park across the street, and the development of this site will create more sidewalks, pedestrian connections and affordable housing, which is the number one priority in the City. While true, a public park space would be lost, there is nothing in the HRMC, comprehensive plan or state law that would prevent the City from achieving its ultimate objective of an affordable housing project. More to the point, this argument cannot serve to deny this zone change request. As a practical matter, a substantial number of city and county parks remain, and the City is virtually surrounded by Forest Service land and the Columbia River National Scenic Area that is open and available to the public for recreational use.
14. Lacking infrastructure (look at rest of Wasco after improvements made to site). The City Engineer reports that sewer is located on the north property line, and water is located in Wasco. Infrastructure, therefore, is available to the property. Traffic is addressed below.
15. Traffic - the rezone will have unacceptable traffic impacts on the area. See the City's Traffic Impact Analysis for the application, which the City Council adopts and incorporates herein by this reference.
16. R-3 adjacent to LI will interfere with LI uses. In a small town these zone boundaries can run into each other. An Industrial/R-2 boundary exists at 13<sup>th</sup> and Wasco and has been successful for 20 years. The review of a future multi-family project can include a discussion of interface between the two zones. As things currently stand, however, the Council sees no practical or legal incompatibility that would preclude R-3 being adjacent to an LI zone.
17. Where will residents walk and play? Will they cut-through to Wal-Mart through LI property? This is not necessarily reviewed as part of a rezone application; however, future development will be required to construct a sidewalk along the property's frontage. That will add pedestrian access along Wasco Avenue, except for a small stretch by the cabinet shop all the way to Wal-Mart. The conditions of approval also require a pedestrian/bike path greenway connection through the site to facilitate cross-connection access through the site. There is sidewalk and a pedestrian crossing at 20<sup>th</sup>/Cascade in place already.
18. Use existing residential lands first. First, there is no applicable zone change criterion that corresponds to this argument. Instead, this appears to be an argument against the City's ultimate goal of promoting an affordable housing project on this site, and for that reason, we find it premature at this juncture. Strategy 3 specifically states that we "Identify publicly-owned properties that could be used for housing and partner with the Mid-Columbia Housing Authority and Columbia Cascade Housing to develop affordable housing." This property has been under consideration for at least 11 years for rezone or development, and it fulfills this Strategy. The high cost of residential lands for public acquisition and donation to an affordable housing project makes it impractical for us to consider residential lands first. As noted previously, the city government's options and ability to promote affordable housing are limited. Providing public land for such a project is virtually the only valuable contribution the City can make toward this overall objective. For the city to first purchase residentially zoned land at current Hood River residential land prices, as this opponent suggests, is cost prohibitive.
19. What makes Morrison Park so unique? The site's strategic location as a connection to the Waterfront is a significant asset of this parcel and will not be eliminated as part of this zone change. The City has been aware of this pedestrian path a connection for many years and has applied for grants to cross the railroad tracks for a bridge to the Hook. This pedestrian/bike connection access to the Waterfront is in the City's adopted Transportation System Plan (TSP)

and any future development will have to set aside land to accommodate that connection.

20. Vision Conflict. The 2006 Vision states that the most important topic is affordable housing (page 5 – Hood River 2020 Keeping Hood River on Track – Public Feedback Report) “affordable housing, which received the most ‘first priority’ responses of any of the issues, over a hundred more ‘first priority’ responses than the second place issue, more than open space/environmental protection.” As such, the Council does not see a conflict between these two planning documents, and this rezone is consistent and helps to implement both.

- H. HRMC 17.08.050 – Transportation Planning Rule. In essence, this criterion requires the Council to determine whether this zone change will significantly affect a transportation facility, and if so, are the uses allowed in the new zone consistent with the function, capacity, and level of service of the facility identified in the Transportation System Plan.

The Council incorporates herein by this reference, the applicant’s Traffic Impact Analysis submitted as part of the application for the rezone of Morrison Park, which details the 20-year impact of the property essentially by stating that all of the improvements recommended as mitigation for the rezone were already identified as being needed in the TSP - which assumes the current OS/PF zoning for that property. Thus, even if the rezone is denied the City will still need the listed improvements over the next 20 years to support anticipated traffic increases under the current zoning. A rezone to R-3 will not impose greater demands or worsen the function or capacity of the surrounding transportation system than uses allowed by the current zoning. The only reason this is an issue for the rezone is because, according to the TPR, the City is prohibited from making a bad situation any worse. Even though the impact of the rezone is very small (Table 5 of the Traffic Impact Analysis shows how little the results change), it is enough to trigger the TPR requirement because the evaluation is required under the TPR rule and the planning period is for 20 years.

