

City of Molalla City Council - Regular Meeting Minutes – March 26, 2025 Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

### CALL TO ORDER

The Molalla City Council Meeting of March 26, 2025 was called to order by Mayor Scott Keyser at 7:00 pm.

### COUNCIL ATTENDANCE

Present: Council President Eric Vermillion, Councilor Martin Bartholomew, Councilor RaeLynn Botsford, Councilor Leota Childress, Councilor Terry Shankle, Councilor Doug Gilmer, and Mayor Scott Keyser.

#### **STAFF IN ATTENDANCE**

Dan Huff, City Manager; Mac Corthell, Assistant City Manager; Christie Teets, City Recorder, Dan Zinder, Senior Planner; Jamie Viveiros, Associate Planner; and Cindy Chauran, Finance Director.

Guest Speaker in Attendance: Violet Brown with 3J Consulting.

### EXECUTIVE SESSION ANNOUNCEMENT

Mayor Keyser announced prior to the Regular Meeting, Council met in Executive Session, held pursuant to Oregon Public Record Law, ORS 192-660(2) (i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing. Mayor Keyser confirmed no decisions were made during the Executive Session.

#### **CONSENT AGENDA**

- A. Work Session Meeting Minutes February 26, 2025
- B. City Council Meeting Minutes February 26, 2025
- C. City Council Meeting Minutes March 12, 2025
- D. On-Call Cured in Place Piping Services
- E. Intergovernmental Agreement for Public Safety Communication Services

### **ACTION:**

Councilor Botsford made a motion to accept the Consent Agenda as presented; Council President Vermillion seconded. Motion passed 7-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Botsford, Bartholomew, Keyser. NAYS: None. ABSENTIONS: None.

### **PRESENTATIONS, PROCLAMATIONS, CEREMONIES**

- A. Budget Committee Appointment Laura Klyzek
- B. Budget Committee Appointment Amy Williams

Mayor Keyser sought consensus from the Council to proceed with the Budget Committee appointments, noting that one applicant was absent due to a scheduling conflict. The Council reached consensus and proceeded with the vote.

#### **ACTION:**

Mayor Keyser made a motion to appoint Laura Klyzek to the Budget Committee; Council President Vermillion seconded. Motion passed 7-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Botsford, Bartholomew, Keyser.

NAYS: None.

ABSENTIONS: None.

### ACTION:

Council President Vermillion made a motion to appoint Amy Williams to the Budget Committee; Mayor Keyser seconded. Motion passed 7-0.

AYES: Bartholomew, Botsford, Vermillion, Childress, Shankle, Gilmer, Keyser. NAYS: None. ABSENTIONS: None.

### **PUBLIC COMMENT**

City Recorder Teets noted Public Comments submitted for the evening pertained to specific items on the agenda.

### **PUBLIC HEARINGS**

**A.** Ordinance No. 2025-05: Efficiency Measures; Changing Accessory Dwelling Unit Approvals From a Type II To a Type I Process and Comprehensive Plan Map and Zoning Map Changes.

Mayor Keyser opened Public Hearing for Efficiency Measures; Changing Accessory Dwelling Unit Approvals From a Type II To a Type I Process and Comprehensive Plan Map and Zoning Map Changes at 7:13pm; no present Council Members acknowledged potential conflicts of interest.

Senior Planner Zinder presented the staff report for Ordinance 2025-05, an overview of efficiency measures required by state law (ORS 197.296) before expanding the Urban Growth Boundary (UGB) for residential use. These measures, which include changing the ADU approval process from a Type 2 to Type 1, aimed to improve land use efficiency within the current UGB. The City also proposed zoning and comprehensive map changes to address residential and industrial land deficits, with adjustments to areas like R3 (high-density) and R2 (medium-density). Some residential areas in the southwest were removed based on community feedback. ODOT raised concerns about transportation impacts, prompting the City to provide additional findings to show the proposed changes will not negatively affect roadways.

In response to Mayor Keyser's question regarding the R3 zoning, Mr. Zinder clarified that it would account for 128 units out of the 399 identified in the Housing Needs Analysis (HNA); he further explained that approximately 287 units have already been built, with the apartments around town. He also noted that the City is getting close to meeting goal. Mr. Corthell further clarified that any additional residential land needed through the UGB process does not have to be high-density. The City will have enough high-density land to meet the 20-year land supply requirement for R-3, based on both the units already built (which were not included in the Housing Needs Analysis) and the capacity of the land being considered. He noted that urban design typically involves building more densely near the core of the City, with less density as development expands outward.

### PUBLIC COMMENT

Lyle Stratton: a commercial real estate broker with 38 years of experience, spoke in opposition to Ordinance No. 2025-05.

Mayor Keyser closed the Public Hearing on Ordinance No. 2025-05 at 7:48 p.m.

(For a complete account of the discussion, please refer to the YouTube video recording from minutes: 06:50 to 45:38)

### RECESS

With Council consensus Mayor Keyser recessed the Regular Council Meeting at 7:50 p.m. due to a question raised regarding Measure 37 to allow time for clarifying research. (For an account of the recess, please refer to the YouTube video, minutes 46:09 - 54:44)

### **RECONVENE RECESS**

Mayor Keyser reconvened the Council Meeting at 8:00pm.

Assistant City Manager Corthell clarified that the statute in question related to restricting residential use is not applicable to Ordinance No. 2025-02, as the proposed ordinance changes would enable residential use. Mr. Corthell read Measure 49 (noting it has replaced Measure 37), which in summary noted if a public entity enacts land use regulations that restrict residential use of private real property or farming/forestry practices in a way that reduces property value, the property owner is entitled to just compensation.

### **ORDINANCES AND RESOLUTIONS**

A. Ordinance No. 2025-05: Efficiency Measures; Changing Accessory Dwelling Unit Approvals From a Type II to a Type I Process and Comprehensive Plan Map and Zoning Map Changes.

Staff had no further comments or information to provide regarding Ordinance No. 2025-05, and no additional staff report was presented.

### **ACTION:**

Councilor Childress moved the City Council conduct the First Reading of Ordinance 2025-05, An Ordinance of the City of Molalla Oregon Changing Accessory Dwelling Unit Approvals to a Type I Process and Comprehensive Plan Map and Zoning Map Changes by title only; Councilor Botsford seconded. Motion passed 7-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Botsford, Bartholomew, Keyser. NAYS: None. ABSENTIONS: None.

### ACTION:

Council President Vermillion moved the City Council conduct the Second Reading and Adoption of Ordinance No. 2025-05, An Ordinance of the City of Molalla Oregon Changing Accessory Dwelling Unit Approvals to a Type I Process and Comprehensive Plan Map and Zoning Map Changes by title only; Councilor Childress seconded. Motion passed 7-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Botsford, Bartholomew, Keyser. NAYS: None. ABSENTIONS: None.

