



**CITY OF MOLALLA
WORK SESSION REGULAR MEETING
AGENDA**

Civic Center | 315 Kennel Avenue Molalla, OR 97038
Wednesday, February 26, 2025 | 6:00 PM

NOTICE: Work Session will hold this meeting in-person and through video Live-Streaming on the City's Facebook Page and YouTube Channel. Written comments may be delivered to City Hall or emailed to recorder@cityofmolalla.com. Submissions must be received by 12:00 p.m. the day of the meeting.

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- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. GENERAL BUSINESS**
 - A. [Urban Growth Boundary - Efficiency Measures](#)
- 4. ADJOURN**



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, February 26, 2025

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Urban Growth Boundary - Efficiency Measures

RECOMMENDATION/RECOMMENDED MOTION:

Council to provide feedback to Staff on the preliminary Comprehensive Plan rezoning map and general approach to Efficiency Measures.

ATTACHMENTS:

[Staff Report Cover - Efficiency Measures.2.pdf](#)

[Presentation for 2_26 Meeting.pdf](#)



CITY OF MOLALLA

117 N. Molalla Avenue
PO Box 248
Molalla, OR 97038

Staff Report

Agenda Category: General Business

BACKGROUND:

ORS 197.296 requires that jurisdictions consider strategies to more efficiently utilize lands within their existing urban growth boundaries prior to expanding their urban growth boundary to meet land/housing needs identified in a Housing Needs Analysis. Efficiency Measures are included as part of Molalla's Urban Growth Boundary sequential review workplan. That projected date for efficiency measure passage of March, 2025 is fast approaching. Our workplan placed the efficiency measures after the conclusions of our Housing Needs Analysis (HNA), Housing Production Strategy (HPS), and Economic Opportunities Analysis (EOA) to have a full inventory of our land surpluses and deficits at our disposal for potential rezoning efforts as well as specific strategies we might include. As anticipated, the City's HNA showed that we have a substantial deficit in all residential land types and our EOA, assuming 2/12 adoption, showed a slight deficit in commercial land, and a surplus on industrial lands. Notably, this industrial surplus does not account for the need to pursue larger sites for larger scale industrial mentioned at the previous meeting. It simply informs us of how we can approach rezoning of existing lands.

Exhibits A-D show the City's current comprehensive plan map, proposed changes, and what the resulting map would look like. Note that these maps do not yet account for potential PSP (Public Semi-Public) rezonings, which would likely occur on some of the larger constrained areas such as the Bear Creek Corridor.

While our approach to the efficiency measures was designed to most heavily consider zoning, the core of the efficiency measures deals with residential density. Our understanding is that since residential densities in our existing development code have minimum and maximum density requirements consistent with the Safe Harbor standards we utilized in the HNA we have a strong argument that we won't need to revise densities in our R1, R2, and R3 zones.

For reference:

	Min Density	Max Density
R-1 Zone	4 units/acre	8 units/acre
R-2 Zone	6 units/acre	12 units/acre
R-3 Zone	8 units/acre	24 units/acre

Staff's recommendation is not to change these existing density breakdowns unless we are compelled to.

Additionally, the statute provides the opportunity to suggest other strategies for land efficiency and production of needed housing types similar to those that the City will be adopting in its HPS next month. Delays in passage of the HPS have hindered the City's ability to specifically tailor some of those strategies to the efficiency measures as Council has not yet advised on prioritization, let alone adoption of these strategies. Staff does not recommend bringing any of these strategies forward as efficiency measures with one potential exception.

A development code amendment Staff would feel comfortable bringing by next month is changing the process for establishing an Accessory Dwelling Unit (ADU) from a Type II process to a Type I process. Per Oregon House Bill 2001 an ADU is allowed by right on any lot with a single-family home and, as such, there is no real benefit to bringing public comment into that arena. At a base level, the ADU will either meet standards or it won't, which makes it a fundamentally ministerial decision like any other building permit authorization. This change would save processing time for the applicant and also create a less confusing application process for the applicant as Type II applications require narrative responses that a lot of applicants find challenging. We can easily bring our processes into accord with state law and move forward with the other policies as guided by Council.