- I. Hood River Comprehensive Plan. The Council adopts the following findings in response to arguments that a variety of Comprehensive Plan provisions apply as approval criteria. The Council is also mindful of the requirement in ORS 197.175 that this decision be consistent with the City’s comprehensive plan:

1. *Goal 1 – Citizen Involvement: Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.*

The requirements of this public participation Goal were fulfilled in this process, beginning with the series of public hearings before the planning commission. The product of that initial evidentiary hearing that was continued twice was a planning commission recommendation of approval with suggested conditions. The City Council, incorporated the record compiled by the planning commission and also held a series of de novo public hearings. As such, the requirements of Goal 1 of the Comprehensive Plan are met.

2. *Goal 4 – Forest Lands: To conserve forest lands for forest uses.*

Several people point to the discussion under this Goal in support for their argument that the open space zoning for Morrison Park cannot be changed: “There are a few forested spots inside the City which are located in parks or open space areas, floodplains, and other environmentally protected areas. These limited sites will continue to be protected by zoning applied to those lands.” These parties argue that the mature trees on the subject site are protected by this discussion under Goal 4 (Forest Lands). We disagree.

First, the narrative under Goal 4 does not have the force of law, but instead, is a statement that mature trees growing in sites zoned open space will be protected. The corollary to

this aspirational statement is that, when the zoning for a site is changed from open space to a non-open space designation, the mature trees may be removed to accommodate development. The decision rests with the City Council as the property owner, governing body and policy maker for the City. We also interpret this Goal to apply to commercial forests, and there are no such forests in the City. While the subject site has mature trees, they do not constitute a Goal 4 resource and the city has never applied Goal 4 or forest zoning to the land. Consequently, Goal 4 is inapplicable to this property and proposal.

### 3. Goal 5 – Open Spaces, Scenic and Historic Areas and Natural Resources.

#### II. Open Spaces

*Open space and natural areas are an integral part of the City of Hood River's livability. A wide range of types and sizes of open space and natural areas within the urban area should provide; diverse plant and animal habitat, visual and special breaks from urban uses and places for recreation, facilities for community events, trails for pedestrian and bicycle transportation and sports activities. Open space and natural areas may be in the form of; parks, public school grounds, trails, natural areas and areas of special interest, river and stream corridors, open space easements and right-of-way, and lands excluded from development.*

*Maintaining open space and natural areas in an urban area is a difficult task, and one that becomes more complex during periods of rapid growth. However, providing open space in the urban area for the benefit of existing and future residents is important. The following goals are intended to enhance, create and protect the City of Hood River's open space and natural areas*

#### III. Natural Resources

*Wetland and riparian areas have a variety of native plant species that are adapted to growing in locations where the soils are wet during all or part of the year. Well established wetlands and riparian areas provide a complex ecosystem that support a diverse combination of plants and animals.*

*Wetlands and riparian areas within Hood River and the Urban Growth Area were inventoried and evaluated in July 2003 as part of the Local Wetland Inventory, a required Periodic Review update for Goal 5. The Port of Hood River conducted an Economic, Social, Environment and Energy Analysis (ESEE) for the Columbia River Waterfront area in May 2004 to allow for greater flexibility for development along that area of the Columbia River. The riparian areas along the Columbia River, Hood River, Indian Creek and Phelps Creek are considered a significant resource under Statewide Planning Goal 5.*

Several opponents to the proposal argued that a rezone to a residential designation violated Goal 5, which basically required that this parcel be retained and preserved in open space in perpetuity. In support of this argument, these opponents point to Natural Resource Goal 5, which provides: "Lands zoned as Open Space will be preserved as open space." Again, these opponents offer an interpretation of this goal to the effect that the City Council can never rezone any open space parcels to a non-open space designation. We disagree.

We interpret Goal 5 as a basis for zoning and other regulatory protections for land that the Council, as a matter of policy, wants preserved as open space or for other designated Goal 5 resources. We decline to interpret Goal 5 as tying the Council's hands when it decides, as a matter of policy, that a non-open space use is preferred for a particular parcel. Goal 5 gives the Council a set of tools for protecting and preserving certain inventoried Goal 5 resource for their designated purposes. It does not require that a parcel, once it is zoned open space, be retained in that zone forever, nor does it prevent the Council from changing policy objectives for a particular property. With regard to Natural Resource Goal 5, in particular, we interpret this policy

as a limitation on the development of land zoned open space. We do not interpret this goal as preventing the Council from de-designating open space land to some other zone. Under our interpretation, land zoned open space land cannot be developed without first rezoning the land to a non-open space designation. Then, as non-open space, the land may be developed. Application of the OS designation does not forever fix the property as open space. That is precisely what we are doing in this rezone proceeding.

