CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: March 8, 2023 Approx. Start Time: 10 AM Approx. Length: 60 mins

Presentation Title: Climate Friendly and Equitable Communities (CFEC) Rules – Update and Discussion about Pathways for Implementing Additional Required Parking Regulations ("Parking B")

Department: Transportation and Development

Presenters: Martha Fritzie, Principal Planner; Karen Buehrig, Long Range Planning Manager; and Jennifer Hughes, Planning Director

Other Invitees: Cheryl Bell, DTD Assistant Director – Development; Dan Johnson, DTD Director

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Direction on which of the three available Pathways to pursue for implementation of portions of the Climate Friendly and Equitable Communities (CFEC) rules that mandate reduced parking requirements.

EXECUTIVE SUMMARY:

On December 7, 2022, Planning Staff presented background and information to the Board of County Commissioners (Board) about the Climate Friendly and Equitable Communities (CFEC) rules that had been recently adopted by the State to help meet its goal of reducing greenhouse gas emissions. That policy session focused on the first phase of CFEC rules ("Parking A") related to parking requirements in the urban, unincorporated area that went into effect on December 31, 2022. At that policy session, the Board directed staff to apply for a time extension to the second phase of CFEC parking rules ("Parking B"), and staff committed to return to the Board in a policy session to discuss the options available for the county to implement "Parking B." The state has approved the county's time extension, which extends the deadline for "Parking B" compliance by one year to June 30, 2024.

The CFEC regulations establish three Pathways for implementation of "Parking B". Board direction on which pathway(s) to pursue will allow staff to prepare a work program and public outreach plan for implementing these rules.

At this policy session, Staff will summarize discussions from a February 27, 2023, Planning Commission study session about the CFEC parking rules.

General Background

In August of 2022, the Land Conservation and Development Commission (LCDC) adopted a series of changes to their existing rules, including changes to the Transportation Planning Rule (TPR), that were designed to better support climate friendly and equitable communities. These new rules apply in Oregon's eight urban areas with populations over 50,000 people, including the Portland Metro region. The new rules include a variety of required compliance dates for local jurisdictions to implement the changes and amend their development codes to reflect the new rules. While many of the changes take effect when the county's Transportation System Plan is updated, mandatory reductions in parking requirements take effect in two phases, the first on December 31, 2022, and the second on June 30, 2023 (unless an extension is granted).

These rules are not without controversy. And, in fact, there are two different efforts underway to change or eliminate these rules:

- 1. In the fall of 2022, one county and 13 cities filed a lawsuit challenging the CFEC rules. As part of that action, they requested an injunction (or "stay") that would prevent the rules from taking effect until the lawsuit is resolved. In December 2022, the Court rejected the request for a stay, and therefore some of the new parking rules have already gone into effect. The decision by the Court regarding the merits of the lawsuit is still pending, and the Board has directed County Counsel to submit an *amicus curiae* ("friend of the court") brief in support of the challenge to the CFEC rules.
- 2. In the current legislative session, a bill has been introduced House Bill (HB) 2659 that would prohibit the state from enforcing the existing CFEC rules and would require the state to revisit the CFEC rules and adopt amended or replacement rules by January 1, 2028. The state would not be able to adopt the new rules unless they had the support of the governing bodies of 80% of the local governments that would be subject to the rules.

Because the outcome of both of these efforts is uncertain and the current rules that are in effect have firm deadlines, the county must continue to move forward with implementation.

The CFEC parking management rules are outlined in <u>OAR 660-012-0400 through OAR 660-012-0450</u>. These rules apply to cities and portions of counties in a metropolitan area within an urban growth boundary that are served by urban water and sanitary sewer services. In Clackamas County, this includes unincorporated areas that currently have urban zoning districts (see map, *Attachment 1*). Cities located within a metropolitan area must comply with the same rules as the county; many of these cities also have additional requirements related to parking management, electric vehicle charging, and establishing "climate friendly areas."

Parking A

The parking management rules in the OARs are mandatory. The first set of rules – frequently referred to as "Parking A" – *went into effect on December 31, 2022.* There was no option for an extension of this implementation date, but jurisdictions were not required to amend their zoning codes for Parking A and could instead implement the rules directly from the state law. The county is implementing the Parking A rules directly from state law at this time, and staff anticipates proposing amendments to the Zoning & Development Ordinance (ZDO) in conjunction with amendments needed for Parking B compliance.

