



CITY OF MANZANITA

P.O. Box 129, Manzanita, OR 97130-0129
Phone (503) 368-5343 | Fax (503) 368-4145 | TTY Dial 711
ci.manzanita.or.us

BEFORE THE PLANNING COMMISSION OF THE CITY OF MANZANITA ORDER

Applicant: Pine Grove Properties, Inc. (Owner - James P. Pentz).
Location: The property is located approximately at the east end of Meadows Drive. Necarney City County Road borders the site along the south.
Assessor's Map: Portion of 3N-10W-28, Tax Lot 1401.
Subject Area: 12.54 acres.
Zoning: Medium Density Residential (R-2).
Request: Application to Annex the 12.54 acres into the City limits of Manzanita and rezone the newly annexed property to Special Residential/Recreation Zone (SR-R).

The above-named applicant applied to the City to Annex 12.54 acres into the City limits and establish for the Special Residential/Recreation Zone (SR-R) on the newly annexed property. A public hearing on the above request was held before the Planning Commission on March 11, 2024.

THE PLANNING COMMISSION OF THE CITY OF MANZANITA HEREBY RECOMMENDS that the Manzanita City Council APPROVE the proposed Annexation and Zone Change request, adopting the findings of fact in "Exhibit A" attached hereto and by this reference incorporated herein.

This ORDER OF RECOMMENDATION appears as a matter of record. There will be a separate hearing before the City Council at a date and time to be notified. The complete case is available for review at the office of the City Recorder, 543 Laneda Avenue, Manzanita, Oregon.

Date: 03-26-24

City of Manzanita Planning Commission

Karen Reddick-Yurka, Chair

EXHIBIT A

I. BACKGROUND

- A. APPLICANT: Pine Grove Properties, Inc. (Owner - James P. Pentz).
- B. PROPERTY LOCATION: The property is located at the east end of Meadows Drive. Necarney City County Road borders the site along the south. There is no site address, and the County Assessor places the property within Township 3 North; Range 10 West; Section 28; Tax Lot #1401.
- C. SUBJECT AREA: 12.54 acres.
- D. EXISTING DEVELOPMENT: The vacant subject area fronts two public streets and public services are available.
- E. ZONING: The Comprehensive Plan designates the land as Medium Density Residential (R-2).
- F. ADJACENT ZONING AND LAND USE: Property to the east and south is in Tillamook County and designated RMD. To north lies C-1 zoned land located along US Highway 101 and containing a mix of commercial uses. All remaining adjacent property is zoned SR-R and contains a mix of open space and residential development.
- G. REQUEST: Application to Annex 12.54 acres into the City limits of Manzanita, and a Zone Change from Medium Density Residential Zone (R-2) to Special Residential/Recreation Zone (SR-R).
- H. DECISION CRITERIA: Annexation - Oregon Revised Statute Chapter 222; Zone Change - Sections 9.010 to 9.050 of Ordinance 95-5.

II. APPLICATION SUMMARY

- A. The applicant wishes to annex approximately 12.54 acres of R-2 designated land. The subject area is located along the east side of the property and extends south to Necarney City County Road. Upon annexation, the property would be zoned R-2, consistent with the Comprehensive Plan designation. In addition, to the annexation, the applicant wishes to change the zoning from R-2 to SR-R. This Zone Change would apply to the entire 12.54 acres. While the applicant intends to develop the site (see applicant's submittal), this application does not include a concurrent development proposal.
- B. The City development regulations do not include annexation provisions. By default, the City is subject to provisions in Oregon Revised Statutes Chapter 222, Sections 222.111 to 222.177. The City Council has the option to conduct a public hearing

on the request or refer the annexation to the voters. In addition, the Zoning Ordinance does not contain specific criteria for a Zone Change. Only Article 9, Amendments includes provisions applicable to the amendment process.

- C. This review will proceed with the annexation request, followed by the zone change application. For the record, the City did not receive any comments as of the date of this report.

III. ANNEXATION

- A. ORS Chapter 222 contains annexation procedures (a copy of the material is included as Attachment “A”). The statute does not specifically require (nor prohibit) the Planning Commission’s review of a request. This approach was previously coordinated with the City Legal Counsel (Highlands 4 & 5 Subdivision), suggesting the Commission should at least make a recommendation to the Council on the annexation. This is entirely consistent with other legislative-type actions - such as zone changes or code amendments - that require a Commission recommendation as part of the legislative process. As noted in ORS 222.120 to ORS 222.177, the City Council has options on how to make a final determination, including providing an opportunity for a public vote on matter.
- B. ORS 222.111 Authority and procedure for annexation; specifying tax rate in annexed territory. This Section allows extending the boundaries of any city by the annexation of territory that is not within a city, and that is contiguous to the city or separated from it only by a public right of way or a stream, bay, lake, or other body of water. Such territory may lie either wholly or partially within or without the same county in which the city lies. Further, an annexation may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.