Staff brought these questions to Planning Commission for the 2/5 meeting. Planning Commission agreed to get started on ADUs by making them a ministerial decision and were overall supportive of the zoning map changes, advising that higher density towards the center of town would be valued. Additionally, Staff has sent courtesy letters to each property owner whose property was identified on the map and the map may alter based on feedback we get from those owners.

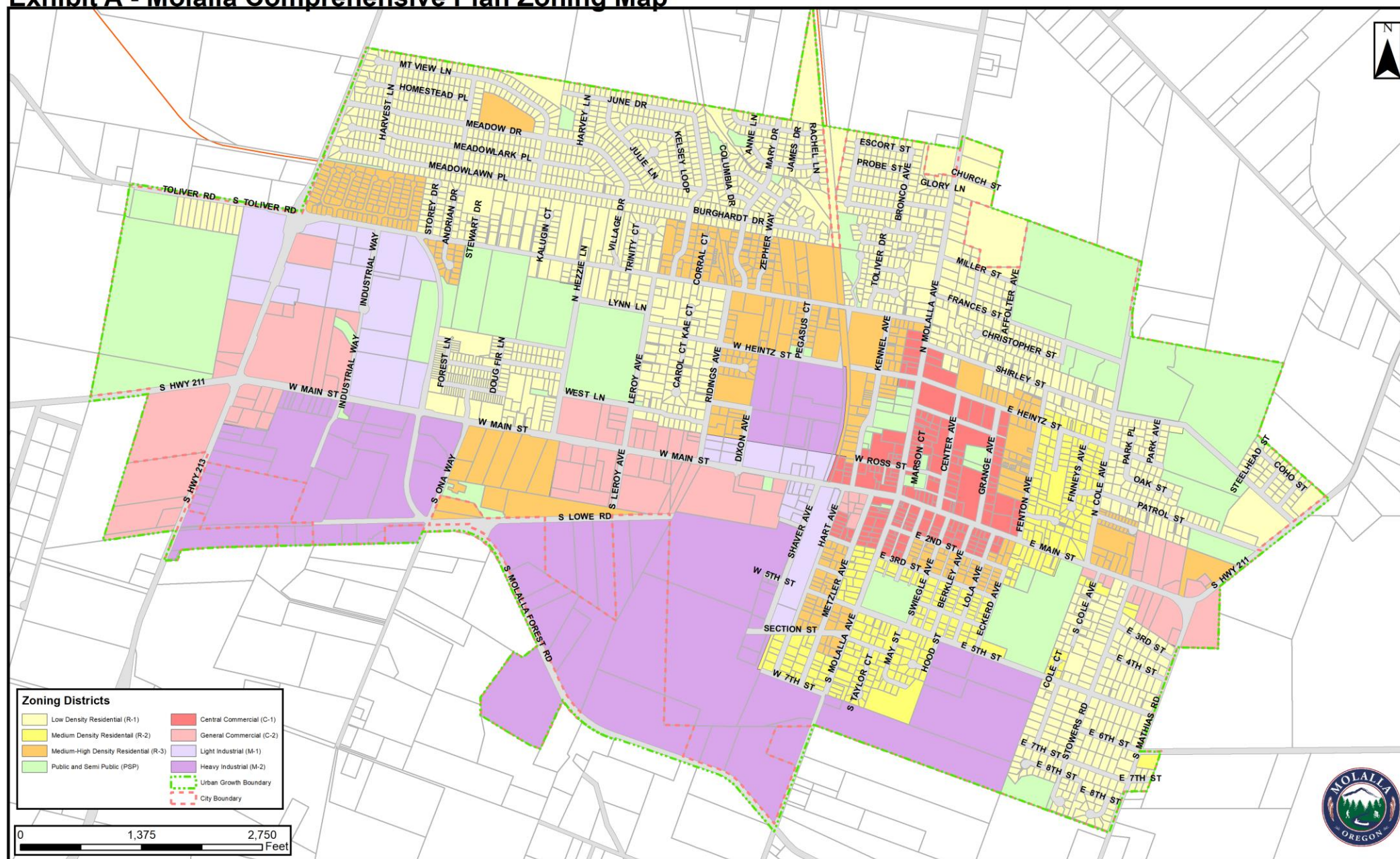
Exhibit A – Existing Comprehensive Plan Zoning Map