Parking A requires the county to remove or reduce the minimum number of off-street parking spaces required for certain types of development and for development within certain proximity to transit, as follows:

- No more than one parking space per dwelling unit can be required for residential developments with more than one unit on a lot.
- No parking required for the development of:
 - Child care facilities
 - Single-room occupancy (SRO) housing
 - Dwellings smaller than 750 sq. ft.
 - Affordable housing (at or below 80% AMI)
 - Publicly-supported housing
 - Shelters; and
 - Certain group homes.
- No parking required for any new development on a lot that is completely or partially within:
 - ➢ 3/4-mile of rail transit stop or
 - > 1/2-mile of frequent transit corridor (as defined in the Rule)

The rules allow for this distance to be measured by either walking distance or straight-line distance. Based on general policy direction and concerns identified by the Board, the county is implementing this using walking distance. See *Attachment 2* for a reference map identifying the areas identified as within this "walking distance" buffer.

It is important to note that the rules do not prohibit developers from *choosing* to provide off-street parking (or more off-street parking than the minimum for those uses that retain a minimum); rather, they prevent the county from *requiring* that they do so.

Parking B

The second set of rules – frequently referred to as "Parking B" –must be implemented by June 30, 2023, unless a jurisdiction requests and is granted an exception through the "Alternative Dates" process outlined in the rules. As noted, Clackamas County did request an "Alternative Date" for implementation of Parking B, which has been granted. The county has an additional year - until *June 30, 2024* - to make any necessary ZDO changes and develop any new programs necessary to implement Parking B.

Parking B provides three Pathways for a jurisdiction to choose between for compliance, but also includes some items that are required, regardless of which Pathway is chosen. These common elements include policies to encourage shared parking; adding certain development standards for parking lots; and establishing parking maximums in certain locations. In addition:

- <u>Pathway 1</u> requires all parking mandates be removed.
- <u>Pathway 2</u> requires maintaining all requirements under "Parking A" *plus* further reducing parking mandates based on factors such as shared parking and electric charging stations; removing parking mandates in and near the Clackamas Regional Center; "unbundling" parking for certain residential and commercial developments (selling or renting parking separately); and potentially creating a new tax on parking lot revenue.
- <u>Pathway 3</u> requires maintaining all requirements under "Parking A" *plus* further reducing parking mandates for a wide variety of development types and locations; reducing parking mandates based on factors such as shared parking and electric charging stations; removing parking mandates in and near the Clackamas Regional Center; "unbundling" parking for certain residential developments; and creating at least one residential parking district to manage on-street residential parking through permits, payments or time limits.

Attachments 3 & 4 contain more detail and analysis of each Pathway; the analysis is discussed below.

Pathway 1:

- Pathway 1 is, by far, the easiest and least costly to implement.
 - It could be implemented solely by the Planning & Zoning Division and it would involve relatively straightforward amendments to the Comprehensive Plan and ZDO.
 - Because the majority of the amendments are mandated, there are very few options and public outreach would be limited mostly to informational presentations and opportunities for testimony at hearings.
 - > The amendments would be the simplest to administer and to explain to the public.
- These rules would not prohibit the county from allowing a developer to provide off-street parking; they simply prohibit the county from requiring it. Staff is aware of two proposed developments within the "Parking A" transit buffer that are not required to provide off-street parking, but in both cases the developer is choosing to provide off-street parking. In one case, the developer would provide less than would be required by the ZDO and in the other case, they would comply with the requirements of the ZDO.

• Because the "Parking A" provisions will remain in effect regardless, the biggest impacts of this Pathway would be to the county's industrial areas and the single-family neighborhoods that are not already impacted by Parking A.

For the single-family neighborhoods, removal of all parking mandates could remedy a situation of inequity created by Parking A. Under Parking A rules, neighbors with similar properties may be subject to different development standards, different development potential and even possibly property valuation, because the development potential of the property that does not have to provide parking may be higher (i.e. more dwelling units could fit). But any impacts of on-street parking would be shared by all properties.

