

## **PLANNING COMMISSION**

### **STAFF REPORT AND RECOMMENDATION**

To: City of Molalla Planning Commission

From: Clay Glasgow; City of Molalla Planner/Senior Planner, Clackamas County Planning and Zoning Division

Date: October 25, 2011

RE: CP 2011-01; Proposed Comprehensive Plan Text Amendments

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#### **1. Proposal Overview**

In March 2010, the City of Molalla adopted revisions to its Comprehensive Plan, including an Urban Reserve Area (URA), which was subsequently rejected by the Clackamas County Board of Commissioners in April 2011. The City's current proposal is to amend the March 2010 Comprehensive Plan by removing all references to the URA and the associated 50-year population forecast. Consistent with state law, the City will use the "safe harbor" provision for its 20-year population projections. The complete revised text of the Plan is attached to this staff report as Attachment A. Very briefly, the proposed changes include:

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 to comply with the "safe harbor" provisions for 20-year population forecasts, as per OAR 660-024-0030(4b) and ORS 195.034(B).
3. The removal of any references to changes in the Comprehensive Plan Map (which will not be taking place at this time).
4. Minor edits to clarify language, fix grammatical errors and/or correct typos.
5. The deletion of repeated policies. No new policies were added. No policy was deleted unless it was repeated verbatim or it pertained to the URA. No policy language was changed except as per #3.

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 no 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.

## **2. Background Information:**

ORS 195.034 and OAR 660-24-0030 are the state laws applicable to population forecasting. Counties are charged with developing a coordinated forecast for the cities within each respective county. Forecasts must be adopted in the local county comprehensive plan. However, many counties, including Clackamas County do not have a recently-adopted coordinated population forecast.

State law states that if there is a recently-adopted county forecast, cities interested in expanding their urban growth boundary must comply with the adopted county forecast and allocation. State law further states that when a forecast has not been adopted within the last ten years, as is the case in Clackamas County, a city must use a “safe harbor” forecast for its 20-year planning horizon. The “safe harbor” forecast is based on population estimates and forecasts prepared by the State Office of Economic Analysis (OEA), Portland State University, and the US Census and requires the city to use the city’s current proportion of the total county population to extrapolate the city’s future population. This approach was recently used and successfully adopted in the Cities of Sandy (2008) and Estacada (2010).

This “safe harbor” method for 20-year population forecasting is the only option available to the City of Molalla at this time for its urban planning. Since the calculation and understanding of land needs for housing, employment and parks, etc. for any urban growth boundary assessment are all based on expected population growth, Molalla needs to calculate and utilize this 20-year “safe harbor” population forecast in its Comprehensive Plan.

## **3. Public Notice**

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

DLCD has responded with comments in a September 29, 2011 email (and attachment), which can be found in Exhibit 1. Comments 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 these comments through revisions that are incorporated into the *2011 Molalla Comprehensive Plan*, dated October 25, 2011, that is being proposed for

adoption (Attachment A).

**4. Attachments and Exhibits:**

Attachment A. The full text of the Comprehensive Plan being proposed for adoption: *2011 Molalla Comprehensive Plan*, October 25, 2011

Exhibit 1. Email and attachment from Jennifer Donnelly, DLCDC, Sept. 29, 2011

Exhibit 2. Email from Chris Crean, Aug. 11, 2011

Exhibit 3. Molalla Comprehensive Plan and Development Code – Goal Findings and Conclusions, March 3, 2010

Exhibit 4. Copy of notices sent to DLCDC, local media

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**FINDINGS AND CONCLUSIONS:**

Comprehensive Plan Text Amendment. This proposal is subject to the relevant Statewide Planning Goals, County Comprehensive Plan (Plan) policies, Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OARs).

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Part 2 - Evaluation of Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR) relating to Population Coordination and Projections	Pg. 10
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## **PART 1 – EVALUATION OF STATEWIDE PLANNING GOALS:**

The majority of changes made to the proposed *2011 Molalla Comprehensive Plan* related only to the population forecast. Goals and 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 3, *Molalla Comprehensive Plan and Development Code – Goal Findings and Conclusions*, for more detailed findings related to goals that were not affected by the revised population forecast.

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 remained substantively the same in the proposed 2011 Molalla Comprehensive Plan.

One 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 2011 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 local media sources and 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 have undergone extensive revisions and over the last several years of public and agency involvement. Notice of this proposal for the adoption of the *2011 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 "safe harbor" population 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 have been undergoing extensive revisions and will be reviewed subsequent to the adoption of the *2011 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. 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 relatively minor variations from the safe harbor provisions of Goal 5 are minimal in terms of the ESEE consequences. Economic consequences are generally positive, with few if any major adverse environmental, social and energy consequences. A more detailed description of the ESEE analysis can be found in Exhibit 2.

The 2011 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 adopted the *Molalla Parks, Recreation, and Trails Master Plan* (2007). 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 2011 Molalla Comprehensive Plan to determine 20-year parks land needs in the community

based on the “safe harbor” population forecast. The *2011 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 prepared the following economic studies pursuant to Goal 9 rule requirements. These studies are included with the Comprehensive Plan as background documents:

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

The 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.