B. Resolution No. 2025-05: Adopting the Housing Production Strategy

Senior Planner introduced Housing Production Strategy (HPS) noting it is a continuation of the report initially submitted in 2022. After submitting the draft to the Department of Land Conservation and Development (DLCD), they placed it on remand, advising that more public feedback from housing producers and consumers was needed. In response, the City reworked the strategy, hired 3J Consulting, and received a grant from DLCD to conduct a more comprehensive public process. Violet Brown with 3J Consulting noted the Housing Needs Analysis (HNA) projected Molalla would need 2,000 new housing units by 2042 to accommodate a population of over 15,000, focusing on affordable housing across all income levels; highlighting a demand for affordable rental units, especially for households earning less than \$75,000, with a notable shortage. The community engagement for Molalla's Housing Production Strategy (HPS) included one-on-one interviews with local key organizations; policies supported by the community included promoting cottage clusters, improving access to affordable housing options, and addressing barriers to homeownership. The Public Advisory Committee (PAC), Molalla Planning Commission, and County Housing Authorities, reviewed policies; notable suggestions included creating a library of resources for housing developers, working with faith-based organizations for affordable housing "zombie housing" (unmaintained properties). Following possible adoption, the HPS will undergo a 90-day review by the Department of Land Conservation and Development (DLCD). Feedback will be incorporated, and there will be regular reports on progress, with a four-year midpoint review.

Mayor Keyser asked about the potential consequences if housing targets aren't met and Ms. Brown shared if housing units are not built within the specified timeframe, the DLCD steps in through their Accelerated Housing Program.

### ACTION:

Councilor Botsford moved the City Council adopt Resolution No. 2025-05, a Resolution of the City of Molalla Adopting the 2025 Housing Production Strategy; Council President Vermillion seconded. Motion passed 7-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Botsford, Bartholomew, Keyser.

NAYS: None. ABSENTIONS: None.

### **GENERAL BUSINESS**

None.

### **STAFF COMMUNICATION**

- Senior Planner Zinder: No Report
- Associate Jamie Viveiros: No Report

Assistant City Manager Corthell: As requested by Mayor Keyser Mr. Corthell shared an update regarding the recent ODOT meeting that focused on a possible jurisdictional transfer of OR 211 with ODOT Region 1, arranged by the Mayor. ODOT reiterated a lack of funding for road improvements, and while there is limited funding in the legislature, a Jurisdictional Transfer Advisory Committee (JTAC) is in place, which facilitates negotiations between ODOT and Cities regarding jurisdictional transfers. City Manager Huff added application for possible jurisdictional transfer is not simple and projections will need to be calculated. The discussion is preliminary and an option for a future step forward. On a positive note, a Catch Basin of OR211 will be reviewed and ODOT agreed to conduct repairs.

Mr. Corthell addressed concerns regarding Measure 49 claims, reassured the Council the City is in a good position. If a valid claim were filed, a 540-day window is available to issue a waiver, giving the City about a year and a half to discuss and resolve before facing any liability and have sufficient time to discuss with a City Attorney.

- Finance Director Chauran: No Report
- City Recorder Teets: made several announcements: Invitation to LOC President Luncheon on May 8<sup>th</sup>, LOC Conference in North Bend, Budget Committee has been filled, Application for appointment to Planning Commission was received, application for Appointment to Library Board received noting all Boards and Commissions would be filled soon, Statement of Economic Interest (SEI) is due April 15th for Council and Planning
- Commission, CCA Dinner Meetings this year in May, June, and October, City of Molalla is the June Host.
- City Manager Dan Huff: discussed the upcoming groundbreaking event at Chief Yelkus Park and proposed • Wednesday, April 23rd, at 2:00pm with an official notice to follow soon.

### **COUNCIL COMMUNICATION**

- Councilor Bartholomew: No Report
- Councilor Gilmer: No Report .
- Councilor Botsford: Announced Fourth Friday Event
- Councilor Shankle: No Report .
- . Councilor Childress: No Report
- Council President Vermillion: Provided details of upcoming Parks CPC Fundraising Events scheduled for • March, April, and May 2025. For more information, please refer to the Meeting Minute Attachment.
- Mayor Scott Keyser: Reported on his busy schedule, including ODOT Meeting with City staff and Council . President Vermillion. He noted he would be speaking at the Beavercreek Grange Prepping Event, reminded everyone of a Soup Fundraiser at the Molalla Grange. Mayor noted he was invited to attend a Mayor's Roundtable in Carver to discuss key topics with other Mayors regarding unfunded mandates, UGB, and Housing Strategy, and an upcoming C4 Meeting. Mayor Keyser highlighted the Council's ongoing work to support the City's growth and community engagement outside of Council Meetings.

### **RECESS INTO EXECUTIVE SESSION**

Mayor Keyser announced the recess of Regular Meeting at 09:00pm to go into Executive Session, held pursuant to Oregon Public Record Law, ORS 192-660(2) (i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

Mayor Keyser adjourned Executive Session at 10:07pm.

### RECONVENE

Mayor Keyser reconvened the Regular Session and noted no decisions were made during Executive Session.

### **ADJOURN**

Mayor Keyser adjourned the City Council meeting at 10:11pm.

For the complete video account of the City Council Meeting, please go to YouTube

"Molalla City Council Meetings - March 26, 2025"

Scott Keyser, Mayor

PREPARED BY: CuptalRooco Crystal Robles, Records Specialist ATTEST:

Christie Sects

Christie Teets, CMC, City Recorder

Meeting Attachments:

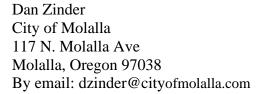
- Public Comments
- LOC Invitation to Regional Meeting
- Ordinance No. 2025-05 Overview prepared by Senior Planner Dan Zinder
- Resolution No. 2025-05 Overview prepared by Senior Planner Dan Zinder
- Council President Council Report Communication Notes



### Department of Land Conservation and Development

March 25, 2025

635 Capitol Street NE, Suite 150 Salem, Oregon 97301-2540 Phone: 503-373-0050 Fax: 503-378-5518 <u>www.oregon.gov/LCD</u>





RE: City of Molalla proposed plan amendment DCA01-2025

Dear Mr. Zinder,

Please add the following comments to the record for Local File DCA01-2025, on behalf of the Department of Land Conservation and Development (DLCD).

Thank you for submission of the plan amendment notice to DLCD. The proposed amendment would change the comprehensive plan land use designations and zoning map for approximately 76 acres on over 40 properties in Molalla's urban growth boundary. We have reviewed the amendment and the findings of fact in the staff report and would like to make note of the following:

The original post-acknowledgement plan amendment notice that the city submitted to DLCD on February 20, 2025 did not include sufficient information about the proposal, including the current and proposed land use and zoning designations for the properties that are the subject of the amendment. After you submitted the updated information on March 13 and March 14, including the current and proposed land use designations and zoning designations, acreages, and maps, we considered the description to be adequate and we issued another notification of proposed amendment with the updated information. Due to the limited available time to review the materials, we advise the city to allow for additional time for review and consideration of the amendments if interested parties indicate to the city that they have not had adequate time to review prior to the March 26<sup>th</sup> hearing.<sup>1</sup>

The changes in the city's proposed amendment would result in an overall deficit of industrial land to meet the 20-year need established in the city's recently adopted Economic Opportunities Analysis. As you note in your findings, this amendment is one of a few steps in the Sequential Urban Growth Boundary amendment process, with the final step being an amendment to the urban growth boundary. We understand the City's intent is to add land to the urban growth boundary for industrial purposes as part of the amendment, making up for the deficit created by the current proposal, and we support this approach.