• There are potential drawbacks to this option. Just because some developers are choosing to provide off-street parking, it certainly does not mean that all developers will choose this option. The county's urban area contains roadways on which increased on-street parking could pose problems for pedestrians and congestion. Removing parking mandates across the entire urban area could create on-street parking problems that do not currently exist in some residential neighborhoods. On the other hand, if that did occur, the county could implement parking districts to address the issues where they are occurring.

Most jurisdictions that Staff have spoken with have indicated they are likely to implement Parking B through this pathway but many, like the county, have filed for extensions to have more time to consider their options. The city of Milwaukie is currently in the hearings process to implement this pathway. Several other jurisdictions in the state have already removed parking mandates to comply with this pathway, including the cities of Corvallis and Tigard.

<u>Pathways 2 & 3</u>: Both Pathway 2 and 3 are significantly more complicated, time-consuming, and costly to implement and administer than Pathway 1:

- Both require involvement of other departments/agencies besides DTD/Planning & Zoning.
- Both will require new programs and additional funding.
- Both would require an on-street parking pricing program. The county does not currently have such a program or a mechanism to administer or enforce it. Staff is also unsure where the county has an on-street parking problem significant enough that a parking district would make sense. This type of program also may create more expense for existing property owners (assuming they would have to pay for parking permits).
- Both require "unbundling" of parking with certain developments, which is a program that would require additional research and analysis to understand how it would be done and which department would implement and enforce it. In general terms, "unbundling" means that landlords must lease parking separately, rather than automatically including it in the rental price of a dwelling unit or commercial space. Since this seems to be more of a landlord-tenant issue than a zoning issue, it would likely require amendments to the County Code.

Pathway 2 (Fair Parking Approach) is expected to be particularly challenging to implement because four of the five items to choose from include new programs. Both the unbundling of parking and requiring certain businesses to provide flexible commute benefits would involve a significant amount of work and new funding to a county agency or department that is currently not set up to administer these types of programs.

In addition, the idea of taxing parking lot revenue raises two main issues:

- (1) Staff is not aware that there are any parking lots in the county that generate fee revenue; and
- (2) Additional legal analysis is needed to understand the mechanism by which this tax/fee would be imposed (e.g., BCC approval, voter approval).

Pathway 3 (Reduced Regulation Parking Management Approach) is expected to be marginally easier to implement than Pathway 2. Despite its name, it actually includes a sizeable number of new regulations that would need to be included in the county's ZDO. While these new regulations would result in reduced parking requirements for a lot of developments, they are complicated and, when combined with Parking A requirements, would have the practical effect of removing parking mandates for the vast majority of development that the county would see in the urban unincorporated area, except in industrial areas and for some single-family homes.

In addition, this Pathway includes the establishment of a residential parking district, which is something that the county does not currently have. This type of parking management program seems more appropriate for smaller cities or cities that already have an office established and infrastructure (parking meters, pay stations, signage, etc.) purchased and installed.

The primary question around Pathways 2 and 3 is whether there is enough value added by implementing all of the items in these Pathways compared to the significant time and expense that it would take to implement and administer on an ongoing basis.

Staff has not heard of any jurisdictions pursuing Pathway 2 and has heard of only one (city of Medford) that is considering pursuing Pathway 3.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO Yes, for amendments to the ZDO and preliminary research on the programs unrelated to land use/zoning. No, for new landlord-tenant, tax, or parking management programs.

What is the cost? \$ Existing staff time for amendments to the ZDO and preliminary research on the programs unrelated to land use/zoning. Unknown for implementation and ongoing administration of new landlord-tenant, tax, or parking management programs.

What is the funding source? Staff time for Pathway 1 can be funded through existing budgeted General Fund allocation for the Long-Range Planning program. However, if Pathways 2 or 3 are pursued, additional staffing from other county programs or additional funding for consultants must be identified. Grant funds may be available through the Department of Land Conservation & Development (DLCD) in the future.

STRATEGIC PLAN ALIGNMENT:

1. How does this item align with your Department's Strategic Business Plan goals?

The project aligns with the Long-Range Planning program's purpose of providing land use and transportation plan development, 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.

2. How does this item align with the County's Performance Clackamas goals? The project aligns with the goal to "ensure safe, healthy, and secure communities".

