



CITY OF MANZANITA

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STAFF REPORT

TO: Manzanita City Council

FROM: Walt Wendolowski, City Contract Planner

SUBJECT: Staff Report – Appeal of Planning File# 25001Manzanita Pines PUD

DATE: April 7, 2025

I. BACKGROUND

- A. **APPLICANT:** Keith Daily (Polyphon Architecture and Design, LLC).
- B. **PROPERTY LOCATION:** North side of Necarney City County Road, 500-feet west of its intersection with Clipper Court. There is no property address, and the County Assessor places the property within a portion of Township 3 North; Range 10 West; Section 28; Tax Lot 1401.
- C. **PARCEL SIZE:** The site contains approximately 4.62 acres.
- D. **EXISTING DEVELOPMENT:** The vacant subject fronts on Necarney City County Road with an unnamed platted street (identified as “Loop Road”) located along the property’s west side. Public water and sanitary sewer service are available.
- E. **ZONING:** Special-Residential/Recreation (S-R/R). The site is not located within the identified Dune Overlay and Floodplain Overlay zones.
- F. **REQUEST:** Appeal of the Planning Commission’s decision approving a Planned Unit Development application to construct a 60-unit affordable, multi-family housing project.
- G. **REVIEW CRITERIA:** Ordinance 95-4 Section 4.136; and the Special Residential/Recreational Zone standards in Ordinance 95-4 Section 3.030.

II. APPLICATION SUMMARY

- A. The City annexed a 12.54-acre portion of Tax Lot 1401 in 2024 (File #24007) and rezoned the newly annexed property to Special-Residential/Recreational (S-R/R). In addition, the City approved a partition to divide the annexed property into three

parcels. The subject property is Parcel #3 of the approved partition, located in the northeast corner of Tax Lot 1401.

B. The current property owner wishes to construct a 60-unit affordable, multi-family housing project featuring the following:

1. The site will contain a total of five multi-family buildings. Of the 60-units, there are 14 one-bedroom units, 23 two-bedrooms units, and 23 three-bedroom units. The developer/owner will be responsible for maintaining the property, including garbage pick-up.
2. In addition to housing, the site contains supporting amenities, including a one story, 2,500 square foot club house at the approximate center of the project. On the west side of the clubhouse is an open plaza with picnic tables and an equipped playground.
3. Open space accounts for 40.6% of the site (1.88 acres). This includes a large natural area on the north side of the property, as well as associated landscaped open areas and play areas surrounding the buildings. The open space on the north side will remain in natural vegetation with no planned improvements.
4. A proposed public street, identified as "Loop Road" on the site plan, provides access to the project. Two points of ingress/egress access parking, effectively creating an interior roadway loop serving ninety-six spaces. The layout includes thirty-two designated bicycle parking spaces.
5. An interior walkway system will connect the buildings and parking areas. The plan does not include walkway improvements along the "Loop Road." The site plan also identifies a 5-foot split rail (or similar fence) on the west side of the site, located between the two access driveways.
6. Supporting documents include a traffic study and a storm water study, both by Mackenzie Engineering, wetland analysis by Christine McDonald, and a geotechnical analysis by Carlson Engineering. While the project requires certain improvements, e.g., infiltration basins, the consultants and agencies did not identify issues that would prohibit the proposed development.
7. The applicant is requesting three development modifications:
 - a. An increase in building height from 28'6" to 37' 2". SB1537 would

automatically permit an increase to 34' 2"; the applicant is requesting an additional height increase of 3-feet.

- b. Reduction in the front yard setback from 20-feet to 10-feet.
 - c. A reduction in parking spaces from two spaces per unit to 1.6 spaces per unit.
- C. Section 3.030(2)(c) permits a "multi-family dwellings" in the Special Residential/Recreation Zone. In addition, Subsection (4)(c) requires the Planning Commission to use the Planned Development procedures in Section 4.136 when evaluating an application. As a PUD, the Planning Commission has the authority to modify all development standards except for housing density (see item B.7.).
- D. Section 3.030(3)(d) lists "community meeting building" as a conditionally permitted use. In this case, the community building is part of the residential development and not a separate facility designed to be open to the public. For this reason, the submittal does not require a separate conditional use application.
- E. On February 10, 2025, the Planning Commission approved the proposed Planned Unit Development application. The City posted the final order on February 18, and a timely appeal filed on March 10. The Council packet includes the Commission Order approving the request, and which contains the detailed findings in support of the decision, as well as evidence, argument, and testimony received into the record as part of the City Council's *de novo* review. This report does not recommend any changes to the findings and conditions contained in the Commission Order. Instead, this report will focus on the five items identified by the applicant as part of their appeal.
- F. Finally, after the submittal of the application, new state regulations regarding affordable housing came into effect (SB1537) on January 1, 2025. These regulations require local governments to approve adjustments to certain development standards involving affordable housing projects. For example, a jurisdiction must approve a request to increase the building height by 20% or reduce required setbacks by 10%. The legislation did not require local adoption of the requirements as the provisions sunset in 2032. However, the City remains responsible for ensuring their application. As an affordable housing project, the application is subject to provisions in SB1537.

