

City of Molalla

PLANNING COMMISSION

STAFF REPORT AND RECOMMENDATIONS

To: City of Molalla Planning Commission

From: Martha Fritzie; Senior Planner, Clackamas County Planning and Zoning Division

Date: August 6, 2014

RE: P-10-2014; Proposed Comprehensive Plan Text Amendments

1. OVERVIEW AND BACKGROUND

File #P-10-2014 is a proposal to adopt an updated Comprehensive Plan for the city. This proposal includes a substantial revision of the city's Comprehensive Plan and an updated Parks, Recreation and Trails Master Plan.

In 2010, the City of Molalla adopted a substantial revision of its 1980 Comprehensive Plan. The 2010 draft included an Urban Reserve Area (URA), which was subsequently rejected by the Clackamas County Board of Commissioners in April 2011. As a result, the 2010 draft Comprehensive Plan was never acknowledged by the State. Over the last several years, city staff has been working with the county, state and other agencies to make necessary revisions to the Plan to make it comply with all the applicable regulations.

The current proposal, the *2014 Molalla Comprehensive Plan*, is the result of that work and contains amendments the 2010 draft Comprehensive Plan, including the following:

1. The removal of all references to the Urban Reserve Area (URA) and 2060 population projections (50-year population projections).
2. The addition of language and population figures consistent with county's coordinated 20-year population forecast that was adopted in March 2013, per ORS195.034.
3. The removal of any references to changes in the Comprehensive Plan Map (which will not be taking place at this time).
4. A comprehensive edit to clarify language, eliminate repetition, fix grammatical errors and/or correct typos.

5. The deletion of repeated policies or policies that could not realistically be implemented by the city. No new policies were added.

Planning Staff understands that a great deal of effort and community involvement went into the revision of the Comprehensive Plan that was adopted by the City Council in March 2010. Care was taken by Staff to make minimal substantive changes to the goals and policies vetted through the community, other agencies, the Planning Commission and City Council during that effort. The only substantive changes that were made were to the population projections and the associated analyses that rely on the population projections and to policies that were determined to be either inappropriate for the Plan or were something the city could not realistically implement.

The complete revised text of the Plan (in mark-up format) is included with this staff report as Attachment A. This mark-up draft reflects the difference from the March 2010 Plan rather than changes from the 1980 Plan, because the changes are so substantial from the existing Plan. Comments previously provided by DLCD regarding the 2010 draft have been incorporated into this current version. The city's current acknowledged Plan (1980) can be found on the city's website at <http://www.cityofmolalla.com/planning/page/long-range-planning>.

Along with the proposed Comprehensive Plan text revisions, Staff will be asking the city to adopt *The City of Molalla Parks, Recreation and Trails Master Plan*, updated January 2014 to reflect coordinated population forecast, and included as Attachment B. The *Downtown Molalla Development and OR 211 Streetscape Plan* (July 13, 2007) is included as Attachment C and will be included in the packages sent to the state for acknowledgement.

2. PUBLIC NOTICE

Notice of this application was sent to the DLCD, interested parties and the local newspaper (Molalla Pioneer), per notice requirements outlined in Title 19 of the Molalla Development Code.

DLCD has not responded with any comments, aside from a brief email requesting one deletion (see Exhibit 1). DLCD had responded to a previous request for input in 2011. Comments at that time related to the completing the removal of references to the URA and the 50-year population projections and a need to proof read and edit the draft of the Plan that was sent with the notice. Staff has addressed all of DLCD's comments through revisions that are incorporated into the *2014 Molalla Comprehensive Plan*, currently being proposed for adoption (Attachment A).

No other comments have been received.