LEGAL/POLICY REQUIREMENTS:

The county is legally required to implement the Climate Friendly and Equitable Communities rules, as identified in OAR 660, Division 12. The provisions under Parking A became effective on December 31, 2022. If the county does not implement the provisions under Parking B by June 30, 2024, then the county may not enforce any parking mandates in the urban area after that date.

As noted above, there is an active lawsuit and potential legislation that may affect the mandated rules and timelines for implementation. Staff will continue to monitor these actions and will adjust the county's plans for implementation of the CFEC rules, as necessary, based on the outcomes.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Staff will develop a public outreach plan that is sized appropriately for the Pathway(s) that the Board directs Staff to pursue. This plan may include presentations to Community Planning Organizations and other interested stakeholder groups, open houses, focus group meetings, and/or on-line surveys.

Public notice will be provided as required by law for any proposed amendments to the Comprehensive Plan or the ZDO that come before the Planning Commission or Board for consideration at public hearings.

OPTIONS:

- 1. Direct Staff to develop a project work program and public outreach plan and begin implementation of the CFEC "Parking B" rules using one of the following Pathways:
 - a. Pathway 1 (no parking mandates);
 - b. Pathway 2 (Fair Parking Policies Approach); or
 - c. Pathway 3 (Reduced Regulation Approach).
- 2. Direct Staff to develop a project work program and public outreach plan to include further consideration of more than one of the available Pathways and identify which of the Pathways are to be further considered.
- 3. Do nothing, thereby allowing the requirements of Pathway 1 in Parking B (no parking mandates) to take effect and be implemented directly out of State law on June 30, 2024 (or June 30, 2023, if the State were to withdraw the county's time extension).

RECOMMENDATION:

Staff respectfully recommends Option 1a - Direct Staff to develop a project work program and public outreach plan and begin implementation of the CFEC "Parking B" rules using one of the following Pathways: (a) Pathway 1 (no parking mandates).

ATTACHMENTS:

- 1. Map: Areas Affected by CFEC Rules
- 2. Map: Transit Buffer Areas with No Parking Requirements
- 3. Table 1: Summary of CFEC Pathways for Compliance with "Parking B"
- 4. Table 2: Summary Ranking of CFEC "Parking B" Pathways

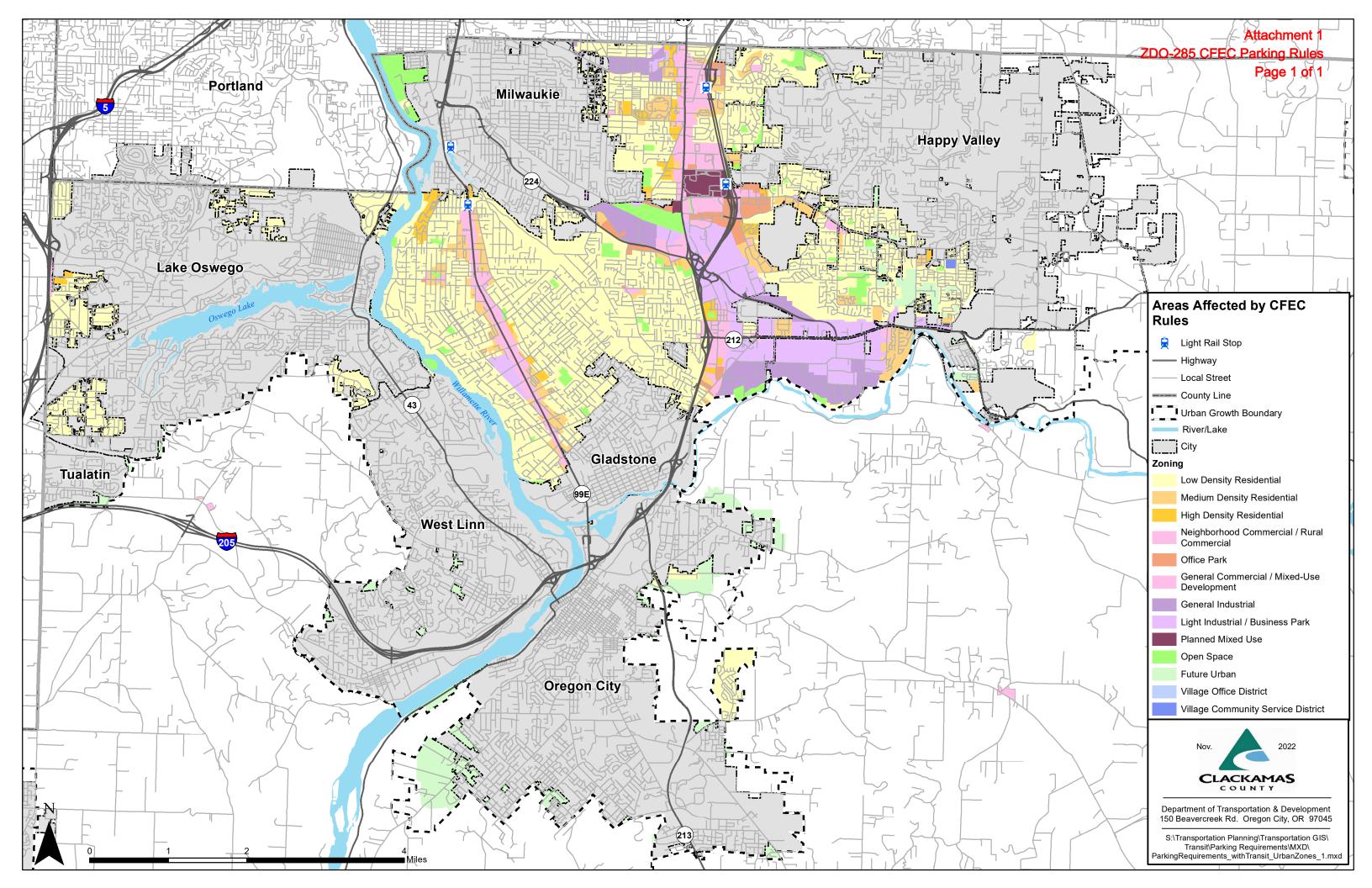
SUBMITTED BY:

