

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: Sept. 21, 2022 **Approx. Start Time:** 10:00 am **Approx. Length:** 1 hour

Presentation Title: 2021-2023 Long Range Planning Work Program Mid-cycle Check-in

Department: Transportation and Development

Presenters: Karen Buehrig, Long Range Planning Manager; and Jennifer Hughes, Planning Director

Other Invitees: Dan Johnson, DTD Director; Cheryl Bell, DTD Assistant Director of Development; Mike Bezner, DTD Assistant Director of Transportation

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Direction on changes to the 2021-2023 Long Range Planning Work Program to address near-term staffing shortages, recent changes to state land use law, and funding changes.

EXECUTIVE SUMMARY:

In April 2021, the Board authorized the 2021-2023 Long Range Planning Work program, which includes 16 land use and transportation planning projects to be worked on during the two-year period, and which would ultimately result in amendments to the Zoning and Development Ordinance or Comprehensive Plan. For this mid-cycle check-in, staff has assessed whether conditions have changed such that a project should be delayed to a future work program or removed entirely and if there are new projects that should be added.

Attachment A is a table that includes the 2021-2023 Long Range Planning Work Program project list, as well as potential new projects. Nine projects on the current work program, highlighted in red, have been completed, substantially completed or are underway. Seven projects on the current work program are identified as “not started”, and four “new” potential projects are listed. The new projects include those for which funding was not anticipated at the time the work program was authorized, or where recent state land use regulations provide new opportunities or new requirements with near-term deadlines.

A decision about how to proceed with the *land use* (as opposed to transportation) projects occurs against a backdrop of recent staffing changes in Planning and Zoning. Over the past two years, the program has seen four retirements, four resignations to pursue other opportunities, and a long-term leave. Five of those have occurred in the last four months alone. As a result, the program is operating with nearly 30 percent fewer Planner FTE than budgeted, and three of the remaining staff have been with the program for fewer than nine months. With land use application and public service volumes remaining high, the staffing situation reduces capacity to work on long-range projects, at least in the near term. We anticipate that it could take up to a year for staff resources to stabilize and a clearer picture to emerge of available resources moving forward. Therefore, over the next fiscal year, we expect that in addition to completing the Minor Amendments project, work can occur on only one or two of the “not started” or “new” land use projects. This estimate assumes that the projects selected are completed with a streamlined approach to research, outreach and code writing.

In contrast, transportation planning projects have not experienced staffing reductions; however, the work program is impacted by a funding change for two projects.

Taking this into consideration, the following changes to the work program for this fiscal year may be appropriate.

1. Remove the following projects from the work program:
 - a. T-4 Willamette River Crossing Study –The Metro funding that had been expected for the project was shifted to the Jennings Avenue sidewalk project so that it could be expended in the near term. In addition, the County was awarded funding for the Sunrise Community Visioning Project, which limits staff resources available for this project.
 - b. E-2 Economic Opportunity Activation – No funding has been identified for this project. Also, due to recent changes in the Business and Economic Development (BED) program, staff recommends waiting until there is greater availability of BED staff to assist in identifying the most beneficial economics project for the County.
2. Delay the following projects to a future work program:
 - a. H-1: Land Use Housing Strategies *Phase 3* – Requires high level of staff time to address remaining Housing Strategies items and conduct public engagement
 - b. NR-1 Update Comprehensive Plan Chapter 3: Natural Resources – This project is not needed immediately because required state and federal agency guidance has not yet been provided regarding the flood hazard development overlay zone, and it was expected to be done in conjunction with that related project.
 - c. NR-2 Amend Flood Hazard Development Overlay Zone – This project is not needed immediately as required state and federal agency guidance has not yet been provided.
 - d. O-2 Complete ZDO Audit – Requires high level of staff time, and the need is not as urgent as for other projects. In addition, some audit-related improvements can be addressed through the annual Minor Amendments work.
3. Add the following transportation project to the work program:
 - a. T-6 Sunrise Community Visioning Project – State funding has been awarded for this project.
4. Select top two priorities for land use projects for staff to focus on over the next year as staffing permits:
 - a. **Existing Project OS/P/HS-1 Luscher Farm Park Master Plan**
 - Integrate the Luscher Farm Park master plan completed by Lake Oswego into the Comprehensive Plan
 - b. **New Project T-7 Climate Friendly and Equitable Communities (CFEC) Administrative Rule Implementation**
 - Amend ZDO to address mandatory parking requirements adopted by the Land Conservation and Development Commission. Deadline is June 30, 2023.
 - Incorporate other required changes into Transportation System Plan update

- c. **New Project O-3 Psilocybin Time/Place/Manner Regulations**
 - Opt-out will appear on the November 2022 ballot.
 - Oregon Health Authority (OHA) administrative rules are pending with adoption scheduled for December 2022.
 - OHA will begin licensing psilocybin manufacturers and service centers as early as January 2, 2023.