3. ATTACHMENTS AND EXHIBITS

Attachment A. The full text of the Comprehensive Plan being proposed for adoption – *Volume 1: Molalla Comprehensive Plan*, August 6, 2014

Attachment B. *The City of Molalla Parks, Recreation and Trails Master Plan* (updated January 2014)

Attachment C. *Downtown Molalla Development and OR 211 Streetscape Plan* (July 13, 2007)

Exhibit 1. Email from Jennifer Donnelly, DLCDD, June 26, 2014

Exhibit 2. Relevant excerpts from *Molalla Comprehensive Plan and Development Code – Goal Findings and Conclusions*, March 3, 2010

Exhibit 3. Copy of notices sent to DLCDD, interested parties, local media

4. FINDINGS AND CONCLUSIONS

Evaluation of Statewide Planning Goals

The majority of changes made to the proposed *2014 Molalla Comprehensive Plan* related to the population forecast. Goals and most policies did not substantively change from the 2010 version of the Plan. Therefore, the findings generated in March 2010 for the extensive goal and policy revisions that had taken place at that time were relied upon heavily for the following analysis. Please reference Exhibit 2, Excerpts from *Molalla Comprehensive Plan and Development Code – Goal Findings and Conclusions*, for more detailed findings.

A. Goal 1: Citizen Involvement: *To develop a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.*

Staff Findings: The 2010 Molalla Comprehensive Plan was generated through a four-year public process that included:

- 149 public Planning Commission work sessions
- 8 joint public Planning Commission/City Council work sessions
- 19 public Planning Commission hearings
- 9 City Council hearings

These work sessions and hearings also included consideration of revised development codes, the Downtown Plan, the Parks, Recreation and Trails Master Plan and several background documents. Throughout that process agencies and the public were given opportunities to participate and comment. The Comprehensive Plan policies developed through that process have largely remained the same in the proposed *2014 Molalla Comprehensive Plan*.

In addition to the previous public process, two work sessions, open to the public, have been held with the Planning Commission to discuss the current draft of the Plan being proposed for adoption. Two or more advertised public hearings will also be conducted before the City of Molalla Planning Commission and the City Council which will provide an opportunity for additional citizen involvement and input for the revised *2014 Molalla Comprehensive Plan*.

Title 19, Section 19.1.500 of the Molalla Development Code contains adopted and acknowledged procedures for notification for legislative actions. This application has been processed consistent with the notification requirements in Section 19.1.500 including public notice to affected agencies, interested parties, newspapers and the Department of Land Conservation and Development (DLCD).

The relevant requirements of Goal 1 have been satisfied.

- B. Goal 2; Land Use Planning: *To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.*

Staff Findings: Goal 2 requires coordination with affected governments and agencies. Molalla has coordinated extensively with state agencies, particularly DLCD and ODOT, in the development and modification of this Comprehensive Plan and its background documents. The Comprehensive Plan and background documents underwent extensive revisions through several years of public and agency involvement. Notice of this proposal for the adoption of the *2014 Molalla Comprehensive Plan* has been provided to the Department of Land Conservation and Development (DLCD) for comments.

Molalla's Comprehensive Plan includes a series of background studies that, combined with the use of the coordinated population projection and housing provisions for analysis in this Comprehensive Plan of provide an adequate factual basis required by Goal 2. The Comprehensive Plan is implemented through a series of Functional or Area Plans and the Development Code, which will be reviewed and likely revised after the adoption of the *2014 Molalla Comprehensive Plan*.

The relevant provisions of Goal 2 have been satisfied.

- C. Goal 3; Agricultural Land: *To preserve and maintain agricultural lands.*

Staff Findings: The City of Molalla comprehensive planning area contains no lands designated for Agricultural uses.

Statewide Planning Goal 3 is not applicable.

- D. Goal 4; Forest Land: *To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water and fish and wildlife resources and to provide for recreational opportunities and agriculture.*

Staff Findings: The City of Molalla comprehensive planning area contains no lands designated for Forest uses.

Statewide Planning Goal 4 is not applicable.