III. APPEAL

- A. Pursuant to Section 10.150.A., one may appeal the decision of the Planning Commission to the City Council within 20-days of the date the City mails the notice of the decision. As previously noted, the appeal is timely as the February 18 decision was appealed on March 10.
- B. Section 10.160 establishes the requirements of an appeal. The request must identify the decision, information on standing, grounds for the appeal, and whether the Council should hear the appeal *de novo*. The appellant submitted the appropriate appeal form with the required information and requested a *de novo* hearing. As one of the appeal grounds concerns a public hearing procedural error, staff believes it is appropriate for the Council to hear this appeal *de novo*. This type of hearing allows the Council to consider all other matters in addition to the appeal justification.
- C. The appeal focused on five areas: procedural matters, the need for variance findings for the site modifications noted in item B.7., and the sufficiency of the access street (Loop Road). Staff reviews each item in the following Sections. The grounds for appeal are noted below in italics.
- D. Grounds for Appeal Regarding Procedural Error

The Manzanita Planning Commission failed to follow procedures of Manzanita Zoning Ordinance #95-4; Article 10, Section 10.110. Nature of Proceedings.

10.110.B.7. At the conclusion of the public hearing, a participant in the public hearing may request that the record remain open for at least 7 days for the purpose of submitting additional evidence. Such a request may only be made at the first de-novo hearing held in conjunction with a permit application or zoning ordinance text or map amendment. Whenever the record is supplemented in this manner, any person may raise new issues which relate to the new evidence, testimony or criteria for decision making which apply to the matter at issue. This extension of time shall not be counted as part of the 120-day limit in Section 10.220.

The Manzanita Planning Commission failed to continue the public hearing or continue the public comment period but close the hearing as directed by Oregon Revised Statutes (ORS 197.797 (6.a)). Prior to the conclusion of the

initial evidentiary hearing, it was requested in writing and at the hearing that the record be left open for the participants to present additional evidence, arguments, or testimony regarding the application.

RESPONSE: This is a procedural error if the appellant submitted a request, written or verbal, to keep the record open. The City Council addresses this error through the appeal and Council public hearing. By conducting the hearing *de novo*, the Council effectively allows submittal of new information by all parties satisfying the appellants' request to keep the record open.

E. Grounds for Appeal Regarding Variances

The application included modifications to the street-side yard setback, parking requirements and building height. The appellant stated the Commission failed to address the Variance criteria in Article 8 when allowing reductions in the yard setback and parking, along with taller buildings. Since the three items are related to the variance criteria, staff will review these collectively. The specific grounds for appeal are as follows:

1. (Front Yard Setback) - *The Manzanita Planning Commission failed to require a Variance review from Article 8, to reduce the front yard setback to 10 feet. The minimum front yard setback is 20 feet and allowed to be reduced through Manzanita Zoning Ordinance Section 3.030.4.b.*

3.03.4.b (b) Standards other than density in the SR-R zone shall conform to those established in the R-3 zone (Section 3.020) except that the Planning Commission may authorize relaxation of these standards to permit flexibility in design such as cluster development, with respect to lot size, setbacks and lot coverage, but not use.

SB1537 allows for up to a 10 percent reduction in the front yard setback as an administrative approval.

The approved 10-foot setback is in violation of Manzanita Zoning Ordinance #95- 4; Article 3, Section 3.020.3.d. and in excess of 10 percent as allowed in SB1537.

3.020.3.d. The minimum front yard shall be 20 feet, or the average setback of buildings within 100 feet of both sides of the proposed

building on the same side of the street, whichever is less...In no case shall the front yard setbacks be less than 12 feet.

2. (Building Height) - *The Manzanita Planning Commission failed to require a Variance review from Article 8, to exceed maximum building height from Manzanita Zoning Ordinance #95-4, Article 3; Section 3.020.3.f.*

3.020.3.f. The maximum building or structure height shall be 28 feet, 6 inches. However, if more than one-half of the roof area has a roof pitch of less than 3 in 12, the building or structure height shall not exceed 24 feet. The height of a stepped or terraced building shall be the maximum height of any segment of the building or structure.

The maximum building height does not appear to be allowed to be reduced through Manzanita Zoning Ordinance #95-4, Article 3, Section 3.030.4.b.

3.030.4.b (b) Standards other than density in the SR-R zone shall conform to those established in the R-3 zone (Section 3.020) except that the Planning Commission may authorize relaxation of these standards to permit flexibility in design such as cluster development, with respect to lot size, setbacks and lot coverage, but not use.

Senate Bill (SB) 1537 allows for relaxing the standards for building height by up to 20 percent. The proposal seeks an increase in height of more than 30 percent. The property is also 3 – 6 feet higher than the residential properties to the east, exacerbating the increased height. A 30 percent increase in height is in excess of the standards permitted in the Manzanita Zoning Ordinance and as directed through the recent passage of SB1537.

3. (Parking) - *The Manzanita Planning Commission failed to provide adequate findings to address the approved reduction in vehicle parking spaces.*

Manzanita Zoning Ordinance #95-4; Article 4, Section 4.090 Off-Street Parking Requirements, two parking spaces are required per dwelling unit for a total of 120 automobile parking spaces. There are 96 spaces proposed, a 20 percent reduction in the required number

of automobile parking spaces.

SB1537 allows for a reduction in parking minimums, there are no criteria or processes within the Manzanita Zoning Ordinance #95-4 as to how the local government will implement the reductions allowed in SB1537.