Division Director/Head Approval: _____

Department Director/Head Approval: Dan Johnson

County Administrator Approval

For information on this issue or copies of attachments, please contact Martha Fritzie @ 503-742-4529 or mfritzie@clackamas.us



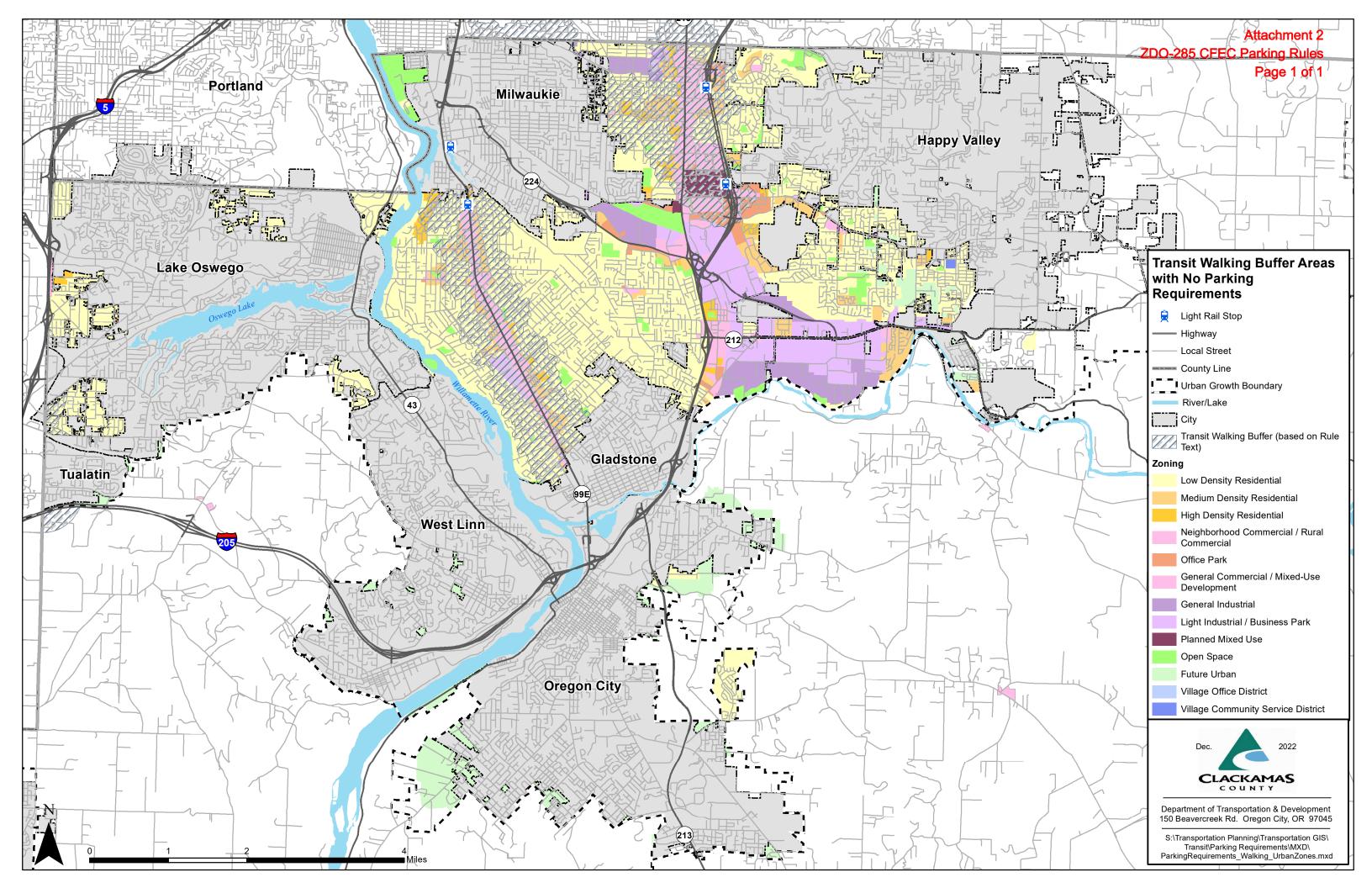


TABLE 1: SUMMARY OF CLIMATE FRIENDLY AND EQUITABLE COMMUNITIES (CFEC) PATHWAYS FOR COMPLIANCE WITH "PARKING B"

	Major Task/ Element			Responsible Dept/Division	Method to Implement	Level of Staff Effort (Low, Med, High)	Expected Project Duration	Relative Cost to the County (\$, \$\$, \$\$\$)	
	A	Maintain parking reductions and removal of parking mandates included in Parking A (amend codes to reflect requirements)	No	DTD/ Planning & Zoning DTD/ Planning & Zoning (unknown, if FILO for solar panels)	anning & n, if solar Comprehensive Plan (Comp Plan) and Zoning & Development Ordinance (ZDO) amendments	Low	8-10 months	\$	 Relatively unless Fil Standards Public our hearings meetings; The stand apply if a required
ALL PATHWAYS		Amend development standards for parking lots to require parking lots more than ¼- acre in size to install tree canopy, solar	No (Yes, if FILO for solar panels)			Low		\$	
		panels (or pay a fee-in-lieu-of solar panels), or incorporate other green technology				(Med, if FILO for solar panels)		(\$\$, if FILO for solar panels)	
	с	Adopt policies and regulations to encourage conversion of underused parking areas and allow for shared parking and preferential parking for carpools and vanpools	No	DTD/ Planning & Zoning		Med		\$	
	D	Establish off-street parking maximums in certain locations (downtowns, designated centers, transit-oriented development, etc).				Low		\$	