**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 conducted a “housing needs analysis” to determine the amount of land that will be needed during the 20-year planning period for 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 *2011 Molalla Comprehensive Plan* to determine 20-year land needs in the community for housing based on the “safe harbor” population forecast.

The 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 *2011 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 2011 Molalla Comprehensive Plan, the TSP will need to be amended to address planned growth through at least the year 2030.

Throughout the entire planning process Molalla has coordinated extensively with ODOT in amending its comprehensive plan and development code to ensure Goal 12 compliance. The following policies were incorporated into the plan in 2010 after extensive coordination with, and support from, ODOT:

- Goal 12 Streets and Roads Policies 1-39;
- Goal 12 Railroads Policies 1-3; and
- Goal 12 Public Transportation Policies 1-9.



**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. Molalla is not proposing to expand its urban growth boundary at this time but expects to begin an assessment of the UGB in the near future. Any UGB amendment proposal will be consistent with OAR Chapter 660, Division 024, Urban Growth Boundaries and will be coordinated with the county.

**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.**

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**PART 2. EVALUATION OF OREGON REVISED STATUTES (ORS) AND OREGON ADMINISTRATIVE RULES (OAR) RELATING TO POPULATION COORDINATION AND PROJECTIONS**

**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.*

*(2) If the coordinating body has not adopted a forecast as required by ORS 195.036 or if the current forecast was adopted more than 10 years before the city initiates an evaluation or amendment of the city's urban growth boundary, a city may propose a 20-year forecast for its urban area by:*

*(a) Basing the proposed forecast on the population forecast prepared by the Office of Economic Analysis for the county for a 20-year period that commences when the city initiates the evaluation or amendment of the city's urban growth boundary; and*

*(b) Assuming that the urban area's share for the forecasted county population determined in paragraph (a) of this subsection will be the same as the urban area's current share of the county population based on the most recent certified population estimates from Portland State University and the most recent data for the urban area published by the United States Census Bureau.*

**OAR-660-024-0030 Population Forecasts.**

*(1) Counties must adopt and maintain a coordinated 20-year population forecast for the county and for each urban area within the county consistent with statutory requirements for such forecasts under ORS 195.025 and 195.036. Cities must adopt a 20-year population forecast for the urban area consistent with the coordinated county forecast, except that a metropolitan service district must adopt and maintain a 20-year population forecast for the area within its jurisdiction. In adopting the coordinated forecast, local governments must follow applicable procedures and requirements in ORS 197.610 to 197.650 and must provide notice to all other local governments in the county. The adopted forecast must be included in the comprehensive plan or in a document referenced by the plan.*

*(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.

(b) A city and county may adopt a 20-year forecast for an urban area consistent with this section. The 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;

(B) Is based on OEA's population forecast for the county for a 20-year period commencing on the date determined under OAR 660-024-0040(2); and

(C) Is developed by assuming that the urban area's share of the forecasted county population determined in subsection (B) of this rule will be the same as the urban area's current share of county population based on the most recent certified population estimates from Portland State University and the most recent data for the urban area published by the U.S. Census Bureau.

(c) A city may adopt a revised 20-year forecast for its urban area by following the requirements in ORS 195.034.

Clackamas County does not have a coordinated population forecast for its cities that is less than 10 years old. Therefore its cities, including Molalla, must use the provisions found in ORS 197.034(2) and OAR 660-024-0030(4b), underlined above, to project 20-year population for urban planning purposes. This method is called the “safe harbor” method and essentially:

(a) Uses the county-wide population forecast prepared by the Office of Economic Analysis; and

(b) Assumes that the city's proportion of the county's total population will remain the same in the future as it is now.

The most recent OEA county-wide projections were released in 2004 and are utilized in this analysis. The 2010 data from the U.S Census Bureau is also available and more recent than the Portland State University estimates for 2010 (which were released prior to

the 2010 Census and are based on the 2000 Census numbers). Therefore, the 2010 US Census population for Molalla is used to calculate the safe harbor forecast for the city.

As noted below, in 2010 Molalla accounted for 2.07% of Clackamas County’s total population. Keeping that share consistent, results in an expected population in Molalla of 11,102 people in 2030. This growth reflects an average annual growth rate (AAGR) of 1.58%.

	<b>Molalla Population</b>	<b>% of Clackamas County Total</b>	<b>Clackamas County Population (per OEA)</b>
2010	8,108	2.07%	391,536
2030	11,102	2.07%	536,123
Net Population Growth 2010-2030	2,994	--	--
Average Annual Growth Rate (AAGR)	1.58%	--	1.58%

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

**PART 3. SUMMARY OF FINDINGS AND CONCLUSIONS ON PROPOSED COMPREHENSIVE PLAN AMENDMENT**

- A. Parts 1&2 in Section 1 of this report outline and address all of the applicable policies, standards and criteria found to pertain to the proposed *2011 Molalla Comprehensive Plan*.
- B. Based upon the findings in this report, the *2011 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.

**PART 4. RECOMMENDATIONS**

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

- A. Approval of the *2011 Molalla Comprehensive Plan*, as revised by Planning Staff, dated October 25, 2011.
- B. Adoption of the 20-year safe harbor population forecast for the City of Molalla. This forecast projects a total population of 11,102 people in Molalla by 2030.