- d. **New Project O-4 Rural Accessory Dwelling Units**
 - Senate Bill 391 (2021) authorizes ADUs on some rural lots.
 - This is optional for counties and certain statutory limits will apply.
 - Implementation is contingent on adoption of state wildfire risk mapping and related building code regulations. The maps were adopted on June 30, 2022; however, they were subsequently withdrawn and readoption is pending. Building code provisions are expected by April 1, 2023 (optional standards expected in October 2022).

- e. **Existing Project H-1 Housing Strategies, remaining elements from *Phases 1 and 2***
 - Initially scheduled to be completed as part of Phases 1 and 2 of the Housing Strategies project but delayed due to lack of staff resources
 - Oregon law has included a “clear and objective standards” requirement for local government housing codes for many years; however, as subsequent court decisions have clarified, 2017 state legislation dramatically increased the scope of the requirement by applying it to rural lands and to lands protected by statewide planning goals for environmentally sensitive and hazardous areas
 - Preliminary discussions are underway about seeking legislation to reduce the impact to local government codes of the clear and objective standards requirement

To assist the Board in its deliberations, staff offers the following.

The Luscher Farm Park Master Plan project has significant support from the City of Lake Oswego in the form of city staff resources, and if ultimately adopted, the master plan would provide a pathway for the existing park site to come into compliance with land use regulations, addressing a longstanding issue. If this project is prioritized, initial work will focus on assessing whether the proposed master plan is consistent with state regulations that limit park uses on Exclusive Farm Use land.

The recently adopted CFEC administrative rules related to parking are mandatory, present some options for the County to choose between, and have a compliance deadline of June 30, 2023.

Psilocybin time/place/manner regulations are an area where Planning staff has no expertise, meaning it will take a commitment of staff time to develop a knowledge base before code work could begin. In addition, this would represent a new area of land use regulation moving forward and as such, there would be an ongoing need to commit staff time to administering the program. However, if regulations are not developed and the opt-out fails, the county will need to apply its existing zoning regulations to psilocybin manufacturing and service centers, which may be more permissive than the Board prefers.

Staff anticipates significant public support for rural ADUs, as well as potential concerns from our rural communities about the impact of additional development.

There is no deadline for implementation of the rural ADU legislation and the related wildfire regulatory work at the state level is not yet complete, so this could be prioritized in the next fiscal year.

Transitional shelters and clear and objective standards for housing will require significant staff time, and there may be a need to hire a consultant to assist with the project. Since there are possible legislative changes that could influence the scope of the clear and objective standards portion of the project and because state law has provided for “super siting” of some transitional shelters, this project could be delayed until the next work program.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES, except there is no funding identified to hire a consultant to assist with clear and objective standards for housing, which may be needed
 NO

What is the cost? Unknown but will consist of existing staff time. If H1: Housing Strategies: Remaining Elements of Phase 1 and Phase 2, including clear and objective standards for housing is selected for immediate work, staff will begin by assessing the need for a consultant and return to the Board to discuss the financial feasibility.

What is the funding source? Combination of existing General Fund, Road Fund and grant funding, depending on the specific project

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals?

The Long-Range Planning Work Program supports the goal of providing “plan development (updates to the Comprehensive Plan, Transportation System Plan and Zoning & Development Ordinance), analysis, coordination and public engagement services to residents; businesses; local, regional and state partners, and County decision-makers so they can plan and invest based on a coordinated set of goals and policies that guide future development.”

- How does this item align with the County’s Performance Clackamas goals?

The Long-Range Planning Work Program aligns with the following Performance Clackamas Strategic Priorities:

- Build public trust through good government
- Grow a vibrant economy
- Build a strong infrastructure
- Ensure safe, healthy and secure communities
- Honor, utilize, promote and invest in our natural resources

LEGAL/POLICY REQUIREMENTS: There are no legal/policy requirements for updating the work program.

PUBLIC/GOVERNMENTAL PARTICIPATION: An extensive outreach effort was undertaken prior to adoption of the current two-year work program. This mid-cycle check-in has been limited to this policy session.

OPTIONS:

1. Make no changes to the current work program
2.
 - Remove projects T-4 Willamette River Crossing Study and E-2 Economic Opportunity Activation from the work program
 - Delay projects H-1 Land Use Housing Strategies *Phase 3* and the remaining elements from *Phases 1 and 2* (Clear and Objective Standards and Transitional Shelters), NR-1 Update Comprehensive Plan Chapter 3: Natural Resources, NR-2 Amend Flood Hazard Development Overlay Zone; and O-2 Complete ZDO Audit to a future work program
 - Add transportation project T-6 Sunrise Community Visioning Project to the work program
 - Identify OS/P/HS-1 Luscher Farm Park Master Plan and a new project T-7 Climate Friendly and Equitable Communities Administrative Rule Implementation as the priority land use planning projects for the next year
3. Modify the work program differently than in Option 2, consistent with Board priorities