Additionally, we interpret Goal 5 as applying only to properties that have been inventoried as one of the designated and Goal 5 resources pursuant to the state-mandated ESEE evaluation process specified by the Goal. Absent this elaborate Goal 5 ESEE evaluation process and addition of a site to the City's Goal 5 resource inventory, this policy does not impose any requirement nor does it impose any additional procedural steps for the de-designation of an OS zoned parcel to a non-OS designation. Morrison Park is not a Goal 5 resource. Nothing in this or any other Goal 5 policy prevents the City from de-designating this OS-zoned parcel to a non-OS designation.

The only procedural requirements and the only applicable criteria attendant to the de-designation of this parcel from OS to a non-OS designation are the standard zone change criteria. Because Morrison Park is not an inventoried Goal 5 resource, nothing in Goal 5 prevents the Council from de-designating the parcel to a non-OS zone. As such, this proposal is consistent with Goal 5, to the extent it applies at all.

There are federal, state and city processes for identifying critical habitat or environmentally protected areas. Nothing on this parcel has been designated under those procedures and no features on this property have any special legal protection. That said, further development of this site will require a site plan review and approval, and the Council, or at least the planning commission, will have the ability to, through the site plan review, identify and preserve significant trees, drainages or other natural features worth of protection. Since the City owns this parcel, our very environmentally aware City Council will no doubt demand a development that preserves the best that is there while meeting critical housing needs.

With regard to the assertion that the site contains old growth trees that are subject to some sort of special protection, we accept and rely upon the response by Arthur Babitz, ex-Mayor and local historian: "Assertions were made the parcel contains old growth trees. This parcel was directly uphill from the Jaymar lumber mill (down by the Hook) and within a mile of six other mills. There is no reason to believe it is significantly different from other undeveloped parcels within the UGA, containing second growth fir and pine with some older oak." We conclude that Goal 5 is not applicable to this property or this proposal.

Some opponents cite to the Open Space policy "to establish trails, greenways and wildlife corridors that are interconnected" as contrary to this proposal. We disagree. One of our conditions of approval require the preservation of a significant greenway and bike/ped connection through this site. Further citation to Goal 5 policies calling for the preservation of riparian and wildlife habitats do not apply to this site which happen to have mature trees and suitable habitat that is not inventoried or protected under Goal 5's ESEE analysis and program.

**4. Goal 8 – Recreational Needs: *To satisfy the recreational needs of the citizens of the community and visitors to the area.***

**POLICIES:**

1. *Existing park sites will be protected from incompatible uses and future expansion alternatives at some sites will be developed.*

2. When feasible, recreational opportunities and park sites will be located so as to be accessible to a maximum number of people.
3. The development of parks which are accessible by means of walking or bicycling is encouraged.
4. Participation by neighboring residents will be encouraged to contribute to park development and maintenance.
5. Encourage low-maintenance park and recreation use of floodplains and drainage.
6. As parcels of land are annexed from the UGA into the City, some land will be designated Open Space/Public Land for the development of new parks and public facilities, including access ways, to serve the recreational needs of the community.
7. Because the growth of the windsurfing industry and other-recreational activities comprise a significant portion of Hood River's recreational and tourist industry, the establishment of recreational facilities may be allowed in appropriate locations in the City."

Hood River has not adopted a parks master plan or other formal or up-to-date inventory of park properties. The only mention of parks and recreational needs in the Comprehensive Plan are these Goal 8 policies and the only mention of specific park properties is a Recreational Resource Inventory in the 1983 Background Report for the Comprehensive Plan. This inventory represents only a list of the then-existing parks in the City, and the City has not up-dated or revised this 1983 list since that time. Morrison Park, in particular, is not even operated or managed by the City. Instead, it is managed by the Hood River Parks and Recreation District under an intergovernmental agreement. Since 1983 none of the parks on the list have been removed, and, in fact, the City has added approximately 55 acres of new park areas, including the 6 acre Waterfront Park and approximately 21 acres on the eastside of town, for possible use as trails to the Hood River.

Several opponents to this proposal rely primarily on the first Goal 8 policy and argue that the City lacks the authority to de-designate this city park and rezone it to a non-park (non-open space) designation. These parties assert under their interpretation that the City is obligated to protect Morrison Park from incompatible uses, no matter what. We disagree and interpret our Goal 8 differently than these opponents suggest.