- E. Goal 5; Open Spaces, Scenic and Historic Areas, and Natural Resources: *To conserve open space and protect natural and scenic resources.*

Staff Findings: Goal 5 is implemented by OAR 660-023, which requires cities to address riparian corridors, wetlands, and wildlife habitat. The rule does not require cities to prepare scenic or historic inventories.

Molalla's Local Wetland Inventory (LWI) was completed in 2004 and has been approved by the Division of State Lands (DSL). This inventory addresses wetlands, streams, and associated fish and wildlife habitat values within the existing UGB. Molalla has also adopted plan policies and land use regulations to protect inventoried riparian corridors and wetlands in a manner similar to the "safe harbor" provisions of OAR 660-023-0090 and 660-023-0100.

The 2014 Molalla Comprehensive Plan includes policies to protect inventoried stream corridors and wetlands and historic resources. Molalla is also committed to a goal of creating an inventory and preserving historically significant sites and structures within the Molalla UGB.

The relevant provisions of Goal 5 have been satisfied.

- F. Goal 6; Air, Water and Land Resources Quality: *To maintain and improve the quality of the air, water and land resources of the state.*

Staff Findings: The Comprehensive Plan contains goals and policies to coordinate with the Oregon Department of Environmental Quality (DEQ) to ensure that air, land and water quality resources are not degraded.

The relevant provisions of Goal 6 have been satisfied.

- G. Goal 7; Areas Subject to Natural Disasters and Hazards: *To protect life and property from natural disasters.*

Staff Findings: Molalla has inventoried its natural hazards as required by Goal 7.

There are two categories of natural hazards affecting land within the Molalla UGB and the proposed urban reserve area (1) flood hazards and (2) landslide and erosion hazards. The Comprehensive Plan contains goals and policies to limit development in floodplains and on steep slopes.

The relevant provisions of Goal 7 have been satisfied.

- H. Goal 8; Recreational Needs: *To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate to provide for the siting of necessary recreational facilities including destination resorts.*

Staff Findings: To address long-term park and recreational needs in the community, the City of Molalla has developed *The City of Molalla Parks, Recreation and Trails Master Plan* (updated January 2014). This plan includes an inventory of existing facilities, recreational goals and policies, and future park and recreational facilities needs. The park plan identifies a target ratio of 10 park acres per 1,000 population. This ratio was used in the *2014 Molalla Comprehensive Plan* to determine 20-year parks land needs in the community based on the county's coordinated population forecast. The *2014 Molalla Comprehensive Plan* also includes policies to ensure an adequate system of parks and recreation facilities are made available in the city.

The relevant provisions of Goal 8 have been satisfied.

- I. Goal 9; Economic Development: *“To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare and prosperity of Oregon's citizens.”*

Staff Findings:

Goal 9 is implemented by the Goal 9 rule (OAR Chapter 660, Division 009). Molalla had prepared the following economic studies pursuant to Goal 9 rule requirements to inform previous drafts of the Plan. These studies are included with the Comprehensive Plan as background documents:

- *Molalla Economic Profile* (Hovee, 2004)
- *2009 Employment Land Needs Analysis* (Winterbrook, 2009)

The *2014 Molalla Comprehensive Plan* includes a coherent economic development strategy, based on the conclusions in the *Economic Profile* and the *Employment Land Needs Analysis*, as well as extensive feedback from the public and City officials. The strategy is implemented through the comprehensive plan policies addressing: general economic development; downtown development; community planning areas; and commercial and industrial development.

However, the employment forecast in the *2009 Employment Land Needs Analysis* is dated and is a “policy objective” forecast and it was determined that the forecast was not appropriate for inclusion in the current draft of the Plan. Therefore, analyses in

the 2014 Molalla Comprehensive Plan utilize the 660-024-0040(9) “safe harbors” for determining employment needs, until such a time as the Economic Opportunities Analysis can be updated to reflect current conditions.

The relevant provisions of Goal 9 have been satisfied.