RESPONSE: The subject property is zoned S-R/R, with Section 3.030 establishing the specific development requirements for the zone. Subsection (4)(c) requires the processing of all development applications as a planned unit development (PUD) per Section 4.136. Subsection (4)(b) also states development shall conform to the standards in the R-3 zone “. . . except that the Planning Commission may authorize relaxation of these standards to permit flexibility in design such as cluster development, with respect to lot size, setbacks, and lot coverage, but not use.” In other words: (1) development in the S-R/R zone must proceed under PUD provisions; (2) the development standards of the R-3 zone apply; and (3) except for permitted uses, the Commission may authorize relaxation (i.e., modification) of these development standards. Further, SB1537 does not limit or restrict application of the PUD ordinance provisions.

The Commission adopted findings regarding the front yard setback and building height modifications in Section IV. D. of the Commission Order, while Section IV. F. addressed parking. Again, while the standards of the R-3 zone apply, as part of the PUD process the Commission may modify these standards – including setbacks, height, and parking – per Section 3.030(4)(b) without the need for a separate variance application under Article 8. Since the modifications did not require variances, that portion of the appeal does not apply, and Staff continues to agree with the Commission findings in support of the modifications.

F. Grounds for Appeal Regarding Street Right-of-Way

Loop Road along the frontage of the property appears to have a 20-foot-wide right of way. This is less than the required width of a Fire Apparatus Access Road per Tillamook County, Fire Code, Section 3; Fire Apparatus Access Roads are required to be 26 feet wide for buildings over 30-feet in height.

Loop Road appears to consist of two 10-foot travel lanes without pedestrian or bicyclist amenities and no on-street parking for vehicles of guests, or overflow from the residential parking area. The lack of pedestrian and bicycle amenities do not provide for safe pedestrian or bicycle routes to the adjacent public rights of way which also lack pedestrian and bicycle amenities to justify reduction in both fire apparatus access and automobile parking.

RESPONSE: In the application record, the Nehalem Bay Fire & Rescue submitted comments indicating that the site is conditionally acceptable subject to a final inspection. The TIA submitted by Mackenzie Engineering did not identify specific issues with the right of way. Further, final development site and roadway must comply with City street design and improvement standards recently adopted as part of the Transportation System Plan. Those improvements will be included in any final design and engineering plans, and the development can only proceed if the adopted standards are installed.

According to the City's Transportation System Plan, Loop Road will be a local street by functional class. Per Table 6 of the adopted regulations, the minimum lane width is 20-feet with bike lanes or sharrows. Parking is optional, at a minimum space width of 8-feet, and the roadway standards do not require sidewalks. Based on the submitted site plan, the proposed Loop Road right-of-way is sufficient to meet the requirements for a local street.

In addition, the proposed road name is Legacy Place. The developer is working on the engineering and design of the road which will dead end at the North end of the housing project as shown in the site plan. Finally, the City will not issue a certificate of occupancy for any building until the developer improves the road to City engineering design and construction standards.

IV. SUMMARY

- A. The Commission approved the application, finding that the request complied with the decision criteria in Ordinance 95-4. The attached Planning Commission Order contains their supporting findings.
- B. This appeal centered on a procedural error, the need for variances to support certain modifications, and the suitability of the proposed Loop Road. The Council's *de novo* hearing effectively addresses the procedural issue. Development of the site requires a PUD, and the Ordinance grants the Commission significant latitude in allowing modifications to the design standards - the Ordinance does not require variances to support these modifications. Finally, the required development of the right-of-way to adopted City standards in the Transportation System Plan addresses concerns regarding the Loop Road (Legacy Place) issues.

V. RECOMMENDATION

Based on findings in this report and the original Planning Commission Order, and after considering the additional evidence, argument, and testimony submitted as part of the City Council's *de novo* review, staff again finds the proposal complies with the applicable Planned Development criteria. Therefore, staff recommends the City Council uphold the Planning Commission approval.

VI. CITY COUNCIL ACTION

A. The City Council has the following options:

1. Uphold the Planning Commission approval, adopting the findings and conditions contained in the Planning Commission Order;
2. Uphold the Planning Commission approval, adopting modified findings and/or conditions to the Planning Commission Order;
3. Remand the matter back to the Planning Commission for further consideration, identifying the error(s) found to have materially affected the outcome of the decision and the action necessary to rectify such error(s);
4. Reverse the Planning Commission approval, denying the application and establishing findings as to why the application fails to comply with the decision criteria; or
5. Continue the hearing to a date and time certain.

(NOTE: unless the applicant allows a time extension, the 120th day ends on May 3, 2025.)

B. If the Council makes a decision at the hearing, City staff will prepare the appropriate document for the Mayor's signature.



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BEFORE THE PLANNING COMMISSION OF THE CITY OF MANZANITA ORDER

APPLICANT: Keith Daily (Polyphon Architecture and Design, LLC)
LOCATION: Township 3 North; Range 10 West; Section 28; Tax Lot 1401
ZONING: Special-Residential/Recreation (S-R/R)
REQUEST: Planned Unit Development (PUD) for a 60-unit affordable, multi-family housing project

The above-named applicant SUBMITTED a Planned Unit Development (PUD) application to construct a 60-unit affordable, multi-family housing project. A public hearing on the above request was held before the Planning Commission on February 10, 2025.

