



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: January 31, 2024

SUBJECT: Amendment to the land donation agreement with the City of Redmond for Northpoint Vista, and Board Order authorizing the Deschutes County Property Manager to execute the documents associated with closing the land donation

RECOMMENDED MOTION:

Move approval of Document No. 2024-104 authorizing Amendment No. 1 to the land donation agreement with the City of Redmond, and approval of Board Order No. 2024-005 authorizing the Deschutes County Property Manager to execute the documents associated with closing the land donation.

BACKGROUND AND POLICY IMPLICATIONS:

In 2016, House Bill 4079 (HB 4079) passed, which formed a pilot program aimed to help cities build affordable housing. The program allowed for two cities; one with population up to 25,000, and one with a population greater than 25,000, to add new housing units on lands currently outside their respective urban growth boundaries without going through the normal UGB expansion process.

Because no applications were received from a city with population less than 25,000, in 2019, the Oregon legislature amended the original statute by passing House Bill 2336. This allowed the Land Conservation and Development Commission to select the City of Redmond's application for the affordable housing pilot program, in lieu of a city of less than 25,000.

In 2019, Deschutes County and the City of Redmond (City) entered into a land donation agreement (Agreement) in accordance with House Bills 4079 and 2336. The Agreement provided a 40-acre donation of land located between NE Maple Avenue and NE Kingwood Avenue in East Redmond known as a portion of Map and Tax Lot 1513000000103. Highlights of the Agreement included:

1. The City completing land use entitlements to create a legal parcel within the UGB and City Limits, and responsible for the costs associated.
2. Minimum of 50% of developed housing units would remain at or below the threshold deemed affordable for a period of 50 years.
3. The City to demonstrate substantial initiation of the pilot project within seven years,

otherwise the County at its election, may exercise the right of reversions wherein ownership of the property will revert to County; substantial initiation is defined as infrastructure expenditures of at least \$1,000,000.

4. If the City does not fulfill the obligations set forth in the Agreement, property ownership in any part, developed or undeveloped, not otherwise transferred to a third party shall revert to the County.
5. The City paying all associated closing costs.

At the end of December 2023, the final partition plat for 39.31-acres was recorded, and the Agreement includes closing the transaction within 30-days of the recording. Subsequently, the City has requested the following:

1. Extend the Agreement to close within 120-days from recording the final plat, and
2. Modify the percentage of required affordable housing units from 50% to 30%. Note that the City intends to designate 45% of units to workforce housing (80 to 120% area medium income) and the remaining 25% at market rate, and
3. Modifying the original timeline as shown in the attached Exhibit B.

BUDGET IMPACTS:

39.31-acre donation to the City of Redmond at zero cost.

ATTENDANCE:

Kristie Bollinger, Property Manager

John Roberts, Deputy City Manager, City of Redmond