<sup>&</sup>lt;sup>1</sup> ORS 197.620 provides that a local government may cure the untimely submission of materials by either postponing the date for the final evidentiary hearing by the greater of 10 days or the number of days by which the submission was late; or by holding the evidentiary record open for an additional period of time equal to 10 days or the number of days by which the submission was late, whichever is greater.

The staff report includes findings for some of the City's Comprehensive Plan policies, but the city has not included findings for consistency with the Public Facilities element of the Comprehensive Plan.<sup>2</sup> The findings of fact in the staff report also leave out Statewide Planning Goal 11, Public Facilities. Without findings or evidence in the record, it is not clear whether these amendments to the comprehensive plan and zoning map are consistent with the size and location of planned infrastructure, such as waterline extensions, wastewater line extensions, and pump stations.

We also note a lack of explanation or evidence to support the city's findings for MMC 17-4.6.030 Annexation & Zone Change Approval Criteria, subsection (D), which states "The amendment must conform to Section 17-4.6.050 Transportation Planning Rule." The city's findings state:

"Molalla's Transportation Systems Plan has already considered the proposed areas as urbanized and none of the proposed changes to the comprehensive plan map or zoning map meet the "significance" thresholds of (OAR) 660-012-0060. Staff determines that no significant impact on the City's transportation systems will result from the proposed ordinance and that no further analysis is required. This criterion is met."

We advise the city to include an explanation that demonstrates how and why the proposed map changes fall below the "significance threshold" in the cited administrative rule.

While we do point out deficiencies in the city's findings, DLCD does not object to the nature of the changes proposed by this amendment. Please feel free to contact me at (971) 345-1987 kelly.reid@dlcd.oregon.gov if you have any questions.

Sincerely,

Kelly Reid

Kelly Reid, AICP Regional Representative DLCD

cc: Leigh McIlvaine, DLCD Employment Land specialist Kevin Young, DLCD Goal 14 specialist Gordon Howard, DLCD Community Services Division Manager

<sup>&</sup>lt;sup>2</sup> There is no statute, statewide planning goal or administrative rule that generally requires that legislative land use decisions be supported by findings. *Port of St. Helens v. City of Scappoose*, 58 Or LUBA 122, 132 (2008). However, there are instances where the applicable statutes, rules or ordinances require findings to show compliance with applicable criteria. In addition, where a statute, rule or ordinance requires a local government to consider certain things in making a decision or to base its decision on an analysis, "there must be enough in the way of findings or accessible material in the record of the legislative act to show that applicable criteria were applied and that required considerations were indeed considered." *Citizens Against Irresponsible Growth v. Metro*, 179 Or App 12, 16 n 6, 38 P3d 956 (2002). Such findings serve the additional purpose of assuring that the director does not substitute her judgment for that of the local government. Id.; *Naumes Properties, LLC v. City of Central Point*, 46 Or LUBA 304, 314 (2004).



**Department of Transportation** 

Transportation Region 1 123 NW Flanders St. Portland, OR 97209-4012 (503) 731-8200 Fax: (503) 731-8259

March 26, 2025

Molalla City Council 117 N Molalla Avenue Molalla, OR 97038

RE: City of Molalla March 26, 2025 Council Ordinance: City File DCA01-2025/ORD2025-05 Efficiency Measures; Changing Accessory Dwelling Unit Approvals From A Type II To A Type I Process and Comprehensive Plan Map and Zoning Map Changes.

### City Councilors,

Please accept this letter from the Oregon Department of Transportation (ODOT) into the public record for the proposed ordinance: *DCA01-2025/ORD2025-05 Efficiency Measures; Changing Accessory Dwelling Unit Approvals From A Type II To A Type I Process and Comprehensive Plan Map and Zoning Map Changes.* ODOT has the following three areas of concern:

• Agency Notification

Oregon's Transportation Planning Rule (TPR) requires local governments outside metropolitan areas to adopt regulations that include providing required notice to ODOT and other parties in OAR 660-012-0045(2)(f). ODOT's planning team relies on local agency partners notification for proposed changes to land use or zoning to ensure compatibility with the State's current and planned highway network. ODOT staff learned about this proposal on March 19, 2025 from another agency. ODOT does not have a record of receiving this notification from the City. This is a procedural error and limits ODOT's ability to thoughtfully review proposals and work with the City of Molalla to help shape plans that are consistent with the Oregon Transportation Plan and its modal Highway Plan.

• Significant Effects

As noted in the staff report: the TPR, OAR 660-12-0060(1) directs cities and counties to review proposed plan changes to see if they would significantly affect an existing or planned transportation facility. The City's response to this requirement lacks sufficient detail to support the claim that the proposed changes would not have any significant effects for which mitigations may be required.

As an example, the ordinance proposes converting three industrially zoned taxlots along Hwy 213 at the new roundabout at S Toliver Rd from Industrial to G-2 General Commercial. The higher intensity commercial and retail uses allowed by the proposed G-2 zoning could impact highway safety and operations for the traveling public.



### **Department of Transportation**

Transportation Region 1 123 NW Flanders St. Portland, OR 97209-4012 (503) 731-8200 Fax: (503) 731-8259

Accordingly, the City has not adequately addressed the requirements of OAR 660-12-0060. ODOT recommends the City provide further evidence (traffic analysis) to support the claim and evaluate the effect of zone changes on the transportation network to determine whether mitigations would be needed. At this time, ODOT cannot conclude that the planned transportation network can accommodate the proposed zoning changes and therefore object to the ordinance moving forward without accurate findings.

### • Access Management

OAR 734-51 directs ODOT on management of access to and from public highways. Similarly, the City of Molalla's Code 17-3.3.030(D)1 states: *The number of approaches on higher classification streets (e.g. collector and arterial streets) shall be minimized; where practicable, access shall be take first from a lower classification street.* ODOT appreciates that this provision would help preserve the regional function of the highway system and would like affirmation from the City that future development on ODOT facilities will take access from lower classification local streets and would aim to use existing access points as well work to consolidate access on Hwy 211 and 213.

ODOT advises that the City Council action on this ordinance be postponed to a future meeting to allow City staff time to properly notice and document findings. If the action moves forward, ODOT recommends that City staff document the transportation impacts findings and provide materials for review within 2 weeks of the action to allow for review and the opportunity to appeal the decision. ODOT looks forward to partnering with the City of Molalla to document findings and work to provide safe and efficient transportation.