As a starting point, we find that Goal 8 Policy 1 is ambiguous in several respects and warrants interpretation. First, it appears that a punctuation point is missing, and two possible ways of punctuation this policy are plausible, making it susceptible to two different meanings:

Option a: Existing park sites will be protected from incompatible uses, and future expansion alternatives at some sites will be developed. or

Option b: Existing park sites will be protected from incompatible uses and future expansion; alternatives at some sites will be developed.

We believe that Option b is not logical nor the likely or intended meaning of Policy 1, because it defies logic that parks need to be protected from future expansions. Future expansions are good things for parks, generally speaking, and we do not believe the city council that adopted this policy meant to preclude future expansions – either geographic expansions or park facility expansions. Consequently, we believe that the missing punctuation is shown in Option a, and that the first independent clause in Goal 8 Policy 1 provides that "Existing park sites will be protected from incompatible uses..."

With this grammatical clarification, we turn to the second ambiguity of Goal 8 Policy 1, viz., what does this first independent clause, upon which the opponents rely, mean. The interpretation question is whether the protections of this policy provision apply to the park site

itself or whether the policy directs the city to protect park sites from incompatible near-by uses on other properties. Opponents to this rezone argue that Goal 8 Policy 1 requires all existing parks, including Morrison Park to be protected from incompatible uses of the park, as opposed to protecting parks from incompatible near-by uses on surrounding (other) land. At least one opponent pointed to the definition of “protect” in the Comprehensive to “save or shield from loss, destruction, or injury for future intended use.” The necessary implication of the opponents’ interpretation is that no park property can ever be rezoned to a non-park designation. We reject that interpretation.

Instead, we interpret Goal 8 Policy 1 as calling for the protection of parks that the Council as a matter of policy desires to retain as parks, from incompatible near-by uses on other properties that could adversely impact the park. We interpret this policy as providing a tool that the City can use to protect its parks from near-by incompatible uses through zoning of surrounding lands and permit reviews for near-by properties. The definition of “protect” in the Comprehensive Plan supports our interpretation because the focus of the term protect is on “future intended use.” As we make clear in this decision, our “future intended use” for this property is an affordable housing project. We reject any interpretation of this policy that suggests the City Council cannot rezone a park to some non-park designation. Under our interpretation, Goal 8 Policy 1 has little relevance to the present application because this application seeks to rezone the Morrison Park property and does not involve a rezone or land use permit for a near-by property. As such, we do not conclude that Goal 8 Policy 1 applies or is relevant to this rezone request.

Third, even if the opponents are correct, that Goal 8 Policy 1 applies to Morrison Park and this rezone proceeding, the policy does not preclude approval of a rezone, including this one. Even city parks can be zoned R-3. The city code and Comprehensive Plan do not prescribe a particular zone for any of the parks listed in the Recreational Resource Inventory in the Background Report to the 1983 Comprehensive Plan. In fact, “Public parks, playgrounds, and related facilities” are conditionally allowed uses in the City’s R-3 Zone, which suggests that an R-3 zoned park is consistent with the Comprehensive Plan, including Goal 8. Thus, even under the opponents’ interpretation, Policy 1 would not preclude a zone change of Morrison Park from OS/PF to R-3 because no particular use or development is involved in proposal – just a new zone.

Fourth, and related to the last point, a rezone application is not a development application; therefore, there is no particular “use” from which the park must be protected. “Incompatible uses” is the operative expression in Policy 1. If Goal 8 Policy 1 has any applicability as the opponents suggest, it must be in the context of a development application for a particular “use,” not a zone change, because a zone change is not a “use” or a development. While we disagree with the opponents’ interpretation of Policy 1, even if they are correct about its applicability, it cannot serve as a basis to deny this zone change request absent a permit application for a particular “use” or development.

Finally, as a matter of general policy, we do not interpret any of the Goal 8 policies as prohibiting the Council from making the policy decision that a particular park property is better suited to a non-park use and rezoning it for some future non-park development. We interpret these Goal 8 policies as empowering the Council with tools for protecting its designated parks that the Council, as a matter of policy, desires to retain as parks. For those parks, such as this one, for which the Council has identified a different and better use than as a park, we do not interpret Goal 8 policies as precluding de-designation. In short, these policies do not apply to those particular parks that, as a matter of policy, the Council has decided to de-designate and someday devote to a different use. With regard to the Policy 1 in particular, we interpret this policy as applying only to those parks that the Council desires to retain as parks and protect with

these Goal 8 policies. We interpret Goal 8 Policy 1 to apply as the City reviews development proposals for land adjacent to parks, and then only to those parks the Council determines to preserve as parks.