THE PLANNING COMMISSION OF THE CITY OF MANZANITA HEREBY ORDERS that the Planned Unit Development request be APPROVED and adopts the findings of fact and conditions of approval in Exhibit A, attached hereto and by this reference incorporated herein, in support of the decision.

This ORDER may be appealed to the City Council by an affected party by filing an appeal with the City Manager within 20 days of the date specified below. A request for appeal, either as a de novo review or review on the record, must contain the items listed in City Ordinance 95-4, Section 10.160 and may only be filed concerning criteria that were addressed at the initial public hearing. The complete case is available for review at City Hall, 167 South 5th Street, Manzanita, Oregon.

City of Manzanita Planning Commission

Date: 02-18-2025

Karen Reddick Yurka

Karen Reddick-Yurka, Chair

Exhibit A

I. BACKGROUND

- A. APPLICANT: Keith Daily (Polyphon Architecture and Design, LLC).
- B. PROPERTY LOCATION: North side of Necarney City County Road, 500-feet west of its intersection with Clipper Court. There is no property address, and the County Assessor places the property within a portion of Township 3 North; Range 10 West; Section 28; Tax Lot 1401.
- C. PARCEL SIZE: The site contains approximately 4.62 acres.
- D. EXISTING DEVELOPMENT: The vacant subject fronts on Necarney City County Road with an unnamed platted street (identified as “Loop Road”) located along the property’s west side. Public water and sanitary sewer service are available.
- E. ZONING: Special-Residential/Recreation (S-R/R). The site is not located within the identified Dune Overlay and Floodplain Overlay zones.
- F. ADJACENT ZONING AND LAND USE: Land zoned Medium Density Residential (R-2) is located to the southwest and south while property zoned Residential Manufactured Dwelling is located to the east. These properties are located outside the City limits but within the Urban Growth Boundary. To the north is land zoned Commercial (C-1) with a mix of uses while additional S-R/R zoned land is located to the northwest. The R-2 and S-R/R zoned land is vacant while the RMD zone land contains single family homes.
- G. REQUEST: Planned Unit Development application to construct a 60-unit affordable, multi-family housing project.
- H. REVIEW CRITERIA: Ordinance 95-4 Section 4.136; and the Special Residential/Recreational Zone standards in Ordinance 95-4 Section 3.030.

II. APPLICATION SUMMARY

- A. The City annexed a 12.54-acre portion of Tax Lot 1401 in 2024 (File #24007) with the newly annexed property rezoned to Special-Residential/Recreational (S-R/R). The City approved a partition to divide the annexed property into three parcels. The subject property is Parcel #3 of the approved partition, located in the northeast corner of Tax Lot 1401.
- B. The current owner wishes to construct a 60-unit affordable, multi-family housing project featuring the following:

- 1. The site will contain a total of five multi-family buildings with the following

area, height, and dwelling unit distribution:

Building A – 13,296 sq. ft. / 3 stories / 12 dwelling units

Building B – 10,077 sq. ft. / 3 stories / 12 dwelling units

Building C – 8,468 sq. ft. / 2 stories / 9 dwelling units

Building D – 6,096 sq. ft. / 2 stories / 6 dwelling units

Building E – 19,296 sq. ft. / 3 stories / 21 dwelling units

Of the 60-units, there are 14 one-bedroom units, 23 two-bedrooms units, and 23 three-bedroom units.

2. In addition to housing, the site contains supporting amenities, including a one story, 2,500 square foot club house at the approximate center of the project. On the west side of the clubhouse is an open plaza with picnic tables and an equipped playground.
3. Open space accounts for 40.6% of the site (1.88 acres). This includes a large natural area on the north side of the property, as well as associated landscaped open areas and play areas surrounding the buildings. The open space on the north side will remain in natural vegetation with no planned improvements. The submitted site plan includes proposed landscaping improvements.
4. A proposed public street, identified as “Loop Road” on the site plan, provides access to the project. Two points of ingress/egress access parking, effectively creating an interior roadway loop serving ninety-six spaces. In addition, the layout includes thirty-two designated bicycle parking spaces.
5. An interior walkway system will connect the buildings and parking areas. Only two, clearly identified walkways cross a parking lot. The plan does not include walkway improvements along the “Loop Road.”
6. The site plan identifies a 5-foot split rail (or similar fence) on the west side of the site, located between the two access driveways. It is not clear from the site plan whether this will continue to the north or south of the driveways.
7. The project is a multi-family complex where the developer/owner will be responsible for maintaining the property, including garbage pick-up.