Sincerely,

celam +

Neelam Dorman, PE, TE Region 1 Planning Manager Oregon Department of Transportation 123 NW Flanders Street Portland, OR 97209

cc: Rian Windsheimer, Region 1 Manager, ODOT Chris Ford, Policy & Development Manager, ODOT Paul Scarlett, Area Manager, ODOT Glen Bolen AICP, Principal Planner, ODOT Kelly Reid, Regional Representative, DLCD

### Molalla Community Development Dept

PO Box 248

Molalla Oregon 97038

As an Owner of one of the properties on S. Lowe Road, I recently attended the February 26, 2025 city council meeting regarding the proposed re-zoning of (3) areas within the city limits from M to R Zones.

Back in 2018 I had reviewed portions of the following publications: Long Range Planning Issue Paper f#2020 – 1 Feb 11, 2020 from Clackamas County, Clackamas County Regional Housing Needs Analysis Sept 2019 Final Report, 2017 Molalla Residential BLI Results & Methodology from Winter Brook Community Resource Planning as related to our properties on S. Lowe Road during the we worked towards annexation.

I and two of my neighbors joined forces at that time to become annexed into the city with the intent of changing the zoning from the cities designated M2 Heavy Industrial to R3 High Density Residential. After large expenses to become annexed into the city we sought to change our zoning from M2 to R3 High Density only to be turned down.

Re-zoning the S. Lowe area from M2 to R1 and/or R2 would be Down Zoning us, meaning our current land values would drop in price per square foot. This is very detrimental to the Current Residents on S. Lowe Road. And deemed Unacceptable to Us.

I believe that the S. Lowe Road Neighborhood should be re-zoned to R3 High Density as we originally worked towards back in 2018-2022. Because of the Current Surroundings of this Neighborhood. R3 is Best Suited to the General Layout of Molalla.

Trina Johnson



Dan Zinder
Christie Teets
<u>Violet Brown</u>
FW: Citizen Feedback on HPS & UGB Project,
Monday, March 24, 2025 3:35:04 PM

PUBLIC COMMENT: For the HPS.

Violet – cc'ing you just as a heads up.

*Dan Zinder* 503.759.0226

From: Paige Lantz <paige@lantz-construction.com>

Sent: Wednesday, March 12, 2025 7:17 PM

To: Doug Eaglebear <deaglebear@cityofmolalla.com>; Connie Sharp <csharp@cityofmolalla.com>; Clint Ancell <cancell@cityofmolalla.com>; Martin Ornelas <mornelas@cityofmolalla.com>; David Potts <dpotts@cityofmolalla.com>; Brady Rickey <brickey@cityofmolalla.com>; Community Planner <communityplanner@cityofmolalla.com>; Dan Zinder <dzinder@cityofmolalla.com>; Scott Keyser <skeyser@cityofmolalla.com>; Jody Newland <jnewland@cityofmolalla.com>; Leota Childress <lchildress@cityofmolalla.com>; Terry Shankle <tshankle@cityofmolalla.com>; Eric Vermillion <evermillion@cityofmolalla.com>; Rae-Lynn Botsford <rbotsford@cityofmolalla.com>; Darci Lightner <dlightner@cityofmolalla.com>

Subject: Citizen Feedback on HPS & UGB Project,

Hello Mayor, City Council, and Planning Commission Members,

My name is Paige Lantz, and I'm a mother of three young children and married to a 5th generation Molalla resident. I have lived in Molalla for twelve years and am writing on behalf of myself and my husband, Lee Lantz. I've been loosely following the Housing Production Strategies and Urban Growth Boundary Project through livestreams of City Council and Planning Commission meetings, and the City's social media accounts (I've taken the survey shared on Facebook). After the March 5th Planning Commission meeting, I wanted to share some feedback on the presentation from Violet Brown and the project in general.

### 1. The Public Engagement Process for the HSP was not robust enough.

- I do not believe that the Survey requesting feedback on the HSP/UGB plan was broadly shared enough amongst Molalla Citizens. It appeared that the main promotion of the survey was through social media and online. While digital recruitment is a great avenue, it leaves out many Molalla citizens who do not engage with civic matters on computers, smartphones, or social media. I'm not aware of other marketing efforts to promote the survey, and if there were any, I did not see them (although I was looking).
  - I know public engagement can be challenging, but I'm worried that some of the deep fabric of our community (long-term Molalla residents, older

residents etc.) did not know about the survey.

- I feel strongly that the Housing Strategy for Molalla should incorporate feedback, input, and opinions from diverse cross-sections of Molalla residents (out of city limits, in city limits, age and economically diverse population samples).
  - Having moved from Portland to Molalla twelve years ago for a smalltown feel with country roots, *I believe the voices of long-term landowners, farm/ranch owners, and older citizens are particularly important to continue to shape and maintain the fabric of Molalla. I do not believe the Public Outreach for HSP/UGB survey(s) did a good job incorporating those citizens' feedback.*

### 2. The HSP presentation given by Violet Brown on March 5th was "cookie cutter" and lacked a dynamic and deep vision for Molalla.

- The studies Ms. Brown presented on Molalla's housing plan seemed to be largely data driven (and data and can be skewed in many directions). The findings did not include a vision or mission statement about the type of community we want to maintain or create in Molalla. I know that it's possible that was the intent of her studies, but I want to flag I do not think her findings were comprehensive enough to form valid opinions on housing strategies.
- The recommendations Ms. Brown presented seemed that they could be applied to most any rural town outside of a large metropolitan area with a population of around 10k.
- I hope that we can embody Molalla's history, heritage, and culture (rural, logging, rodeo etc.) in the Housing Plan, not just economic forecasts and data.
- I think the questions we ask ourselves are:
  - "Do we plan for where we currently are and what the economic demographics forecasts show, or do we plan for the town we want to be."
  - "What demographics of citizens and types of businesses do we want to attract to create a robust Molalla economy, unique sense of place (which I believe creates individual happiness), and maintain a tightknit small town "help each other out" type of community?"

3. Increasing density should be planned with consideration for quality of life and culture in Molalla.

While I do not support more density via expensive (or "affordable subsidized") apartments, I do support density increases through ADUS and Cottage Clusters. ADUs and Cottage Clusters promote more of a sense of community and inclusion than apartments, and also allow for multi-generations to live on a property together (or support caretaking situations for mental illness/decreasing homelessness).

4. We should focus on policies that attract the type of developers that will build housing that supports our vision for Molalla.

• I do not support tax incentives for developers who build "affordable housing". I believe this is counter-productive for free market capitalism and does not support maintaining and creating a Molalla that still feels like "Molalla", not just any bedroom community.

In conclusion, I hope we can take Ms. Brown's presentation with a grain of salt, but not the bible on how we should grow as a city. I am hesitant to plan for Molalla to automatically become an "affordable bedroom community" that can capture the overspill of people who no longer wish or cannot afford to live in Portland.

Please feel free to reach out to me with any questions, corrections, or to further discuss. I'm happy to make time for a meeting, coffee, call etc. and look forward to following the progress of this project.

Thank you so much for your time, I truly appreciate each of your efforts to support Molalla.