As an argument related to Goal 8, several opponents assert that Morrison Park has a protected status as a park in the City's Comprehensive Plan that cannot be changed without a Comprehensive Plan amendment. Those arguments are misplaced as to the status of Morrison Park; the protections afforded it by the Comprehensive Plan, and the scope of the Council's authority to rezone publicly owned land such as this.

First, this argument assumes that the status of Morrison Park as a city park is enshrined permanently in the Comprehensive Plan. It is not. Hood River has not adopted within the Comprehensive Plan or elsewhere, a Parks Master Plan or a Parks Plan of any sort. The only mention of parks and recreational needs in the Comprehensive Plan are the Goal 8 policies and inclusion of a Recreational Resource Inventory in the Background Report for the 1983 Comprehensive Plan. This inventory represents only a list of parks that existed in the City in 1983 and does not impart any sort of legal protection for any of these properties. Likewise, inclusion of Morrison Park on the 1983 inventory does not preclude the City Council from making a policy decision to de-designate the property, rezone it or put to a different (non-park) use.

Second, the opponents' argument about a Comprehensive Plan amendment assumes that, to rezone Morrison Park to R-3, requires it to be removed from the 1983 list of then-existing parks. As we found above, city parks can have any zone, and no particular zone is required for land to be a "park." Thus, Morrison Park can remain a city park and can remain on the 1983 inventory list even if it is zoned R-3. There is no necessary or legal reason why Morrison Park must be removed from the 1983 park list before it can be rezoned to R-3. We certainly do not interpret our code or comprehensive plan to impose such a requirement.

In conclusion under Goal 8, we hereby make the policy decision to rezone Morrison Park and eventually to entertain and allow a non-park use for this property. We decline to interpret our Comprehensive Plan or Development Code to tie our hands or deny us the policy discretion to make that decision. The only regulations or protections for parks in Hood River are those listed in Goal 8, and we specifically interpret those protections as applying to properties that the City Council, as a matter of policy, has decided to retain as parks. That intention is shown through zoning, and because we have made the policy decision to de-designate Morrison Park and devote it to a different (non-park) use, the protections in our Goal 8 policies do not apply to Morrison Park or the present zone change decision.

Two additional points merit discussion. Many opponents to this rezone argued that it is bad policy to start a process that will eliminate a city park by rezoning it to a non-park designation, that the city's population is growing, that the demand for neighborhood and in-city parks will only increase, and it is very difficult and expensive for a city to replace any park that is lost to a non-park use. We understand and agree with these sentiments about the importance of city parks to the City's residents and visitors. We live here too and value all of our city parks, and there is no dispute on this point. If the only priority at issue were parks and how to obtain and retain more parks, we would deny this rezone request. However, we are tasked with balancing competing policy objectives, and in this case, we have a significant unmet need for affordable housing competing with the need for urban parks. In this particular case and with this particular property, we find that the balance in this debate tips in favor of rezoning this park to a non-park designation for the specific purpose of promoting a public-private affordable housing development. In this particular situation, we reluctantly reject these policy arguments in favor of a rezone that will lead to an increase in the number of afford housing units.

Several opponents point to the City's Goal 8 objective to "satisfy the recreational needs of the citizens of the community and visitors to the area" and argue that a rezone of Morrison Park violates this goal. Again we disagree. Hood River has an extremely active, outdoor and recreation-oriented population that attracts a large number of seasonal visitors in the summer and winter because of our outdoor recreational opportunities. There are few cities in the country that have a greater outdoor recreational emphasis than Hood River. The City is surrounded by thousands of acres of public land – the Mt. Hood National Forest, the Columbia River, and Columbia River Gorge National Scenic Area – all open and available for outdoor recreation. It is unreasonable to suggest that outdoor recreational opportunities will be significantly harmed by an affordable housing development that might be built on a portion of this land. In the context of the City's existing and remaining city parks, trails, rivers and streams, and this vast area of public land outside the city limits, we reject this argument. Additionally, the zoning of the subject parcel is Open Space/Public Facilities and all public facilities are a permitted use subject to site plan review in this zone – schools, city halls, police stations.