8. Supporting documents include a traffic study and a storm water study, both by Mackenzie Engineering, wetland analysis by Christine McDonald, and a geotechnical analysis by Carlson Engineering. While the project requires certain improvements, e.g., construction of infiltration basins, the consultants and agencies did not identify issues that would prohibit the proposed development.
- C. Section 3.030(2)(c) permits a “multi-family dwellings” in the Special Residential/Recreation Zone. In addition, Subsection (4)(c) requires the Planning Commission to use the Planned Development procedures in Section 4.136 when evaluating an application. Please note that as a PUD, the Planning Commission has the authority to modify all development standards except for housing density.
- D. Section 3.030(3)(d) lists “community meeting building” as a conditionally permitted use. In this case, the community building is part of the residential development and not a separate facility designed to be open to the public. For this reason, the submittal does not require a separate conditional use application.
- E. This application and review are only considering the planned development layout, and not the individual buildings. This application does not include a design review for any structure, nor is one required for a permitted use in the S-R/R zone. However, the layout does contain proposed building locations, and if approved, the Commission has the authority to condition their decision on the final layout conforming to the proposal, including the relative size and position of the buildings.
- F. The City forwarded the application to affected agencies and area property owners. The Manzanita Department of Public Works indicated public water serves the site, with water mains available at Necarney City Road. In addition, the State of Oregon awarded grant funding to the city to add a new water main to Classic Street. This improvement will include a booster line to the property thereby providing adequate fire flows to the site. Nehalem Bay Wastewater Agency confirmed sanitary sewer is available to serve the site. Nehalem Bay Fire & Rescue noted the site is conditionally acceptable subject to a final inspection. The City did not receive additional comments as of the date of this report.
- G. The City’s engineering consultant reviewed the Mackenzie Engineering traffic study and noted the following:

Based on a review of the TIA for the proposed workforce housing development, the following revisions to the TIA are requested:

- The TIA does not include a left-turn lane analysis at the proposed site access intersection of Loop Road at Necarney City Road, as was requested in Lancaster Mobley's Traffic Scoping letter. The applicant's transportation engineer will need to update the TIA to include this analysis.*
- The TIA does not include a professional engineer's stamp certifying the study. The study will need to be stamped by a professional engineer licensed in the state of Oregon.*

Lancaster Mobley recommends the City of Manzanita place a condition of approval on the application to review and confirm that adequate intersection sight distances will be available at the Loop Road at Necarney City Road intersection as part of its design process.

III. ADJUSTMENTS AND MODIFICATIONS

- A. As noted, a Planning File #24007 annexed the property and established the S-R/R zoning. Condition "A." of the zone change required the following:

- 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.*

The applicant submitted a letter from Oregon Housing and Community Services indicating the project is eligible for affordable housing funding. Therefore, this application is consistent with the requirements of Condition "A."

- B. After the submittal of the application, new state regulations regarding affordable housing came into effect (SB1537) on January 1, 2025. These regulations require local governments to approve adjustments to certain development standards involving affordable housing projects. For example, a jurisdiction must approve a request to increase the building height by 20% or reduce required setbacks by 10%. As an affordable housing project, the application is subject to provisions in SB1537.

- C. The applicant is requesting three modifications as part of the development:
1. An increase in building height from 28'6" to 37' 2". SB1537 would automatically permit an increase to 34' 2"; the applicant is requesting an additional height increase of 3-feet.
 2. Reduction in the front yard setback from 20-feet to 10-feet.
 3. A reduction in parking spaces from two spaces per unit to 1.6 spaces per unit.

In each above item, the decision to allow modifications of the standards rests with the Commission. Further, the Zoning Ordinance does not include criteria or guidelines on determining modification to a planned unit development.

IV. PLANNED UNIT DEVELOPMENT PROVISIONS

- A. Evaluation of the proposal is based on the planned unit development procedures in Section 4.136. The following subsections review these provisions:

1. Section 4.136.1., reviews the purpose of a planned development. Briefly, a "planned development" permits the application of greater freedom of design in land development than may be possible under a strict interpretation of the provisions of this Ordinance.

FINDINGS: This is directly applicable to the request. Section 3.030(4)(c) requires the Commission to apply the planned unit development provisions in Section 4.316.

2. Section 4.136.2., establishes the following standards and requirements:
 - (a) A planned development may include any uses and conditional uses permitted in any underlying zone. Standards governing area, density, yards, off-street parking, or other requirements shall be guided by the standards that most nearly portray the character of the zone in which the greatest percentage of the planned development is proposed.

FINDINGS: The proposal establishes a multi-family apartment complex, a use previously identified as permitted in the S-R/R zone. Further, the S-R/R zone establishes the base requirements, that per Section 4.136.1, an applicant may modify.

- (b) The developer may aggregate the dwellings in this zone in "cluster"

or multiple-dwelling structures so long as it does not exceed the density limits of the Comprehensive Plan.

FINDINGS: The plan aggregates the dwellings as multiple-dwelling structures, clustered at the south end of the site.

The Zoning Ordinance implements the Comprehensive Plan and establishes the density limit for the S-R/R zone. Section 3.030(4)(a) states the following:

(a) Overall density for the SR-R zone is 6.5 dwelling units per gross acre. Dwellings may be clustered on one portion of a site within the SR-R zone and achieve a maximum density of 13 dwellings per acre where at least 40% of the total lot or parcel area is reserved or dedicated as permanent open space as a public or private park area or golf course. The open space shall be so indicated on the Plan and zoning map, and deed restrictions to that effect shall be filed with the City.

The open space totals 1.88 acres or 40.6% of the site. Therefore, the maximum allowable density on the property is 13 dwelling units. This allows 60.06 dwelling units (60 dwelling units rounded down) on the 4.62-acre site. The proposed project at 60 dwelling units complies with the density standard. Finally, all open space will remain part of the private project and limited to the residents.