-Paige and Lee Lantz

Paige Lantz Lantz Construction - *Operations Manager* 32951 S Wilhoit Rd., Molalla, OR 97038 503.318.6228 From: Subject: Date: Attachments: Heather Larson President"s Regional Thursday, March 20, 2025 12:12:13 PM image.png Outlook-xbxkmkda.png Outlook-rfn1nmli.png Outlook-45s515mg.png



The LOC is inviting **all cities** in the **North Willamette Valley region (Region 3)** to attend the President's Regional Meeting in **Independence on May 8, 2025**. Lunch is provided.

Please join LOC's 2025 President, Mayor Jessica Engelke of North Bend, as she updates cities on the LOC's revenue reform project. President Engelke and LOC staff will: roll out key findings on the revenue reform work conducted by consultants in 2024; provide information on revenue changes being sought during the 2025 Legislative Session, roll out LOC's and EcoNorthwest's new Local Revenue Tools Guidebook, and discuss with member cities the need for a consistent statewide messaging strategy to secure long-term and stable revenue for local communities.

### **REGISTER NOW!**

### **Meeting Agenda:**

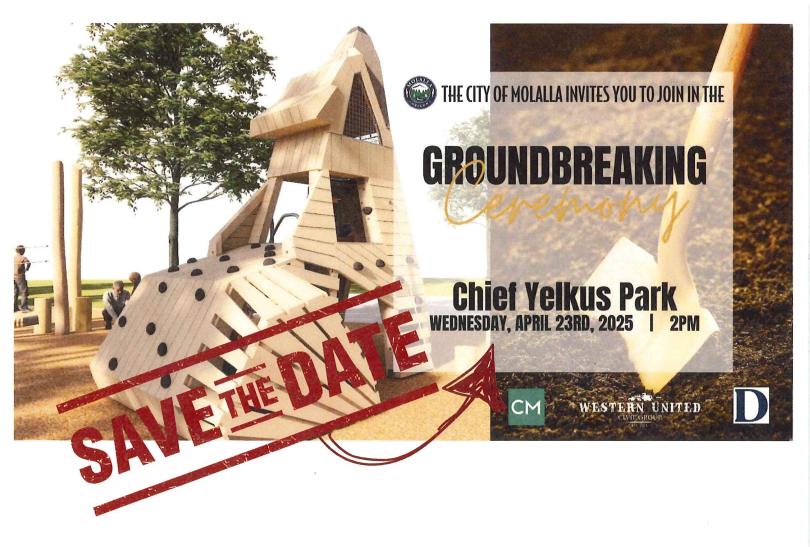
- Welcome
- President's Remarks
- Regional Discussion
- Roundtable: 2-3 Minute update from each City in attendance
- Select Host and Topic for Next Quarterly Meeting: August 8, 2025
- Adjourn

This is a rescheduled meeting from Quarter 1. All registrants from the cancelled meeting are scheduled to attend this meeting.

For questions or accommodations, please get in touch with Heather Larson, Training Coordinator, at <u>hlarson@orcities.org</u>.



Heather Larson, <i>Training Coordinator</i>
503-588-6550
1201 Court St. NE, Suite 200, Salem, OR 97301-4194
www.orcities.org
(in f



Groundbreaking Ceremony for Chief Yelkus Park!

Chief Yelkus Park is themed around the foundational myths of the Molalla Indian Tribe, specifically the Story of the Coyote and Grizzly. The park will feature a large Coyote play structure and will include a log jam, wooden columns shaped like cattails, balance beams, and other platforms. This park will encourage physical play while recognizing the Molalla Indian Tribes people. The anticipated completion date is mid-July to August.

This park was made possible through the State of Oregon and the generous support of Molalla Communications Company.

Respectfully, The City of Molalla





Housing Production Strategy City Council Presentation March 26<sup>th</sup> at 7:00 pm







**Project Overview** 

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Results of Public Engagement

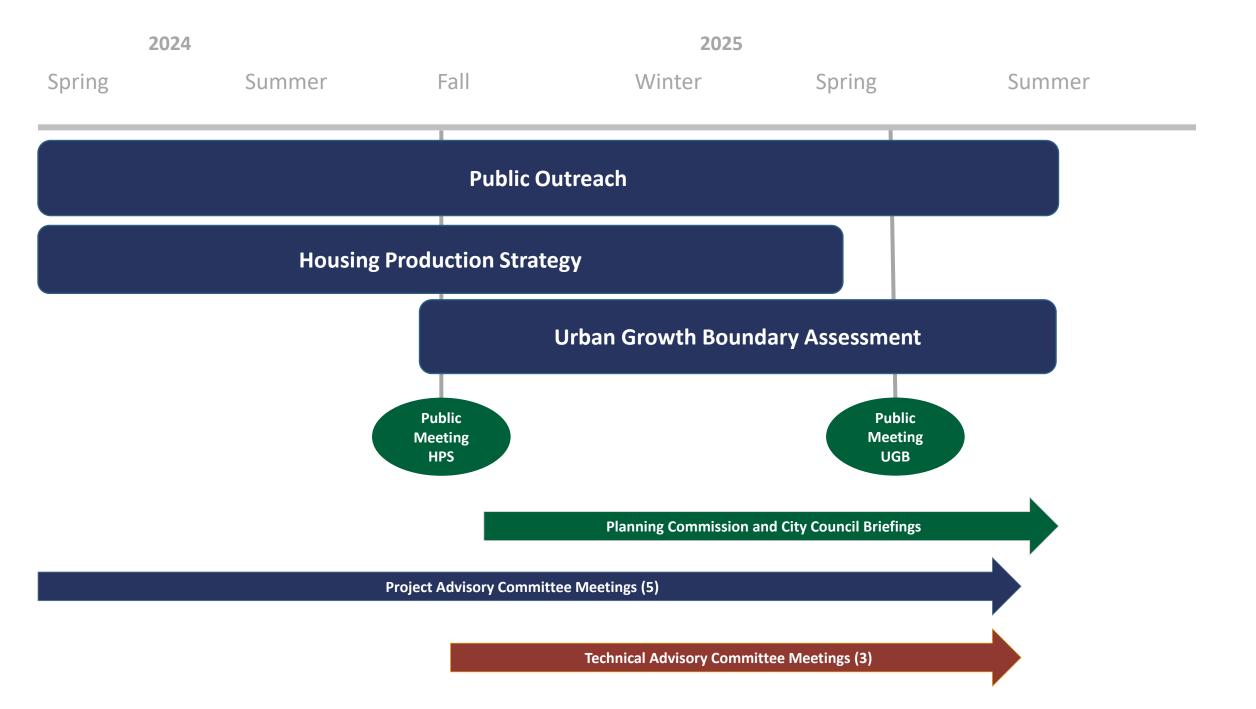
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Draft Housing Strategy

Next Steps

# **HPS Project Overview**

- Key Documents
  - Housing Needs Analysis (2023)
  - Draft Housing Production Strategy
- Public Engagement Components
  - Public Advisory Committee (PAC)
  - Housing Producer/Consumer Interviews
  - Public Meeting
  - Online Survey
  - Planning Commission
  - Public Comment



# **Housing Need**

By 2042...