PATHWAY 1	E	Remove all parking mandates (minimum parking requirements) in the urban area	No	DTD/ Planning & Zoning	Comp Plan and ZDO amendments	Low	8-10 months	\$	 Removal straightfo to implem constrain Public ou hearings meetings These rul provide o Staff is av buffer, for required Remedie similar pr different a are share

Attachment 3 ZDO-285 CFEC Parking Rules

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Considerations/ Concerns/ Opportunities

ely straightforward Plan and ZDO amendments for staff to draft, FILO option for solar panels is chosen

rds predominantly required by state, little choice

outreach would be fairly minimal above standard notice and gs process - limited to presentations at CPO and other gs; would not require consultant to assist

andards for parking lots and parking maximums would only a developer chooses to provide parking in areas where it is not d

al of all parking mandates in the urban area would be relatively tforward and simple to implement. By far, the most economical ement, particularly within the current budgetary and staffing hints.

outreach would be fairly minimal above standard notice and as process - limited to presentations at CPO and other gs; would not require consultant to assist

rules do not prohibit the county from allowing a developer to off-street parking, it simply cannot be required

aware of two proposed developments in the "Parking A" transit for which off-street parking will be provided, despite it not being d

lies a situation created by Parking A in neighborhoods where properties are treated differently and potentially able to develop at amounts of housing on a lot, but where any impacts to streets ared.