- (c) Assurances such as a bond or work agreement with the City may be required to ensure that a development proposal as submitted is completed within the time limit agreed upon by the developer and the commission.

FINDINGS: Bonding is an option available to the City to ensure development of the site.

- B. Section 4.136.3 addresses the Planned Unit Development Procedure. The following procedures shall be observed in applying for and acting on a planned development:

- (a) An applicant shall submit 10 copies of a preliminary development plan to the Planning Commission and notify all property owners within 250 feet of the proposed development by mail.

FINDINGS: The material submitted as part of the application complies with the provisions in this Section. The City provided notice to affected agencies and area property owners per provisions in this Section.

- (b) Prior to discussion of the plan at a public hearing, the City Manager shall distribute copies of the proposal to appropriate City agencies or staff for study and comment.

FINDINGS: Per this item, the City posted online and distributed the submitted plans and related application material to the Commission prior to the meeting.

- (c) The Planning Commission shall consider the preliminary development plan at a meeting, at which time the comments of persons receiving the plan for study shall be reviewed. In considering the plan, the Planning Commission shall seek to determine that:

- (1) There are special physical conditions or objectives of development which the proposal will satisfy to warrant a departure from the standard ordinance requirements.

FINDINGS: The site's topography does not create any special limitations on development provided the developer makes certain improvements to the site such as the stormwater drainage system and building foundations (see respective engineers' reports). Provisions in Section 3.030 require the Commission to review the application as a planned unit development. Item "D." below, reviews compliance or changes to the standard ordinance requirements.

- (2) Resulting development will not be inconsistent with the Comprehensive Plan provisions or zoning objectives of the area, particularly with regard to dune stabilization, geologic hazards, and storm drainage.

FINDINGS: Ordinance 95-4 implements the City's Plan and appropriately zoned the site for residential uses. This project

establishes multifamily dwelling units at a density permitted by the Ordinance and is therefore consistent with the intended use.

Submitted engineers' reports indicate the site, with identified improvements, can accommodate the development. The Commission may place these requirements as development conditions.

- (3) The area around the development can be planned to be in substantial harmony with the proposed plan.

FINDINGS: Residential development is located to the east but on property outside City limits. Otherwise, a sizable portion of the immediate area is undeveloped. Due to the site location, the proposed project effectively establishes the potential development pattern for this area. However, while potentially establishing such a pattern, the Zoning Ordinance clearly identifies the project as permitted in the S-R/R zone.

- (4) The plan can be completed within a reasonable period of time.

FINDINGS: It is the City's understanding that the applicant intends to develop the project in a single phase. Regardless, the Commission retains the authority to place reasonable constraints on the timing of activities.

- (5) The streets are adequate to support the anticipated traffic, and the development will not overload the streets outside the planned area.

FINDINGS: The applicant submitted a traffic study addressing this issue. The report provides the following summary:

All study area intersections are expected to operate at acceptable levels per ODOT and City standards with the addition of site trips, and vehicle queues will not exceed available storage.

The minimum required intersection sight distance of 280 feet is available from the driveways on Loop Road. The proposed intersection between Loop Road and Necarney City Road will

address required sight distances through the design process.

Therefore, we do not recommend any mitigation measures for Necarney City Road or Loop Road.

Effectively, the analysis concluded that the limited traffic generated by the development does not significantly impact the local street system requiring off-site improvements.

However, the analysis assumed the construction of the proposed "Loop Road." Per discussions with the City, this road will eventually be dedicated as a public street upon recording of the partition plat. At a minimum, it is recommended the street be improved at least up to the proposed south entrance to allow emergency vehicle access.

- (6) Proposed utility and drainage facilities are adequate for the population densities and type of development proposed.

FINDINGS: The applicant submitted a storm water routing plan for the development. Preliminary analysis indicates the project requires the use of infiltration ponds. Compliance with this provision will be determined when the applicant submits engineering plans, and for the record, development cannot proceed unless the submitted engineering plans comply with City, and affected agency, engineering standards.

- (d) The Planning Commission shall notify the applicant whether, in its opinion, the foregoing provisions have been satisfied and, if not, whether they can be satisfied with further plan revision.

FINDINGS: This is a procedural requirement, whereby the decision and any conditions of approval are determined at the Commission hearing. Afterwards, the City notifies the applicant of the Commission's decision.

- (e) Following this preliminary meeting, the applicant may proceed with his request for approval of the planned development by filing an application for an amendment to this Ordinance.

FINDINGS: The purpose of this provision is to identify the site as a planned development on the City's zoning map (see item "(g)" below). In effect, this

requires submittal and review of a final plan.

- (f) In addition to the requirements of this section, the Planning Commission may attach conditions it finds are necessary to carry out the purposes of this Ordinance.

FINDINGS: If approved, this staff report includes a list of recommended conditions for the Commission to consider.

- (g) An approved planned development shall be identified on the zoning map with the letters PD in addition to the abbreviated designation of the existing zoning.

FINDINGS: The City assumes this responsibility for an approved decision.

- (h) Building permits in a planned development shall be issued only on the basis of the approved plan. Any changes in the approved plan shall be submitted to the Planning Commission for processing as an amendment to this Ordinance.