Exhibit B – Proposed Change Areas

Exhibit C – Proposed Change Acreage

Exhibit D – Exception Lands

Exhibit A - Molalla Comprehensive Plan Zoning Map



Land Balance Rezoning Legend:

- Commercial To Residential (Blue)
- Industrial To Commercial (Orange)
- Industrial to Residential (Green)
- Industrial to Split Zoning (Purple)
- Commercial to Residential (Blue)
- Residential to Commercial (Red)

Map Details:

- Scale:** 0 to 4,000 Feet
- North Arrow:** Located in the top right corner.
- Map Title:** Land Balance Rezoning Map
- Map Date:** 2023
- Map Author:** Molalla, Oregon

Exhibit C - Proposed Change Acreage

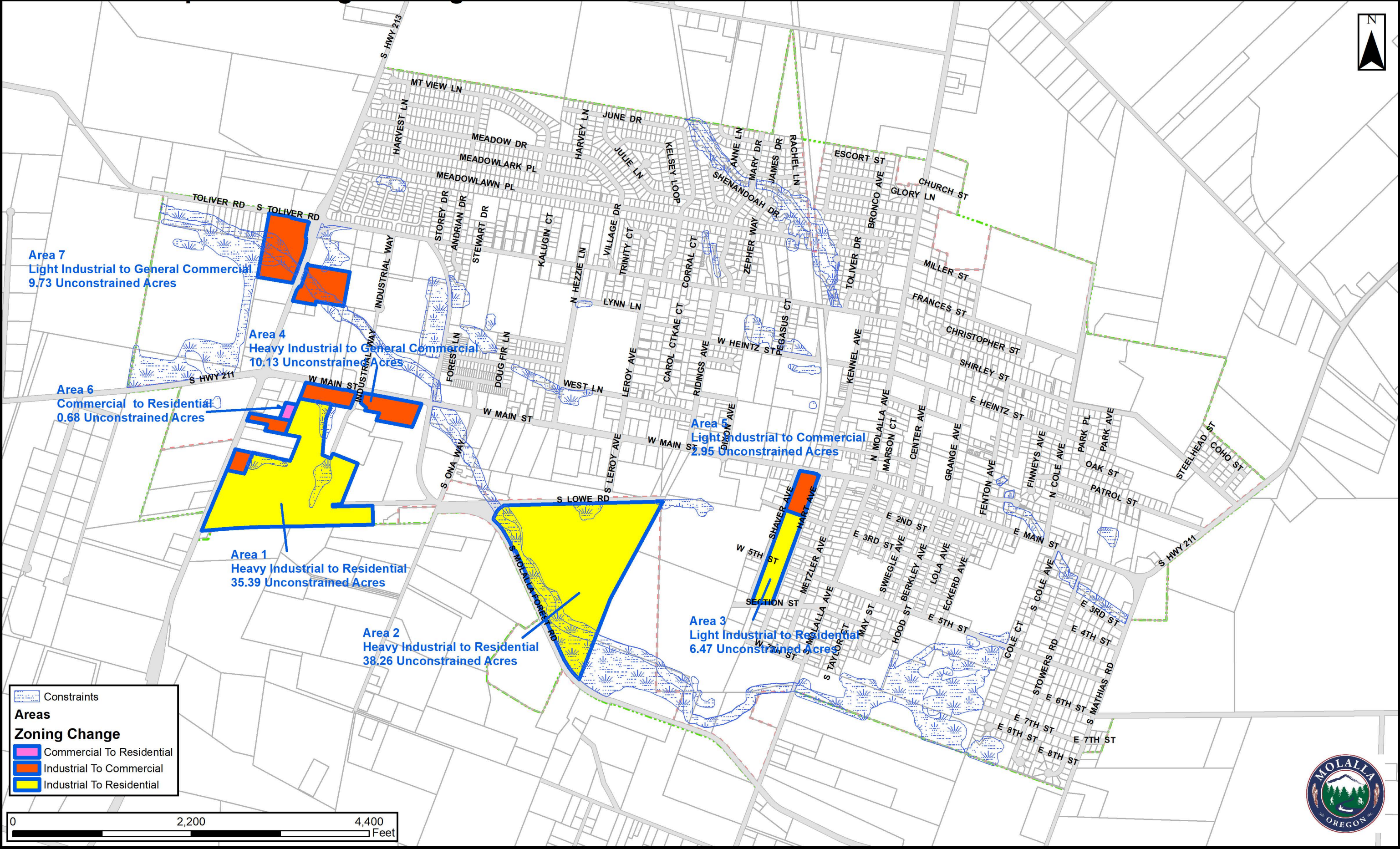