**5. Goal 9 – To diversify and improve the economy to the Hood River planning area while preserving and promoting the City's quality of life and small-town atmosphere.**

At least one opponent cited Goal 9 and its policy to "preserve and promote the city's 'quality of live' including small town atmosphere ... open space and recreational opportunities, ... [and] beautiful natural setting..." as compelling the denial of this zone change. We disagree. Primarily because this policy is worded in aspirational terms and not mandatory terms and the opponents' interpretation ignores the competing policy interest that we must balance against these preservation objectives. Even with all or part of this property developed as affordable housing, there will remain a significant greenway and bike/ped corridor through and connecting with other trails. By means of the condition of approval, we provide some measure of fulfillment of this policy, but ultimately, we do not interpret it as requiring a denial of this zone change. The zone change, in and of itself, does not compel the obliteration of all vegetation and park-like aspects of the property.

**6. Goal 10 – Housing: To provide a variety of opportunities to meet the housing needs of the residents of Hood River at all income levels.**

**POLICIES:**

1. *The City will promote and encourage the maintenance of existing housing, the rehabilitation of older housing, and the development of a mixture of sound, adequate new housing in a variety of housing types to meet the needs of all segments of the population.*
2. *The City will ensure the orderly development of public utilities and services to serve buildable lands within the City and Urban Growth Boundary to meet the residential development needs of the community.*
3. *Development in the Urban Growth Area will occur in accordance with the land use designations established in the Plan Map and as further defined in the Urban Growth Management Agreement with Hood River County.*
4. *Site-built and non-site-built homes are permitted within the City provided they meet the applicable building and safety codes and the requirements of the Zoning Ordinance.*
5. *Mobile home parks will be allowed as a permitted use subject to site plan review using clear and objective criteria in the R-1, R-2, and R-3 Zones.*
6. *Retention of existing trees shall be encouraged when land areas are developed.*
7. *Whenever practical, the underground location of all utilities shall be encouraged.*
8. *The provisions of the State Building Code and the Oregon Fire Code will be strictly followed.*
9. *The City will encourage the provision of housing for senior, handicapped, and low income citizens at a minimum cost and will work with other organizations to achieve this goal.*

10. Developers of tracts of land which are sufficiently large enough to allow for site design for groups of structures will be encouraged to use the Planned Unit Development process as outlined in the Subdivision Ordinance.
11. The application of new technology, greater freedom of design, increased population densities, and economy of land use will be encouraged.
12. More efficient use of public facilities, to include existing roads, sewer and water mains will be emphasized in new development.
13. A residential lot within the City shall be capable of being served by the City sewer system before a building permit is issued. A residential lot within the UGA shall be capable of being served by either the City sanitary sewer system or an approved sanitary sewer system before a building permit is issued. If the builder elects to build within the UGA prior to the availability of the City sanitary sewer system, the lot area will be determined by the County Sanitarian for a septic tank system.
14. The City will annex parcels that are contiguous to city limits or separated from the City by a public right of way or body of water to provide water, wastewater or storm water service.
15. The City will encourage and support development of affordable housing, both publicly and privately financed, including the provision of government-subsidized housing, for households at or below 120% of the area median income, as defined by the U.S. Department of Housing and Urban Development (HUD).
16. The City will coordinate with Hood River County to maintain consistent development standards for residentially zoned areas within the city limits and areas within the UGA.
17. The City will license and regulate short-term rental housing and monitor growth of short-term housing on an annual basis.
18. Encourage the development of great neighborhoods by:
  - Supporting neighborhood identity.
  - Locating parks, trails, schools, daycare and churches in close proximity to residences.
  - Incorporating natural features and spaces into developments.
  - Connecting and orienting new neighborhoods.
  - Encouraging residential development that conserves energy and water.

The City's recent adopted Housing Needs Analysis and Buildable Lands Inventory (HNA/BLI) was funded by a DLCD technical assistance grant with Regional Solutions support. Based on input from its public meetings on this subject, the Planning Commission duly noticed and conducted public hearings and work sessions on June 22, June 29, July 6 and July 20, 2015 and produced a recommendation that the City Council adopt the HNA/BLI and amendments to Goal 10.

The City Council then conducted a public hearing on August 10, 2015 to review the Planning Commission's recommendation and the extensive public record it had compiled, including the planning commission's findings. The City Council accepted an extensive amount of additional oral and written testimony, deliberated and decided the matter on August 17, 2015. Through Ordinance No. 2018 the Council amended Hood River Comprehensive Plan, Goal 10 – Housing (Background Report, Goals, Policies, and Implementation Strategies for housing) and repealed the Comprehensive Plan's former Goal 10 in its entirety. In its place a new Goal 10- Housing (Background Report, Goals, Policies and Implementation Strategies for Housing) as set forth in the HNA/BLI was adopted into the Hood River Comprehensive Plan August 24, 2015.