FINDINGS: The request does not include specific design standards that would apply to any building permit requirements. However, the layout identifies the location of the various buildings, parking, and open space. The project must conform to this layout unless otherwise modified by the Commission decision.

D. Section 3.030(4)(b) states the following:

Standards other than density in the SR-R zone shall conform to those established in the R-3 zone (Section 3.020) except that the Planning Commission may authorize relaxation of these standards to permit flexibility in design such as cluster development, with respect to lot size, setbacks, and lot coverage, but not use.

While zoned S-R/R, the development regulations in the R-3 zone apply to this project. As stated, the Commission may modify these standards, except for density. In addition, provisions in SB1537 mandate that a jurisdiction adjust certain standards as a means to encourage affordable housing.

Section 3.020(3) contains the applicable standards of the R-3 zone. The following reviews each standard:

1. (3)(a) - The minimum lot size shall be 5,000 square feet for single family or duplexes, plus 2,500 square feet for each additional dwelling unit.

FINDINGS: The minimum area required for the 60 units is 150,000 square feet $[5,000 + (58 \times 2500)]$ or 3.44 acres. The 4.62-acre site exceeds this minimum requirement, and as previously noted, the layout complies with the underlying density requirement.

2. (3)(b) - The minimum lot width shall be 40 feet, except on a corner lot it shall be 60 feet.

FINDINGS: The proposal complies as the lot width is approximately 677 feet, with frontage along the "Loop Road" exceeding 300 feet.

3. (3)(c) - The minimum lot depth shall be 90 feet.

FINDINGS: The proposal complies as the depth ranges from approximately 200-feet to 460-feet.

4. (3)(d) - The minimum front yard shall be 20 feet, or the average setback of buildings within 100 feet of both sides of the proposed building on the same side of the street, whichever is less. For purposes of determining the average setback of buildings, vacant lots within 100 feet of both sides of the proposed building on the same side of the street shall be included and shall be assumed to have a building placed 20 feet from the front lot line to the nearest part of the building. In no case shall the front yard setbacks be less than 12 feet.

FINDINGS: The front yard is located along the "Loop Road," where there is a 20-foot requirement. The applicant requested a reduction to 10-feet. Per 3.030(4)(b), the Commission may reduce the setback as part of the PUD process. The setback reduction affects four of the five residential buildings but only impacts an estimated 20% of the planned street frontage. This reduction allows clustering of the buildings to create the proposed open space. On balance, the reduction appears reasonable.

5. (3)(e) - The minimum side yard setback shall be 5 feet for the portion of the building at the setback line up to 10 feet in height as measured vertically from average finished grade to the highest point of that portion of the building and shall be 8 feet for any portion of the building where this height is exceeded; except that a roof with a pitch of less than or equal to 8 in 12 may extend upward from the 5-foot setback line to the 8-foot setback line. The street side yard setback of a corner lot shall be 12 feet.

FINDINGS: The side yards are located along the north and south property lines. In both cases, the layout complies with the minimum requirement.

6. (3)(f) - The maximum building or structure height shall be 28 feet, 6 inches. However, if more than one-half of the roof area has a roof pitch of less than 3 in 12, the building or structure height shall not exceed 24 feet. The height of a stepped or terraced building shall be the maximum height of any segment of the building or structure.

FINDINGS: As noted, SB1537 compels local jurisdictions to approve a height adjustment of up to 20% for affordable housing projects. This would raise the maximum height to 34 feet 2 inches. However, the applicant requested 3-foot increase to 37 feet 2 inches, or approximately 30% greater than the maximum.

In examining the elevation drawings, the interior ceiling heights are 9 or 10 feet. It is not certain whether these heights are necessary to build the structure where a slightly shorter 8-foot ceiling may be feasible, thereby limiting the height increase to 20%.

However, the difference between the two heights is only 3-feet and may be a matter of aesthetics. The increase is a purely subjective decision without applicable criteria. This project will establish a development pattern for the area and the Commission may want to consider whether the 30% increase may set a pattern for similar projects.

7. (3)(g) - The minimum rear yard setback shall be 10 feet.

FINDINGS: The rear yard is located along the east property line and the structures exceed the minimum requirement.

8. (3)(h) - The maximum lot coverage in the R-3 zone shall not exceed 55%. Less lot coverage may be required in steeply sloping areas or areas with

drainage problems. In all cases, the property owner must provide the City with a storm drainage plan which conducts storm runoff into adequately sized storm drains or approved natural drainage as approved by the Public Works Director.

FINDINGS: Based on the applicant's area calculations, the lot coverage is approximately 34%.

9. (3)(i) - In areas of the City without a high-water table, a dry well capable of absorbing the storm runoff of the impervious surfaces of the property shall be provided in accordance with City standards.

FINDINGS: As noted, the applicant submitted a potential storm water plan, addressing these concerns. Final submittal, review, and acceptance of engineering plans will ensure compliance with this requirement.

- F. The planned unit development provisions do not specifically address parking requirements. Per Section 4.090(3)(a) the parking standard is two spaces per dwelling unit, requiring 120 parking spaces for the entire development. The applicant requested a modification of this standard to require only 96 spaces, or 1.6 spaces per unit and submitted an analysis to support this request. A summary of the applicant's responses follows:

Having two spaces per unit would provide more parking than necessary for an affordable housing development that mixes one-, two- and three-bedroom apartments. Although it is safe to assume each dwelling will need to accommodate at least one car, having more than one car is not a luxury many low-income families or individuals can afford. And smaller apartments, with fewer residents, typically do not utilize more than one parking space. A ratio of 1.6 spaces per unit still maintains enough parking to balance the needs of the larger dwelling units with the smaller apartments.