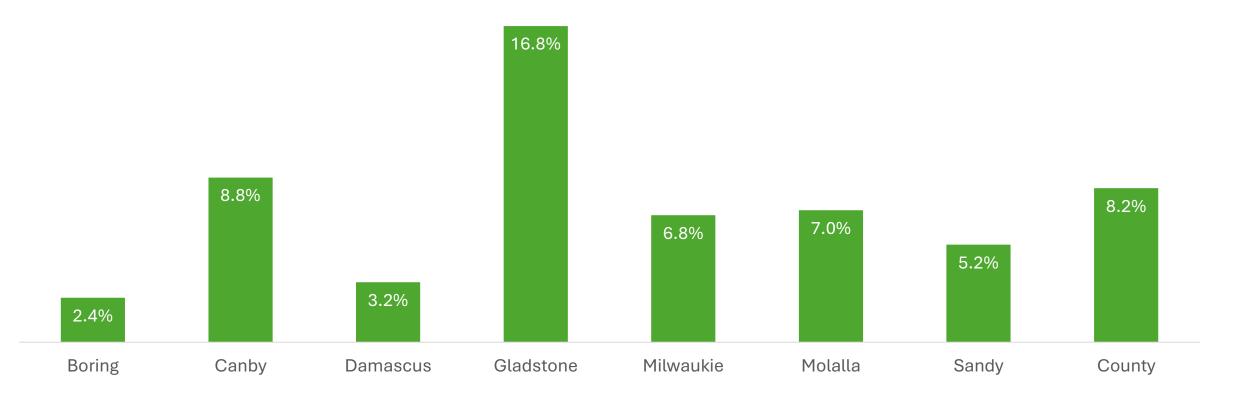
- Molalla's population is forecasted to be 15,660 (5,432 new people)
- Molalla will need 1,996 new housing units, especially medium & high-density housing units
- Units need to be affordable at all income brackets

# **Contextualized Housing Need**

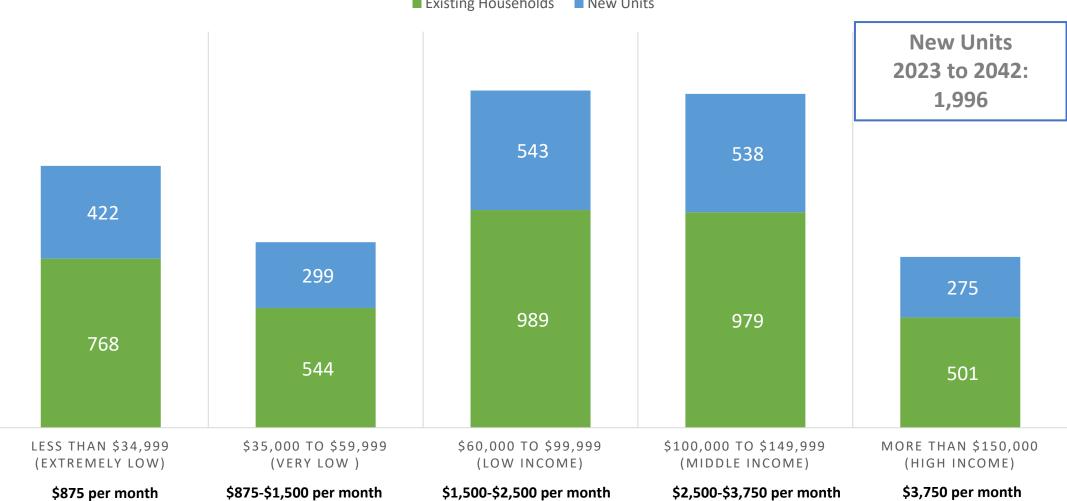
- Affordable units, where costs are less than 30% of income, represent 76% of owneroccupied housing and only 54% of renter-occupied housing
- Point in Time counts list 410 people experiencing homelessness in 2023 across Clackamas County
- Population living with a disability represent 16% of Molalla's occupied housing, which impacts housing choice
- Homeownership rates are lower for some, but not most, minority communities in Molalla

# Poverty & Affordability

### PERCENTAGE OF LOCAL POPULATION LIVING IN POVERTY



### **MOLALLA HOUSEHOLDS BY INCOME LEVEL**



■ Existing Households ■ New Units

# Poverty & Affordability

2023 Molalla AMI for a family of four: \$114,400

COST BURDENED HOUSEHOLDS BY MFI/AMI



# Poverty & Affordability

### COMPARING RENTAL HOUSEHOLD INCOMES WITH OCCUPIED UNITS AFFORDABLE AT EACH INCOME LEVEL

### Rental Households in Molalla



30% of \$75,000 a year = \$1,875 in monthly rent

# **Community Engagement**



### **One-On-One Interviews**

- Ant Farm Youth Services
- Molalla Adult Community Center
- Green Light Development
- Plaza Los Robles Apartments
- Mt. View Property Management
- Todos Juntos



### Public Meeting

- Details shared in newspaper, Facebook, Molalla Current, and project updates to email list.
- Included a presentation of housing need data, community profile, and a list of policies being considered for inclusion in the HPS.
- Input was recorded on policy boards around the room and in an online survey for those unable to attend in person.

# **Community Engagement**



### Public Advisory Committee Meetings (3)

- Clackamas County Housing Authority
- Todos Juntos
- Nazarene Church
- Habitat for Humanity
- I&E Construction
- Molalla City Council
- Molalla Planning Commission



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Planning Commission

Briefing to PC on March 5, 2025Presentation and Updated Draft HPS

\* DLCD was invited to all PAC Mtgs/Open House

- Develop Standards for Cottage Cluster Housing
- Address Impediments to Home Ownership
- Link SDC Fee Schedules to Size
- Affordable Housing Options Library of Information

# **Community Engagement Support**

# **Housing Production Strategy**

- Accessory Dwelling Units (ADUs), Cottage Cluster Housing, and Small Dwelling Units
- Adjust Requirements for Ground-floor Retail/Commercial
- Modify SDC Fee Schedules To Be Directly Linked to Size
- Land Owned by Faith-Based Organizations for Affordable Housing
- Address Unmaintained "Zombie" Housing
- Address Impediments to Home Ownership
- Remove Impediments for Conversions/Duplex Parking
- Regulate Short Term Rentals
- Provide Public Improvement Assistance to Housing Developers within the Urban Renewal Area
- Federal Low Income Housing Tax Credit (LIHTC) Program
- Collaborate with Clackamas County on Homelessness and Eviction Prevention
- Affordable Housing Options Library of Information

# Implementation

Policy	2025	2026	2027	2028	2029	2030	2031	2032
Code Revisions for ADUs								
Evaluate SDCs for ADUs								
Develop Standards For Cottage Clusters								
Small Dwelling Unit Defined								
Modify Requirements for Ground Floor Commercial								
Regulate Short Term Rentals								
Address Impediments to Home Ownership								
Remove Impediments to Duplex Parking								
Federal Low Income Housing Tax Credit								
Land Owned By Faith Based Organizations								
Address Zombie Housing								
Urban Renewal Area Public Improvement Assistance								
Explore SDCs based on size								
Affordable Housing Options Library of Information								
Collaborate with Clackamas County								

Evaluate Pass Ordinance Implement
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# **Project Next Steps**





# Thank you!



Efficiency Measures Changing Accessory Dwelling Unit Approvals From A Type II To A Type I Process and Comprehensive Plan Map and Zoning Map Changes.