FINDINGS: The property owner submitted a request to annex the property. The subject property (Tax Lot 1401) is located within the City’s Urban Growth Boundary and adjacent and contiguous to the City limits to the west. Existing service districts (fire and sanitary sewer) will continue to serve the site and existing water and sanitary services were extended to the Highlands Subdivision located to the west. In summary, this portion of Tax Lot 1401 is available for urban uses and meets the statutory requirements for annexation.

The remaining provisions in ORS 222.111 address specific issues (e.g., contracts or special airport provisions) or the City Council’s role in reviewing an annexation request.

IV. ZONE CHANGE

- A. As noted, the Zoning Ordinance does not contain specific review provisions for a zone change. The only available guidelines were provisions on processing

amendments (Article 9, Amendments). The following findings address these provisions:

1. Section 9.010 Authorization to Initiate Amendments. An amendment to the text of this Ordinance or to the zoning map may be initiated by the City Council, the Planning Commission or by application of a property owner. The request by a property owner for an amendment shall be accomplished by filing an application with the City Manager.

FINDINGS: The property owner initiated the zone change, filing the necessary application and supporting documents.

2. Section 9.020 Public Hearings on Amendments. The Planning Commission shall conduct a public hearing on the proposed amendment at its earliest practicable meeting after the amendment is proposed and shall, within 40 days after the hearing, recommend to the City Council approval, disapproval, or modified approval of the proposed amendment. After receiving the recommendation of the Planning Commission, the City Council shall hold a public hearing on the proposed amendment, and approve, disapprove, or modify the proposed amendment.

FINDINGS: This hearing before the Commission complies with the requirements in the Section. The Commission action will be in the form of a recommendation to the City Council.

3. Section 9.030 Record of Amendments. The City Manager shall maintain records of amendments to the text and zoning map of the Ordinance.

FINDINGS: If approved, this Section establishes an administrative requirement for the City.

4. Section 9.040 Limitations on Reapplication. No application of a property owner for an amendment to the text of this Ordinance or to the zoning map shall be considered by the Planning Commission within the one-year period immediately following a previous denial of such request, except the Planning Commission may permit a new application if, in the opinion of the Planning Commission, new evidence or a change of circumstances warrant it.

FINDINGS: This Section does not apply as this is the applicant's first request for this specific zone change.

5. Section 9.050 Amendments Affecting Manufactured Dwelling Parks. If an application would change the zone of property which includes all or part of a manufactured dwelling park as defined by ORS 446.003, the governing body shall give written notice by first class mail to each existing mailing

address for tenants of the manufactured dwelling park at least 20 days but not more than 40 days before the date of the first hearing on the application. The failure of a tenant to receive a notice which was mailed shall not invalidate any zone change.

FINDINGS: This Section does not apply as the request does not involve property containing a manufactured dwelling park.

B. It is evident the Amendment Article addresses the process but does not provide any decision criteria. As the zone change applies to residential zones (Ordinance Section 2.020), the Manzanita Comprehensive Plan provides guidance on "Residential Land Uses". The Land Use Goal states the following: *"To maintain and create residential living areas which are safe and convenient, which make a positive contribution to the quality of life, and which are harmonious with the coastal environment."* Five policies support this Goal; the following reviews the policies and supporting findings:

1. Policy #1 - Protect living qualities by requiring landscape screening or buffering between dwellings and commercial uses.

FINDINGS: The Zoning Ordinance allows the Planning Commission to require screening or buffering as part of residential development projects. Specific examples in the Zoning Ordinance are found in Section 4.060 for multi-family projects, Section 4.156(3) for site design review, and Section 5.031(g) for conditional uses.

2. Policy #2 - Require that subdivisions include adequate public street access for each house and lot, paved streets, adequate water and sewer systems, storm drainage, underground telephone, TV Cable, and electrical lines. Street plantings and trees are desirable. Improvements should be of good quality.

FINDINGS: Numerous sections of the Manzanita Subdivision Ordinance 95-5, specifically related to streets and utilities, implement these provisions.

3. Policy #3 - Permit a variety of dwellings and flexibility in densities and site design for large, planned developments. Density standards established in the vicinity will generally serve as the basis for the overall density of such planned developments. Special review and approval by the Planning Commission will be required. Projects will be expected to provide usable open space, community facilities and other special amenities. The clustering of dwelling units in order to leave a greater amount of land for open space is encouraged.