The Hood River Housing Strategy is organized into three broad strategic areas:

- Strategy 1 - Increasing residential land use efficiency,
- Strategy 2 - Regulation of secondary housing and short-term rental housing, and
- Strategy 3 - Development of affordable housing.

The broad goal of the Hood River Housing Strategy is to help the City manage the land within its UGB to meet current and future housing development needs while maintaining the character and

quality of life in Hood River and protecting public interests such as housing affordability, health, safety and municipal revenues.

The actions anticipated in the Housing Strategies are not evaluated in a vacuum. This Council and past councils have been building on a vision set forth in our original Comprehensive Plan in 1983. The Comprehensive Plan is developed on the premise that if certain citizens and governmental agencies work together toward shared goals, the City of Hood River and the surrounding area will continue to be a good place to live and work. The purpose of the Comprehensive Plan is to establish a land use planning process and policy framework to serve as a basis for all decisions and actions related to the use of land and to assure an adequate factual base for those decisions.

Through this protracted multi-year process, the Council has made affordable housing its number one priority as an adopted Council goal. To that end the Housing Strategy document is the blueprint to adopt zoning and municipal code changes so the City can increase land use efficiency within our UGA and develop affordable housing to meet the current and future housing needs. The Council decided in October, 2015 to begin the process of limiting short term rentals in residential zones, and that process is complete with adopted regulations and in the implementation phase. The next steps are to implement Strategy 1 (Increasing Residential Efficiency) and Strategy 3 (Development of Affordable Housing) through several action steps:

*Action 1.1: Identify land to rezone to allow additional moderate- and high-density single-family detached and multifamily development.*

This action will require that the City identify residential land to rezone for higher development densities, with the intention of providing more opportunities for development of moderate- and high-density single-family detached and multifamily housing. When selecting land to rezone, the City should focus on land that is vacant, along transportation corridors, in areas with current or planned water and wastewater service, in areas with current or planned access to retail and other services, and in a location that will not disrupt existing neighborhoods. The areas selected for rezoning should be areas where multifamily development is reasonably likely.

*Action 3.1: Identify publicly-owned properties that could be used for affordable housing and partner with the Mid-Columbia Housing Authority and Columbia Cascade Housing to develop affordable housing.*

The City of Hood River and Hood River County have properties they have identified as surplus that are suitable for affordable housing development. These surplus properties could serve as the basis for a land bank for future affordable housing development. The City and County should work with the Mid-Columbia Housing Authority and Columbia Cascade Housing to evaluate whether these properties are suitable for affordable housing development and determine the best way to proceed forward with developing affordable housing on these properties. Additionally, the City and County should help ensure that the land is zoned to allow the planned-for type of affordable housing.

The potential impact of this policy on housing affordability in Hood River depends on the size and number of these surplus parcels and their potential housing capacity. At a minimum, this action will add some number of new affordable rental units to Hood River's housing stock and could result in the development of a significant number of new dwelling units for people and families who work in Hood River.

This rezone is part of the Housing Strategy for affordable/multi-family housing. Morrison Park is not the total solution of a need of housing to be at or below 80% AMI, which means

typically they are renter households (apartments). Table 2 from the adopted HNA/BLI shows that the need is for 694 units. To address this need, the City needs more R-3 Zoned land and is working toward that end under Strategy 1; however, Strategy 3 directs us to “identify publicly-owned properties that could be used for affordable housing and partner with Mid-Columbia Housing Authority and Columbia Cascade Housing to develop affordable housing.”

Table 2. Forecast of needed housing by housing type, Hood River UGB, 2015 to 2035

	New Dwelling Units (2015-2035)
<b>Total new dwelling units (2015-2035)</b>	<b>1,985</b>
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	55%
<b>equals Total new single-family detached DU</b>	<b>1,092</b>
Single-family attached	
Percent single-family attached DU	10%
<b>equals Total new single-family attached DU</b>	<b>199</b>
Multifamily	
Percent multifamily detached DU	35%
<b>Total new multifamily DU</b>	<b>694</b>
<b>equals Total new dwelling units (2015-2035)</b>	<b>1,985</b>

Source: ECONorthwest

Note: DU is dwelling unit.

Morrison Park has been discussed for several years as a location for R-3 Zoning and affordable housing. It was originally zoned R-3 in the 1954 Zoning Map, and was rezoned to Open Space/Public Facilities in 1980 in recognition that it was city-owned land. The existence of this park is acknowledged by its inclusion on the list in the 1983 background inventory appended to the Comprehensive Plan. Inclusion of Morrison Park on the 1983 list does not impart any particular protected status, and its only park improvement is the Disc Golf Course which was allowed as a temporary use.