> City Council March 26, 2025



# Overview

- Required by ORS 197.296
- Part of Molalla's 2025 Sequential Review Workplan

- Usually only rebalance residential land

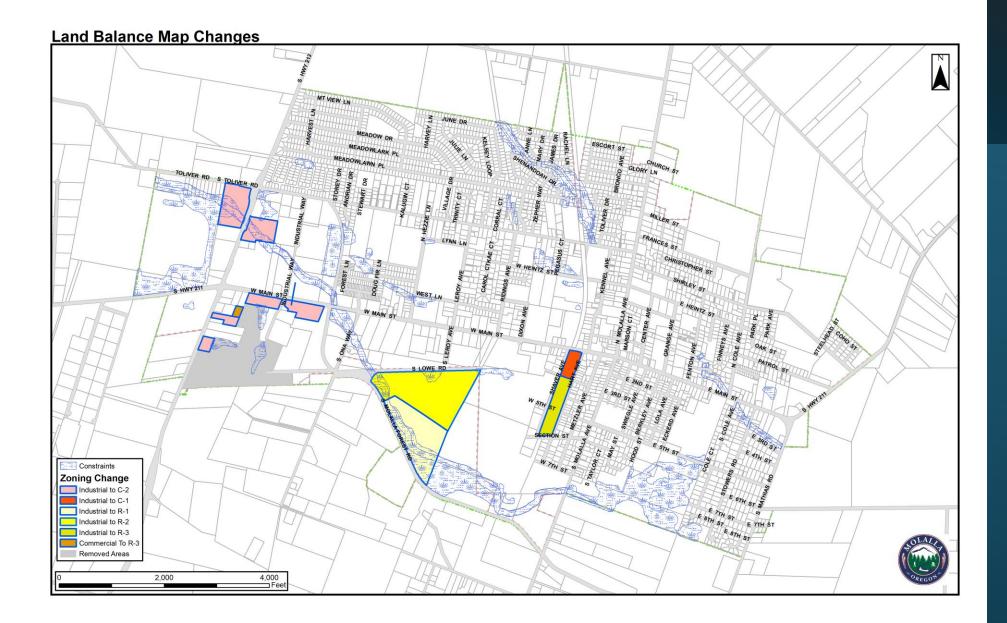
### Efficiency Measures

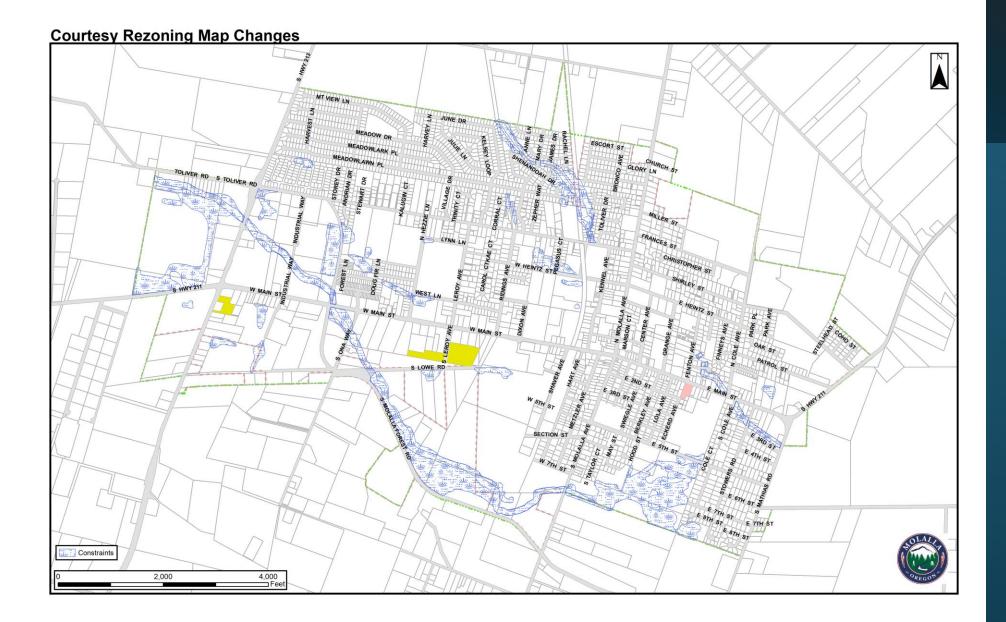
- Ours looks at employment land, which hasn't been addressed in over 40 years
- Does not include items from the HPS these will be addressed according to our HPS implementation schedule