FINDINGS: Provisions in the existing R-2 zone effectively limit residential development to the creation of individual lots for either single family homes

or duplexes [Section 3.010(1)]. The SR-R zone not only permits single family homes and duplexes [Section 3.030(2)] but permits multi-family homes and townhouses (same Section). In addition, Section 3.030(4) allows higher densities and design flexibility in the SR-R zone, including clustering of homes.

4. Policy #4 - Require minimum lot sizes for single-family homes which adequately accommodate contemporary dwellings; separate structures for adequate light, air, fire-fighting access, and prevention of the spread of fire; provide space for two family automobiles per single-family dwelling. Pre-existing lots of sub-standard size may be developed under special conditions.

FINDINGS: As noted, both the R-2 and SR-R zones allow single-family and duplex residences. Since residential development in the SR-R zone must conform to the R-3 zone standards [Section 3.030(4)(b)], both the existing R-2 zone [Section 3.010(3)] and proposed SR-R zone contain similar lot size and dimension requirements [Section 3.020(3)]. Therefore, the zone change to SR-R will not reduce the ability to provide single family homes in a manner consistent with this policy.

5. Policy #5 - Require, in areas without urban services, minimum lot sizes which will assure that no danger to the public health will result from water supply or sewage disposal into the ground.

FINDINGS: This is not directly applicable, as urban services are available to the property regardless of zoning.

- C. A further issue is whether the loss of R-2 zoning will impact the City's overall ability to provide housing. The 2019 Buildable Lands Inventory conducted a survey of available, developable residential land within the City's Urban Growth Boundary. The report concluded with the following summary:

Summary of Residential Buildable Lands Inventory

Approximately 96 acres of land are available in the residential BLI. It may seem surprising that most of the land available falls under high density residential zoning (roughly 94%), but this is partially explained by the fact that R-2 medium density residential (the most populous zone) is technically classified as high density residential as it allows more than 8 units per acre given a minimum lot size of 5,000 square feet per unit. In fact, there are no zones classified as low density residential given our criteria. Medium density residential and commercial / mixed-use make up 5.6% and 0.5% of the residential BLI respectively.

Vacant land represents by far the largest opportunity for development, comprising almost 99% of the land available in the buildable lands inventory. While less partially vacant and redevelopable land is available, the location of specific parcels

are important as they may represent geographies where development is highly desired (i.e., areas close to commercial cores) or where infrastructure (water and sewer) is available.

Table 9: Summary of Residential Buildable Lands Inventory, Manzanita UGB, 2019

Housing Category	Vacant (acres)	Partially Vacant (acres)	Redevelopable (acres)	Total Buildable (acres)
Low Density Residential	-	-	-	-
Medium Density Residential	5.40	-	-	5.40
High Density Residential	89.14	1.00	0.02	90.16
Commercial / Mixed-use	0.44	0.06	-	0.49
Total:	94.97	1.06	0.02	96.05

As previously noted, both the R-2 and SR-R zones allow single-family and duplex residences and developed to similar standards. The only significant difference between the two zones is that the SR-R zone allows multi-family residences. Therefore, the zone change does not eliminate housing opportunities permitted in the R-2 zone but increases housing opportunities by allowing multi-family units. On balance, the zone change will not reduce or inhibit the City’s ability to provide needed housing.

- D. While this application does not contain a concurrent development proposal for the Commission to review, the applicant made it clear during public testimony the sole purpose of the request was to create moderate income/workforce housing for the community. Also during public testimony, the applicant was willing to accept a condition, including deed restriction, to ensure only this type of housing is constructed, and the use of the property for short-term rentals is prohibited. The Commission concurs with the need for such housing options, noting findings in Policy #3, above. Therefore, the Commission finds it appropriate to place conditions on the zone change that will ensure the site is developed as intended by the applicant and to meet the needs of the community.

V. PLANNING COMMISSION DECISION – ANNEXATION

The Planning Commission finds the proposed Annexation is consistent with the relevant provisions in ORS Chapter 222 and recommends the City Council approve the request.

VI. PLANNING COMMISSION ACTION – ZONE CHANGE

The Planning Commission finds the proposed Zone Change from R-2 to SR-R is consistent with the relevant provisions in the Manzanita Zoning Ordinance and recommends the City Council approve the request subject to the following conditions:

- A. Development of the newly annexed property shall be limited to moderate income housing as defined in Oregon Revised Statutes 456.270 and subsequent legislative amendments. This limitation shall be placed as a deed restriction and evidence of the restriction shall be provided prior to submittal of any applications or permits to develop the newly annexed property.
- B. Establishment of short-term rentals as defined by the Nehalem Zoning Ordinance shall be prohibited.