

Technical Memo No. 1 – URA Formation and Plan Adoption

To: Lakeview Town Council
From: Michele Parry
CC:
Date: August 16, 2022
Re: Lakeview Urban Renewal Agency Formation and Plan Adoption Milestones

Task 1) Formation of the Urban Renewal Agency and Declaration of Blight

The first step in the formation of an urban renewal agency is prepare a non-emergency ordinance for Town's town council to adopt in order to form the Lakeview Urban Renewal Agency (URA).

The form and substances of this ordinance (enclosed) shall be prepared in accordance with ORS 457.035 Urban renewal agencies; creation; ordinance to exercise powers; area of operation and ORS 457.045 Election of method of exercise of urban renewal agency's powers.

The Town's adoption of a non-emergency ordinance allows it to:

- form the urban renewal agency;
- declare that blighted areas exist in the town;
- document there is need for an urban renewal agency to function in the town; and
- elect to have the powers of an urban renewal agency exercised in accordance with ORS 457.045(3) by the governing body itself, provided, however, that any act of the governing body acting as the urban renewal agency shall be, and shall be considered, the act of the urban renewal agency only and not of the governing body.

The Lakeview URA will be informed, at a minimum, by the following planning documents:

- The Town of Lakeview Comprehensive Plan of 1980 (as amended)
- Lakeview Housing Policies and Actions ECONorthwest Memo, March 27, 2019
- Town of Lakeview and City of Paisley Housing Needs Analyses, June 2019
- Economic Opportunities Analysis for Lakeview and Paisley in Lake County, June 2019
- South Central Oregon Economic Development District's (SCOEDD) five-year Comprehensive Economic Development Strategy (CEDS) 2019-2024, May 10, 2019

These planning documents describe the need for residential, commercial, industrial, and mixed-use improvements in the Town of Lakeview and regionally throughout Lake County to overcome blight conditions that exist within the town. As defined in ORS 457.010, "Blighted areas' means areas that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community."

Specifically, these policies document blight conditions within Lakeview in the form of:

- Land with low improvement to land (I:L) ratios indicating properties that are likely underutilized or deteriorated buildings that may be in an unsafe condition, including buildings exhibiting obsolescence, deterioration, dilapidation, mixed character, or shifting of uses;
- Barriers to production of development of a range of housing types that are affordable to households at all income levels as described in the Lakeview Housing Needs Analysis, including parcels whose development is impeded by the faulty arrangement of structures, inadequate infrastructure, and faulty planning;
- Access to clean, affordable, retirement and “age in place” housing within the community that meets universal design standards and lifelong housing standards for seniors and disabled persons;
- The need for demolition, removal, and rehabilitation of existing residential, commercial, and industrial properties within Lakeview for both infill and new development;
- Inadequate infrastructure and capital improvements to support new private-sector investments, including the existence of inadequate streets and other rights of way, open spaces and utilities; and
- The potential for land assembly and public land acquisition and/or disposition to promote development and redevelopment in high-priority areas where there has historically been a prevalence of depreciated values, impaired investments, and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered.

Lakeview’s URA can address these conditions through the adoption of a robust plan that provides a wide range of solutions and policy options for the community.

Recommended Programs

The Town Council should consider a holistic approach from the following ten (10) options as part of its URA plan to combat the aforementioned conditions. They are:

- 1) **Planning and Code Assistance.** URA funds can be used to streamline Lakeview’s zoning code and other ordinances, including planning assistance in the form of:
 - Administrative and procedural reforms within Lakeview’s Planning Department;
 - Expedited / Fast-tracked building permits;
 - Code amendments to allow smaller residential lots, adjust minimum densities and create new maximum lot sizes;
 - Allowing clustered residential development;
 - Inclusionary zoning and zone re-designations;
 - Promoting infill development;
 - Permitting accessory dwelling units (ADUs);
 - Allowing Duplexes, Cottage housing, Townhomes, Row Houses, and Tri- and Quad-Plexes in single-family zones;
 - Allowing Tiny Homes;
 - Creating co-housing arrangements; and
 - Creating and administering specific programs for home ownership, rental assistance, or building rehabilitation.
- 2) **Land Acquisition and Due Diligence.** Assistance with:
 - Parcel assembly including the Town’s ability to purchase lands for the purpose of land aggregation or site assembly;
 - Land banks to support housing development by reducing or eliminating land cost from development, with the goal of increasing the affordability of housing and mixed-use developments;
 - Facilitating land trusts to own land and sell or lease housing to income-qualified buyers;
 - Acquire and/or dispose of land through expedited land purchase and sale procedures for development or redevelopment.