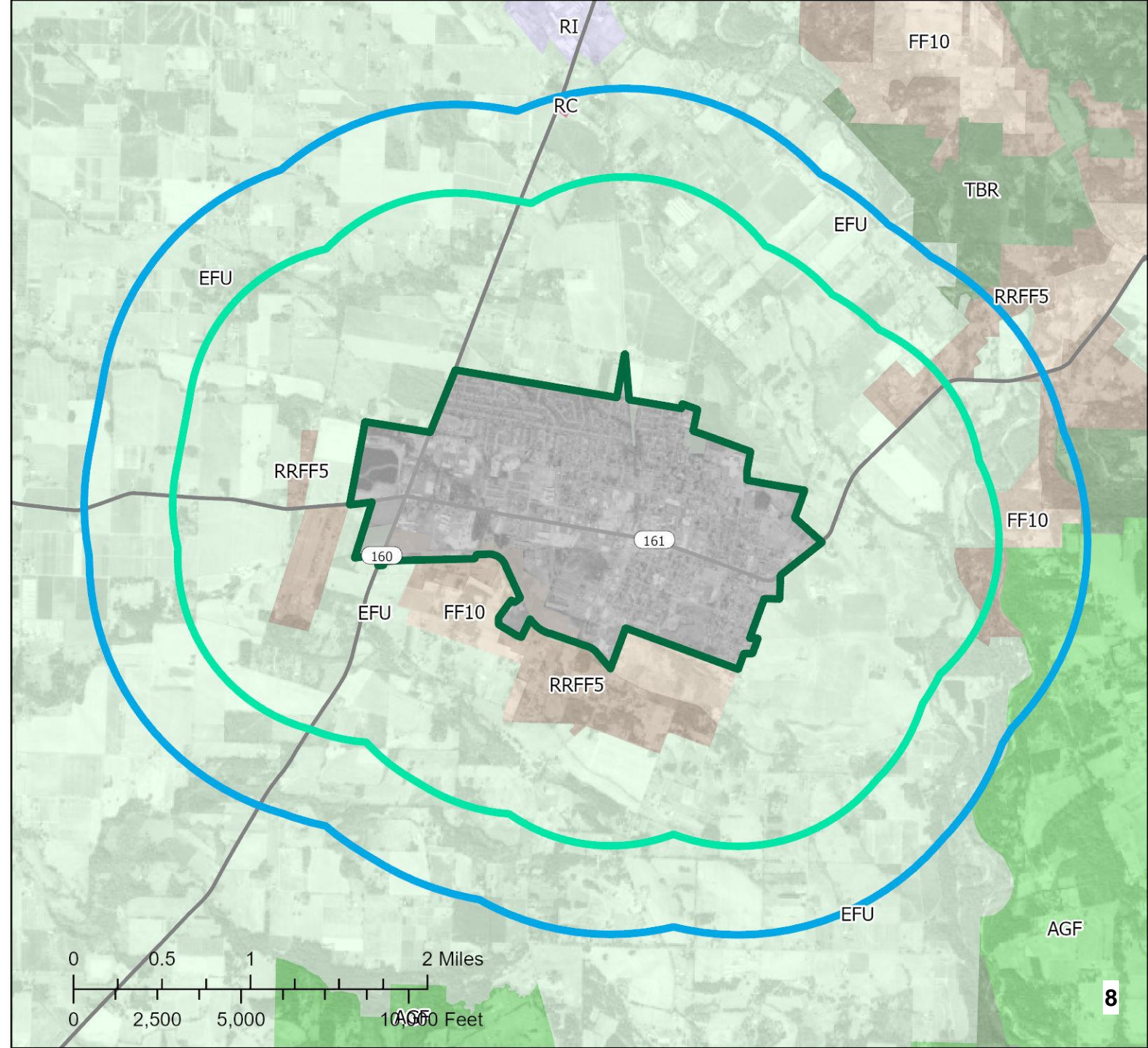
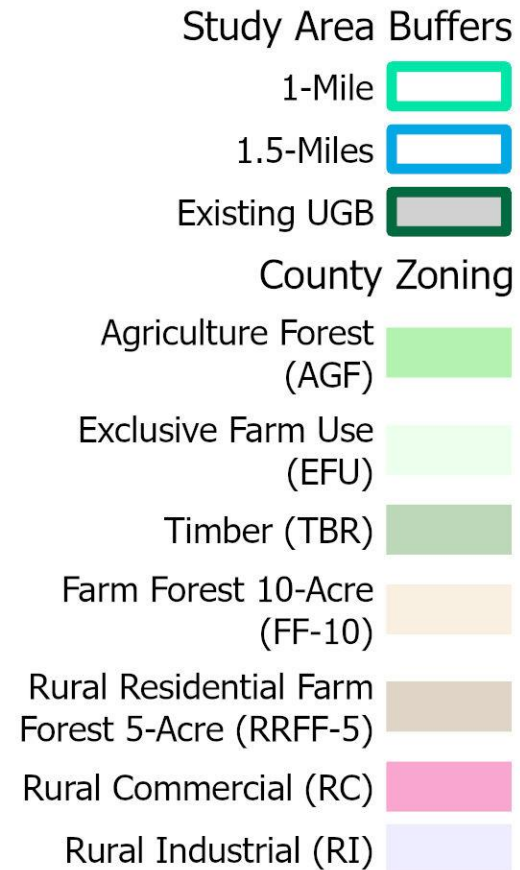


Exhibit D

Exception Lands



Total Acreage Changes and Implications

- **80.8 Unconstrained Residential Acres Added.**

Approximately 45 acres would still be needed in an urban growth boundary expansion.
Additional acreage to be found within the exception lands

- **22.56 Unconstrained Commercial Acres Added**

This would put the City in a surplus of commercial land but still needing larger sites in an urban growth boundary expansion

- **103.36 Unconstrained Industrial Acres Removed**

This would put the City in an industrial lands deficit. Remainder of land to be accounted for in an urban growth boundary expansion, accounting for site specific needs from the EOA

Questions for Council

- Do you agree with the approach to include changing ADUs to a ministerial decision at this time?
- Are there other items for efficiency measures you would want addressed now?
- Are there additional areas you would want to consider for rezoning?
- Are there areas you would want to remove from rezoning consideration?
- Which areas would be best for considering higher density housing, as required to meet HNA quotas?
- Would you prefer using the exception lands to account for housing lands deficit?