- J. Goal 10; Housing: *“To provide for the housing needs of citizens of the state.”*

Staff Findings: Goal 10 requires that cities designate sufficient buildable land – under clear and objective approval standards – to meet identified housing needs by type and density.

Molalla had previously conducted a “housing needs analysis” to determine the amount of land that will be needed within the UGB, pursuant to Goal 10 requirements. This study, the *City of Molalla Residential Land Needs Report* (Winterbrook, 2009), is included with the Comprehensive Plan as a background document. The study’s analysis utilizes the housing type and density “safe harbors” found in OAR 660-024a, Table 1. These “safe harbors” were then used in the 2014 Molalla Comprehensive Plan to determine 20-year land needs in the community for housing based on the county’s adopted coordinated population forecast.

The 2014 Molalla Comprehensive Plan includes policies and measures to necessary to meet the city’s housing affordability obligations under Goal 10. These policies are described in the Comprehensive Plan’s Goal 10 Housing Policies. Single-family, multi-family, and mixed-use measures are found in the Comprehensive Plan Goal 10 Zoning and Implementation section. The Plan includes three primary residential plan designations: Low, High and Medium Density Residential, designated to meet housing density requirements.

The relevant provisions of Goal 10 have been satisfied.

- K. Goal 11; Public Facilities and Services: *“To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.”*

Staff Findings: Goal 11 requires cities to prepare “public facilities plans” (PFPs) that identify the timing, location and funding sources of sanitary sewer, water, storm drainage and transportation projects necessary to serve projected population and employment growth during the 20-year planning period. Goal 11 is implemented by the Goal 11 Rule (OAR 660, Division 011).

The 2014 Molalla Comprehensive Plan includes a discussion of sanitary sewer, water, storm drainage and transportation facilities necessary to support planned growth inside the UGB. The Plan also contains policies to ensure that an adequate level of public facilities and services is provided to new development within the Molalla UGB. The city recognizes that the PFP will need to be updated prior to any

future expansion of the UGB.

The relevant provisions of Goal 11 have been satisfied.

L. Goal 12; Transportation: *“To provide and encourage a safe, convenient and economic transportation system.”*

Staff Findings: Goal 12 is implemented by the Transportation Planning Rule (the TPR or OAR Chapter 660, Division 012). Goal 12 and the TPR require that each city prepare and adopt a Transportation System Plan (TSP) to provide for all modes of transportation. The TSP must describe the timing, location, cost and funding mechanisms for transportation projects necessary to serve planned land uses within the UGB. The Molalla TSP (Kittelson, 2001) is designed to address transportation impacts through the year 2020. Following the adoption of the *2014 Molalla Comprehensive Plan*, the TSP will need to be amended to address planned growth through at least the year 2034.

Throughout the entire planning process Molalla coordinated extensively with ODOT in amending its comprehensive plan and development code to ensure Goal 12 compliance.

The relevant provisions of Goal 12 have been satisfied.

M. Goal 13; Energy Conservation: *To conserve energy.*

Staff Findings: The comprehensive plan addresses energy conservation through over 20 energy conservation policies, found in the Comprehensive Plan Goal 13 Energy Conservation Policies.

The relevant provisions of Goal 13 have been satisfied.

N. Goal 14; Urbanization: *To provide for an orderly and efficient transition from rural to urban land uses.*

Staff Findings:

Goal 14 requires that cities establish and maintain urban growth boundaries to accommodate 20-year land needs. UGBs are adopted by both the city and the county and separate urban from rural lands. Goal 14 requires cities and counties to coordinate the efforts to ensure that land is used efficiently within UGBs.

Molalla has policies and development standards to ensure the efficient use of land within its existing UGB. With a rapidly dwindling supply of buildable residential land remaining in the existing UGB, Molalla anticipates a UGB amendment in the next few years. Any UGB amendment proposal will be consistent with OAR Chapter 660, Division 024, Urban Growth Boundaries.

The relevant provisions of Goal 14 have been satisfied.