- 3) **Pre-Development Incentives.** Provide mechanisms to reduce the cost of pre-development, including fee waivers or credits for planning and preliminary design activities.
- 4) **Infrastructure Investment Program.** The Lakeview Urban Renewal Agency may directly complete infrastructure improvements for horizontal improvements determined by the URA Board to help facilitate development and complete improvements specified in a development agreement that ties the improvements to a specific qualifying project. Examples of qualifying projects could include infrastructure for:
 - Redevelopment projects, such as mixed-use or infill housing developments;
 - Streetscape improvements, including new lighting, trees, and sidewalks;
 - Land assembly for public as well as private re-use;
 - Transportation enhancements, including intersection improvements;
 - Historic preservation projects; and
 - Parks and open spaces.
- 5) **Land Development Incentives.** The URA may provide incentives to developers for the development of housing units and other buildings within the Plan Area. These will typically be completed through a joint development agreement with the developer/builder/property owner that stipulates the amount and timing of the development and the amount and timing of the incentive. These incentives can be:
 - A direct contribution of funds;
 - A rebate of a portion of property taxes paid;
 - Contributions to the developer for infrastructure development;
 - An agreement for the Agency to complete infrastructure improvements that are otherwise required as a condition of development approval; or
 - A combination of the above.
- 6) **System Development Charge Payments.** Payment of system development charges (SDCs) on behalf of property owners who improve qualifying properties.
- 7) **New Construction Incentives.** Provide cash rebates on new residential construction based on the increase in a qualifying property's assessed value.
- 8) **Renovation Incentives.** Cash rebates (based on the increase in the property's assessed value) on substantial improvements to building facades, structural repairs, major renovations, and new additions that add additional square footage or living space.
- 9) **Research and Development.** Promote R&D for new building materials and approaches that have the potential to streamline construction, increase efficiency or reduce costs for local developers and property owners.
- 10) **Manufactured and Modular Home Preservation Assistance.** Providing incentives for refurbishments, restoration or replacement of manufactured and modular housing to address blight conditions, including renovation of both homes and manufactured home parks within the town limits.

Task 2) Plan Creation and Adoption

Once organized, the Lakeview Urban Renewal Agency can create its Urban Renewal Plan (the "Plan") in accordance with ORS 457.085 Urban renewal plan requirements, adopting any combination of the previously recommended programs.

As required by ORS 457, Lakeview's URA Plan must include each of the following criterion:

- 1) A description of each urban renewal project to be undertaken;
- 2) An outline for the development, redevelopment, improvements, land acquisition, demolition and removal of structures, clearance, rehabilitation, or conservation of the urban renewal areas of the plan;
- 3) A map of the urban renewal areas of the plan by tax lot;

- 4) An explanation of the plan’s relationship to definite local objectives regarding appropriate land uses and improved traffic, public transportation, public utilities, telecommunications utilities, recreational and community facilities, and other public improvements;
- 5) An indication of proposed land uses, maximum densities, and building requirements for the urban renewal area;
- 6) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area of the plan;
- 7) An indication of which real property may be acquired and the anticipated disposition of such real property, whether by retention, resale, lease or other legal use, together with an estimated time schedule for such acquisition and disposition;
- 8) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.470, the maximum amount of indebtedness that can be issued or incurred under the plan; and
- 9) A description of what types of possible future amendments to the plan are substantial amendments and require the same notice, hearing, and approval procedure required of the original plan under ORS 457.095 as provided in ORS 457.220, including but not limited to amendments:
 - (a) Adding land to the urban renewal area if the addition results in a cumulative addition of more than one percent of the urban renewal area.
 - (b) Increasing the maximum amount of indebtedness that can be issued or incurred under the plan.

Task 3) Urban Renewal Report

Once the Town Council develops its Plan, the Town Manager will create the Urban Renewal Report to accompany the Plan. The Report will be prepared in accordance with ORS 457.087 Report required to accompany proposed urban renewal plan.