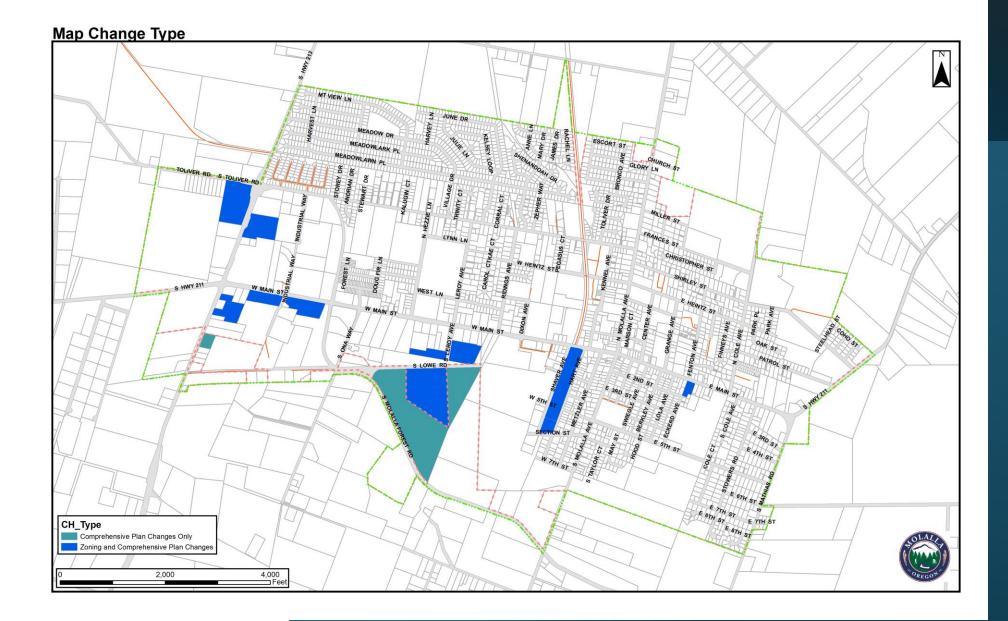


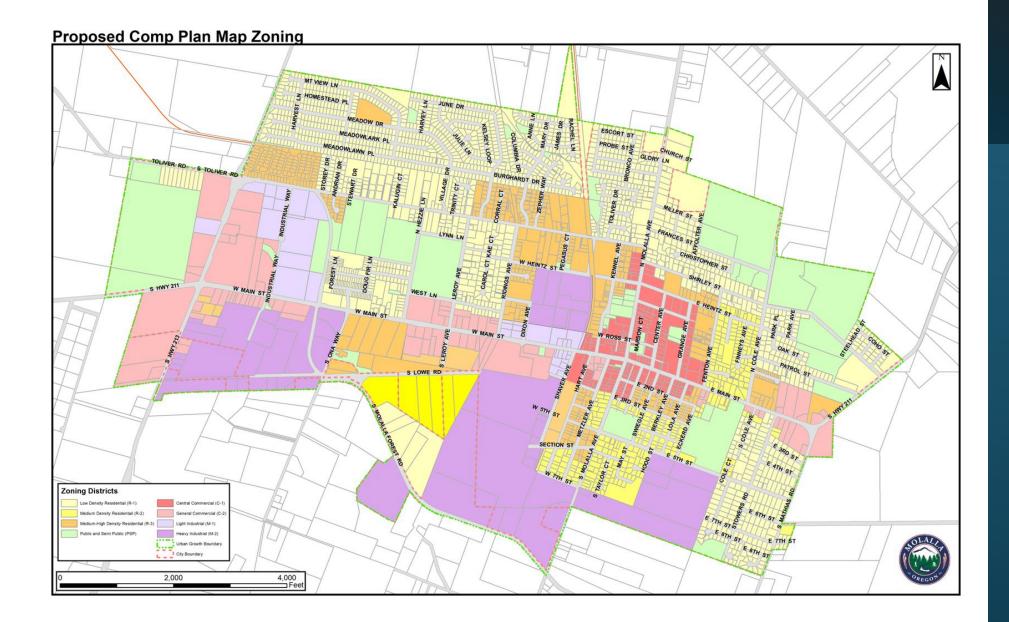
Changing ADUs to a Type I Approval	Accessory dwelling unit ADU) approvals are currently processed using a Type II approval – administrative review with notice. Changing the process to a Type I removes unnecessary administrative process to ADU applications and brings the City into compliance with Oregon HB 2001
Comprehensive Plan Map Changes	In response to land deficits and surpluses found in the City's HPS and EOA the City proposes changes to its Comprehensive Plan Map
Zoning Map Changes	In response to land deficits and surpluses found in the City's HPS and EOA the City proposes changes to its Zoning Map

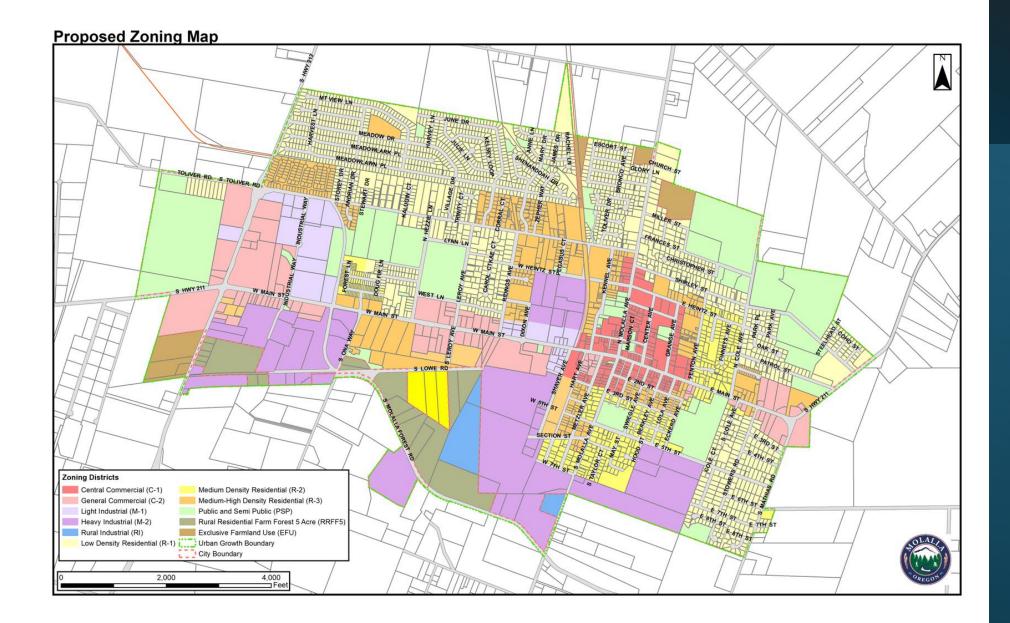
Comprehensive Plan And Zoning Map Changes











# Residential Changes

R-1	- 11.35 ac of unconstrained land gained
Low Density	- 9.51 ac of which are vacant or partially vacant
Residential	- Could account for up to 57 of the 1098 needed low density housing units identified in the 2023 adopted HNA
R-2	- 27.07 ac of unconstrained land gained
Medium Density	- All of which is vacant or partially vacant
Residential	- Could account for up to 243 of the 499 needed medium-density residential housing units identified in the 2023 adopted HNA
R-3	- 7.15 ac of unconstrained land gained
Medium-High Density	- All of which is vacant or partially vacant
Residential	-

## **Commercial Land Changes**

C-1	- 2.95 ac of unconstrained land gained
Central Commercial	- 2.95 ac of which are vacant or partially vacant
C-2	- 19.15 ac of unconstrained land gained
General Commercial	- 16.84 ac of which are vacant or partially vacant
Site Considerations	- New sites are in the 0-10 acre range. - Would eliminate 0-1 acre site need, reduce the 1-5 ac site need from 5 to 3, and reduce the 5-10 ac site need from 2 to 1. - Larger commercial sites still needed in UGB amendment

### Industrial Land Changes

M-1 Light Industrial	- 19.15 ac of unconstrained land moved to other uses
M-2 Heavy Industrial	- 48.52 ac of unconstrained land moved to other uses
Site Considerations	- Lost sites are in the 0-10 acre range. - Would reduce 0-1 acre site surplus from 19 to 11, reduce the 1-5 ac site surplus from 21 to 9 - Would increase the deficit in 5-10 acre sites from 2 to 4 - Larger Industrial sites still needed in UGB amendment

#### Public Process

Notice to Property Owners	- Courtesy notice to all owners whose properties were under consideration for rezoning - Measure 56 notice sent to all property owners affected by this ordinance
Postings	Hearing was advertised in the Molalla Pioneer Key Dates were included on the Molalla Current
Public Meetings	- Planning Commission Discussion (2/5) - Work session with City Council (2/26) - Interested parties contacted for these meetings

## Public Comment

Trina Johnson Comment Summary	Would prefer properties south of S Lowe RD to be zoned to R-3 density
DLCD Comment Summary	Advised that objections to proposal based on utility and road servicing may lead to remand based on findings.
ODOT Comment Summary	City made a finding on the transportation planning rule that no substantial impact will occur. ODOT requested more substantial findings on potential impacts of rezoning. We are working cooperatively with them to provide these findings to them prior to the appeal period.

### Und Now Ve Dance