A relaxation of the parking standard is also requested out of respect for the limitations of the property. Reducing the parking along the northeastern edges pulls the development further away from the steeply sloped dune area. This allows more of the natural terrain and existing vegetation to remain undisturbed and preserves more open space throughout the community.

FINDINGS: On balance, the creation of 96 spaces for the proposed development appears reasonable. Also, fewer parking spaces decreases the amount of pervious surfaces, thereby reducing storm drainage impacts.

- G. The current Manzanita Zoning Ordinance #95-4 does not have a requirement for bicycle parking. However, the applicant anticipates future Ordinance amendments will require bicycle parking with proposed Transportation System Plan recommending two spaces per four dwelling units. Based on this calculation, the project requires 30 spaces $[60 \text{ dwelling units} / 4) \times 2 = 30]$. The proposed site design provides 32 bicycle spaces across the development, exceeding the anticipated minimum requirement.
- H. Like parking, the PUD process does not specifically address the requirements for multi-family projects. Section 4.060 lists additional siting criteria:

1. At least 50% of the required open space area is usable by residents. This can be in the form of lawns, outdoor play areas, swimming pools, patios, or decks, or where the Planning Commission permits, indoor areas such as recreation rooms, meeting areas or indoor swimming pool.

FINDINGS: Except for the two dedicated storm water swale areas, all open space area is usable by residents. This includes an outdoor plaza, playground, lawns, pathways, and nearly two acres of natural open space reserved as natural habitat and buffer.

2. Parking and storage areas are covered if possible, or are located in an unobtrusive location, and are buffered from surrounding residences if any, with trees, hedges, fences or other types of screening.

FINDINGS: The site includes covered maintenance and trash storage areas, located towards the rear (east side) of the property and screened by new and existing vegetation.

The parking lot, although not covered, loops around the development, with most of the parking spaces located along the rear of the property, away from the street. The parking lot configuration minimizes its visual impact on the street, allowing the buildings and landscape to become the prominent elements along the street frontage. New street trees, interior lot landscaping, perimeter hedges and existing natural vegetation all serve to screen the parking lot from the surrounding areas.

3. Parking and traffic circulation must be adequately designed to afford access to dwellings to provide loading zones and sufficient maneuvering space. Safety of ingress and egress from adjacent streets must be considered.

FINDINGS: With two proposed driveways, the parking layout provides a continuous and safe circulation loop through the development. Parking stalls are near the dwelling units, play areas, and common clubhouse building, offering convenient access for all residents. The parking area also incorporates a 26' wide drive aisle, providing sufficient maneuvering space, extra room for loading, and fire access throughout the site.

V. SUMMARY COMMENTS

- A. Under consideration is a basic layout that establishes the framework for future development of the site. Based on the submitted material and layout, the Zoning Ordinance allows the use. Reducing the front yard setbacks and parking requirements appear appropriate. The Commission must approve the 20% increase in the building height but may wish to consider whether the proposal warrants an additional 3-foot increase.
- B. Information submitted by the City and other public agencies state the site is serviceable. The City and NBWA must review, and approve, final engineering plans before any construction may begin. Further, the site does not contain wetlands, geotechnical hazards, or similar limitations preventing development.
- C. Per Section 4.316, the applicant must file a request with the City for an amendment to Ordinance 95-4 for approval of the Planned Development including final plans detailing building locations, final facility improvements, and open space improvements to ensure consistency with the approved decision.
- D. The planned development provisions in Section 4.136 do not establish any time limits for the project. So that the developer completes the project within a reasonable amount of time, staff suggests the Commission limit the approval to two years from the date of the final decision.
- E. Any changes to the planned development shall be submitted to the Planning Commission for approval.

VI. RECOMMENDATION AND CONDITIONS OF APPROVAL

City staff finds the proposal complies with the applicable Planned Development criteria and recommends the Planning Commission approve the application subject to the following Conditions:

- A. The preliminary approval shall be limited to the layout submitted, and approved, as part of this application and include the following:
 - 1. The minimum front yard setback shall be 10-feet.
 - 2. The site shall include a minimum of 96 vehicle parking spaces and 32 bicycle parking spaces.
 - 3. The maximum building height for any structure shall be 37-feet, 2-inches.
- B. The final plan shall be approved within two years of the final date of approval.
- C. The applicant shall submit evidence confirming that adequate intersectional sight distances shall be available at the “Loop Road” at Necarney City Road intersection as part of its design process. This evidence shall be prepared by a licensed individual and shall be reviewed and approved by the City prior to commencing construction of any one structure. The plans must be stamped by a licensed Engineer.
- D. No one structure shall be occupied until such time the proposed “Loop Road” is platted and dedicated to the public. During construction, "Loop Road" shall be sufficiently improved, according to Nehalem Bay Fire District requirements, to ensure emergency vehicle access.
- E. Compliance with the Conditions of Approval shall be the sole responsibility of the applicant.