It shall include all of the following:

- 1) A description of the physical, social and economic conditions in the urban renewal areas of the plan and the expected impact, including the fiscal impact, of the plan in light of added services or increased population;
- 2) Reasons for the selection of each urban renewal area in the plan;
- 3) The relationship between each project to be undertaken under the plan and the existing conditions in the urban renewal area;
- 4) The estimated total costs for each project and the sources of moneys to pay the costs;
- 5) The anticipated completion date for each project;
- 6) The estimated amount of moneys required for each urban renewal area under ORS 457.420 to 457.470 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.420 to 457.470;
- 7) A financial analysis of the plan with sufficient information to determine the feasibility of the plan;
- 8) A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the indebtedness is repaid, upon all districts levying taxes upon property in the urban renewal area.

Task 4) Notice to Planning Commission and Affected Tax Districts

The Town Manager shall prepare notices to the Lakeview planning commission and affected tax districts within Lake County in accordance with ORS 457.089 Urban renewal plan and report to planning commission and affected taxing districts for recommendations before approval by municipality; taxing district concurrence required for plan that includes public building project.

We will prepare a notice for the Lakeview urban renewal agency, which shall forward the Plan and accompanying Report to the Lakeview planning commission for recommendations before presenting the plan to the Town’s town council for approval under ORS 457.095.

Note: The governing body of each taxing district shall have 45 days following receipt of the Plan and Report to submit written recommendations to the urban renewal agency. In adopting the Plan, the governing body of the municipality shall accept, reject or modify the recommendations of each taxing district.

Task 5) URA Public Hearing and Plan Adoption

The Town Manager shall prepare a non-emergency ordinance for Town’s town council to adopt in order to approve the Plan.

The form and substances of this ordinance (Ordinance No. 2) shall be prepared in accordance with ORS 457.095 Approval of plan by ordinance; required contents of ordinance; notice.

This Ordinance shall include determinations and findings for the Town’s town council that:

- 1) Each urban renewal area is blighted;
- 2) The rehabilitation and redevelopment is necessary to protect the public health, safety or welfare of the municipality;
- 3) The urban renewal plan conforms to the comprehensive plan and economic development plan, if any, of the municipality as a whole and provides an outline for accomplishing the urban renewal projects the urban renewal plan proposes;
- 4) Provision has been made to house displaced persons within their financial means in accordance with ORS 35.500 to 35.530 and, except in the relocation of elderly individuals or individuals with disabilities, without displacing on priority lists persons already waiting for existing federally subsidized housing;
- 5) If acquisition of real property is provided for, it is necessary;
- 6) Adoption and carrying out of the urban renewal plan is economically sound and feasible; and
- 7) The municipality shall assume and complete any activities prescribed it by the urban renewal plan.

We will also prepare the Notice of Public Hearing for the adoption of Ordinance No. 2, which the Town shall cause to be mailed to each individual or household in one of the following groups:

- (a) Owners of real property that is located in the municipality;
- (b) Electors registered in the municipality;
- (c) Sewer, water, electric or other utility customers in the municipality; or
- (d) Postal patrons in the municipality.

Upon adoption of the Plan following the public hearing, the Town Manager shall prepare the post-plan Adoption Notice, which Town shall cause to be published in the newspaper in accordance with ORS 457.115 Manner of newspaper notice.

We will also prepare a copy of Ordinance No. 2 approving the Plan to be sent by the Town’s town council to the Town’s urban renewal agency, which the urban renewal agency shall then cause to be recorded with the Lake County Clerk, in accordance with ORS 457.125 Recording of plan upon approval.

Timeline and Milestones

In order to adopt the plan and make it effective this calendar year, the following timelines are recommended:

Task	Start Date	Due Date	Duration
Task 1. URA Formation (Ordinance No. 1)	August 1	August 23	22 Days
Task 2. Urban Renewal Plan	August 1	October 6	65 Days
Task 3. Urban Renewal Report	August 1	October 6	65 Days
Task 4. Notice to Planning Commission and Affected Tax Jurisdictions	October 7	November 26	50 Days
Task 5. URA Public Hearing and Plan Adoption (Ordinance No. 2)	November 1	December 30	60 Days

After enacting the URA (Task 1), the Town Council will be able to meet as a URA board of directors to adopt bylaws and create the urban renewal plan and report. Anticipated dates for these board meetings are:

- URA Meeting 1. September 13, 2022
- URA Meeting 2. October 11, 2022
- URA Meeting 3. November 8, 2022
- URA Meeting 4. December 13, 2022

Summary and Recommendations

Ordinance 891 does not obligation the Town Council to adopt a specific program, but it does set the stage for all of the activities that will follow, including the subsequent URA board meetings.