RECOMMENDATION:

Staff respectfully recommends Option 2:

- Remove projects T-4 Willamette River Crossing Study and E-2 Economic Opportunity Activation from the work program
- Delay projects H-1 Land Use Housing Strategies *Phase 3* and the remaining elements from *Phases 1 and 2* (Clear and Objective Standards and Transitional Shelters), NR-1 Update Comprehensive Plan Chapter 3: Natural Resources, NR-2 Amend Flood Hazard Development Overlay Zone; and O-2 Complete ZDO Audit to a future work program
- Add transportation project T-6 Sunrise Community Visioning Project to the work program
- Identify OS/P/HS-1 Luscher Farm Park Master Plan and a new project T-7 Climate Friendly and Equitable Communities (CFEC) Administrative Rule Implementation as the priority land use planning projects for the next year

ATTACHMENTS:

Attachment A: 2021- 2023 Long Range Planning Work Program Existing & Potential Projects

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval *Dan Johnson*

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Karen Buehrig @ 503-742-4683

ATTACHMENT A
2021- 2023 Long Range Planning Work Program Existing & Potential Projects

COMP PLAN CHAPTER	PROJECT	STATUS	Mid-Cycle Recommendation
Housing	H-1: Update Comprehensive Plan Chapter 6: Housing, taking into consideration the following topics:	Complete	
	<ul style="list-style-type: none"> • Phase 1: More housing in commercial areas; affordable housing bonus; parking requirement reduction; (<i>Regulations for transitional shelters – Not completed</i>) 	Complete, except for regulations for transitional shelters	Add transitional shelters to Phase 3 and delay to future work program
	<ul style="list-style-type: none"> • Phase 2: Middle housing; (<i>Comprehensive plan policies for low density residential zones; Clear and objective standards – Not completed</i>) 	Complete, except for LDR policies and clear and objective standards	Add LDR policies and Clear and Objective Standards to Phase 3 and delay to future work program
	<ul style="list-style-type: none"> • Phase 3: Add housing to schools and places of worship; transferable development rights; preserve manufactured dwelling parks; new housing unit types 	Not Started	Delay to future work program
Transportation	T-1: Damascus Area Transportation Needs	Expected Completion 9/28/22	
	T-2: Arndt Road Goal Exception & Hwy 99E/Barlow Road Analysis	Substantially Complete	
	T-3: Bike Walk Clackamas – Updates to Pedestrian and Bikeway Plans	Underway	No change
	T-4: Willamette River Crossing – Corridor Identification	Not Started	Remove from work program
	T-5: Transportation System Plan Update	Expected Start 1/23	No change
Economics	E-1: Update Comprehensive Plan Chapter 8, Economics	Issues Paper Complete	Remove remaining work from work program and resume in the future if a new economics project is proposed in lieu of project E-2
	E-2: Economic Opportunity Activation. Complete an Issue Paper. Work with the county’s Business and Community Services Department to identify funding for an Economic Opportunity Analysis. Take a “big look” at future economic development needs and related land use implications. Depending on the funding source (possibly grants), the project may also focus on a specific area in the county.	Not Started	Remove from work program
Natural Resources and Energy	NR-1: Update Comprehensive Plan Chapter 3, Natural Resources starting with Issue Paper to assess current regulations as well as feasibility and staffing requirements for various project requests	Not Started	Delay to future work program

ATTACHMENT A
2021- 2023 Long Range Planning Work Program Existing & Potential Projects

	NR-2. Amend Flood Hazard Development overlay zone regulations per Biological Opinion	Not Started	Delay to future work program
Open Space, Parks and Historic Sites	OS/P/HS-1: Luscher Farm – Integrate work completed by Lake Oswego into Comprehensive Plan	Not Started	No change
Code Maintenance	O-1: Minor and Time-Sensitive ZDO Amendments	Underway	No change
	O-2: Completion of ZDO Audit	Not Started	Delay to future work program
Potential new projects to address recent state land use regulations and funding availability			
	New T-6 - Sunrise Community Visioning Project - Engagement with the community to co-create a vision for the corridor that will identify challenges and opportunities for improvements to increase the safety and viability of the corridor. This project will position this corridor for future investment.	New	Add to work program
	New T-7 - Climate Friendly and Equitable Communities (CFEC) Administrative Rule Implementation Amend the ZDO or implement alternative parking management programs to address mandatory Metro-area parking requirements adopted by the Land Conservation and Development Commission	New	Add to work program
	New O-3 - Psilocybin Time/Place/Manner Regulations Amend the ZDO to implement local time/place/manner regulations for state-licensed psilocybin manufacturers and service centers	New	Do not add to work program
	New O-4 - Rural ADUs – Senate Bill 391 Amend the Comprehensive Plan and ZDO to implement new state allowances for accessory dwelling units in rural areas	New	Delay to future work program