Hood River has an existing deficit of affordable housing, and one of the most effective ways to encourage development of housing is zoning enough land for residential development. Several opponents assert, and correctly so, that the City's HNI/BLI concluded that the City has a sufficient base of available residentially zoned land for the 20-year planning horizon. That said, Hood River has a very limited supply of land for multifamily development, and currently has approximately 18 acres of vacant R-3 land. Thus, the scarce land use resource in Hood River, which is key to providing more affordable housing, is land zoned for multi-family development. The supply of available residential land may become more constrained if landowners choose to delay development of these parcels or under-develop them.

At least one opponent to this rezone request (Lawrence K. Jones) argued that rezoning from OS/PF to R-3 “is one more step on a path of separating Hood River’s citizens by income.” We disagree and find that this rezone will have the opposite effect, *i.e.*, it will better-integrate various income classes and ethnic groups. In reaching this conclusion, we note that the Morrison Park neighborhood consists of 530 households, of which 17.4% are living in poverty. The neighborhood directly south of Morrison park consists of 569 households, of which 27.4% live in poverty. There are three neighborhoods in Hood River with a higher concentration of households living under the poverty level than the one surrounding this proposed zone change. Of the 8 neighborhoods where all or a portion lie within the jurisdictional boundary of Hood River, three have a higher percentage of households living in poverty, and four have a lower percentage of

households living in poverty than the proposed zone change's neighborhood.

The majority of the remaining developable land within the City of Hood River is in the Westside Planning Area, which is poised for implementation of several smart growth strategies. The Westside Area currently shows 20.4% of 644 households living below the poverty line. However, current master planning efforts are contemplating an additional 1,100 to 2,300 households in this neighborhood and a goal of carrying forward the City's single family/multifamily split of 65%/35%. While sincere efforts are being made to incorporate elements of affordability in the Westside Area planning, the majority of land is held in private ownership, over which the City has little ability to require or incentivize the development of low income and affordable housing. The City has few tools available to incorporate or require levels of affordability as part of the smart growth planning strategies, except by using city-owned land.

In our review of the neighborhoods that have lower poverty levels, *i.e.*, "higher opportunity neighborhoods," than the proposed zone change's neighborhood, we note there are limited lands adequately zoned and suitable for multi-family development. Additionally, many of these higher opportunity neighborhoods have high concentrations of short-term and vacation rentals, which erodes the land base available to address the City's housing deficiency, contributes to high rent levels and a dearth of long-term tenants and residents. The City has taken a strong step in reducing these destabilizing forces in the housing stock by regulating short-term rentals. Nonetheless, it is not realistic to assume that we will meet the City's affordable housing needs solely in the existing high opportunity neighborhoods or through short-term rental regulations. The private housing market and construction industry are not going to address the City's shortage of affordable housing. The City can only accomplish these adopted goals by devoting city resources in mixed neighborhoods and partnering with an established housing group such as Mid-Columbia Housing Authority and Columbia Cascade Housing Corporation to create an affordable housing project. Morrison Park provides a perfect opportunity to implement the City's Comprehensive Plan and findings from the HNA/BLI. This project, in this location, in collaboration with Mid-Columbia Housing Authority and Columbia Cascade Housing Corporation meets the public need criterion for rezoning this parcel from OS/PF to R-3 and advances our implementation of Goal 10.

## V. Decision and Conditions:

Based on the foregoing findings and except as conditioned below, this rezone application is approved in general conformance with the application and its supporting materials. This approval is subject to the requirements that the owner or subsequent developer shall comply with all of the City's applicable code provisions, laws and standards and the following conditions of approval, which shall be interpreted and implemented consistently with the foregoing findings:

1. Include only that portion of Tax Lot 700 on the north side of Wasco Avenue (which reduces the rezone area to ~5.03 acres).
2. Preserve a significant park area to include an onsite bike/pedestrian greenway connection.
3. Work with the Mid-Columbia Housing Authority and Columbia Cascade Housing or successor agency as a partner in developing this property after the zoning is changed to R-3. If this does not happen, don't sell the property for a market rate development.
4. Construction of a westbound left turn lane on Cascade Avenue at Mt. Adams Avenue (City's proportionate share = \$1,200).
5. Construct a traffic signal at the intersection on Cascade Avenue and 20<sup>th</sup> Street (City's proportionate share = \$109,000).