- O. Goals 15 – 19: Willamette Greenway (15), Estuarine Resources (16), Coastal Shorelands (17), Beaches and Dunes (18), and Ocean Resources (19).

Staff Findings: The City of Molalla and its environs are not located in an area where Goals 15 through 19 are applicable.

Statewide Planning Goals 15 – 19 are not applicable.

Statewide Goals Conclusions: The Planning Staff finds this application is consistent with all applicable Statewide Planning Goals.

Evaluation of Relevant Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR)

The single largest issue surrounding the various attempts by the City of Molalla to update its Comprehensive Plan over the last several years has been the population forecasts used in the document. At the time this process began, Clackamas County had not adopted a coordinated population forecast of its rural cities (Metro is responsible for coordinating forecasts for the county's urban cities). In 2013, however, Clackamas County did complete and adopt a 20-year forecast for the cities of Molalla, Canby, Barlow, Estacada, and Sandy. This forecast is consistent with ORS 195.036 and is now the forecast that these cities must use for their growth planning. ORS 195.034 and OAR 660-024-0030 state the following (emphasis added):

ORS 195.034 Alternate Population Forecast. *(1) If the coordinating body under ORS 195.025 (1) has adopted, within 10 years before a city initiates an evaluation or amendment of the city's urban growth boundary, a population forecast as required by ORS 195.036 that no longer provides a 20-year forecast for an urban area, a city may propose a revised 20-year forecast for its urban area by extending the coordinating body's current urban area forecast to a 20-year period using the same growth trend for the urban area assumed in the coordinating body's current adopted forecast.*

OAR-660-024-0030 Population Forecasts.

(4) A city and county may apply one of the safe harbors in subsections (a), (b), or (c) of this section, if applicable, in order to develop and adopt a population forecast for an urban area:

a) If a coordinated population forecast was adopted by a county within the previous 10 years but does not provide a 20-year forecast for an urban area at the time a city initiates an evaluation or amendment of the UGB, a city and county may adopt an updated forecast for the urban area consistent with this section. The updated forecast is deemed

to comply with applicable goals and laws regarding population forecasts for purposes of the current UGB evaluation or amendment provided the forecast:

(A) *Is adopted by the city and county in accordance with the notice, procedures and requirements described in section (1) of this rule; and*

(B) *Extends the current urban area forecast to a 20-year period commencing on the date determined under OAR 660-024-0040(2) by using the same growth trend for the urban area assumed in the county's current adopted forecast.*

Clackamas County's adopted a coordinated population forecast for its rural cities was for the 20-year period from 2012 to 2032. The forecast projected an average annual growth rate for the city of 2.0%, resulting in a population estimate of 12,760 for year 2032. Extrapolating from this forecast for the 20-year planning horizon of 2014-2034, assuming the same 2.0% average annual growth rate for that period, the City of Molalla (UGB) is projected to contain approximately 13,130 people in 2034. This means the City must plan for a net growth of approximately 4,340 new residents, or roughly 1,530 households over the next 20 years. This methodology is consistent with state law.

This application is in compliance with the ORS 197.034 and OAR 660-024-0030.

Summary of Findings and Conclusions on Proposed Comprehensive Plan Amendment

- A. This report outlines and addresses all of the applicable policies, standards and criteria found to pertain to the proposed *2014 Molalla Comprehensive Plan*.
- B. Based upon the findings in this report, the *2014 Molalla Comprehensive Plan* satisfies all applicable Statewide Planning Goals and relevant State Statutes and Oregon Administrative Rules pertaining to 20-year population forecasting for planning within the urban growth boundary.

5. RECOMMENDATIONS

Based upon the Findings in this report, the City Planning Staff recommends the Planning Commission take following actions:

- A. Recommend adoption of the *2014 Molalla Comprehensive Plan*, as revised by Planning Staff, dated August 6, 2014.
- B. Recommend adoption of *The City of Molalla Parks, Recreation and Trails Master Plan*, updated January 2014.