TABLE 1: SUMMARY OF CLIMATE FRIENDLY AND EQUITABLE COMMUNITIES (CFEC) PATHWAYS FOR COMPLIANCE WITH "PARKING B"

			Major Task/ Element	Requires New Program?	Responsible Dept/Division	Method to Implement	Level of Staff Effort (Low, Med, High)	Expected Project Duration	Relative Cost to the County (\$, \$\$, \$\$\$)	
	Requirements for both Pathways 2 & 3	F	Allow for parking reductions for car sharing, electric vehicle charging spaces and other circumstances in a development		DTD/ Planning & Zoning	Plan & ZDO amendments	Low			 While the particular consumir Unbundli
		G	Allow shared parking and off-site parking within 2,000 feet to count toward parking minimums	No				12-18+ months	\$	implemer developm currently
			Remove all parking mandates in a Regional or Town Center boundary and within ¼-mile of that boundary; <u>or</u>							and prog
		н	manage parking by adopting a parking benefit district with paid on-street parking and reducing or removing mandates for certain residential and commercial development	Yes, for parking benefit district	Unsure who would develop, monitor, and enforce parking benefit district and paid on-street parking		High	_	\$\$\$	-
		I	Unbundle parking for multifamily residential units built in a Regional or Town Center boundary	Yes	Unsure who would develop, monitor, and enforce "unbundled" parking. Would likely need County Code amendments		High		\$\$\$	
		Add	opt at least 3 of the 5 items below:							Implemer
& З	Pathway 2: Fair Parking Policy Approach	J1	Unbundle parking for residential developments with 5 or more units (may Yes exempt townhouses)		Unsure who would develop, monitor, and enforce "unbundled" parking. Would likely need County Code		High		\$\$\$	Staff is ur "unbundle
S 2		J2	Unbundle leased commercial parking	Yes	amendments		High		\$\$\$	understar
PATHWAYS		J3	Flexible commute benefits for businesses with more than 50 employees	Yes		ld develop, monitor new program	High		\$\$\$	developm with "5 or cluster de
РАТН		J4	Tax on parking lot revenue	Yes	County Counsel/ Administration County Code		High	12-18+	\$\$\$	Requiring
		J5	No more than 1/2 space per unit for multifamily development	No	DTD/ Planning & Zoning	Plan & ZDO amendments	Low	months	\$	 require a possibly (Taxing pa aware tha revenue (occur to u imposed.
	_	Add	ppt regulations doing all of the following:							 Implement Would red which the administe Staff unsure require re determine
	Pathway 3: Reduced Regulation Parking Mgmt. Approach	К1	No mandates within ½- mile of Regional Center or Town Center, or for a variety of specific uses, small sites, vacant buildings, studio/one-bedroom units, LEED certified buildings, historic properties and others	No	DTD/ Planning & Zoning	Plan & ZDO amendments	Med	12-18+ months	\$	
		K2	Set parking maximums	No			Low		\$	
		К3	No additional parking for redevelopment/ additions	No			Low		\$	
	Pathv P	К4	Designate at least one residential parking district to manage on-street residential parking through permits, payments or time limits	Yes	Unsure who would develop, monitor, and enforce parking benefit district and paid on-street parking		High		\$\$\$	

Attachment 3 ZDO-285 CFEC Parking Rules

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Considerations/ Concerns/ Opportunities

he ZDO amendment portion of these regulations may not be arly difficult to draft, they are complicated and will be timening to explain and to administer.

dling parking is something that the county has no experience enting. This would require additional legal analysis and the oment of a program and enforcement mechanism that does not ly exist. It is a landlord-tenant issue, rather than a zoning issue, ogram would likely be housed in County Code.

enting these items would require new programs and funding

uncertain how the implementation and enforcement of dled" parking would occur. More research needs to be done to tand this type of program, particularly in the case of commercial oment. "Unbundling" parking for all residential developments or more units" would include all multifamily and most cottage developments

ng and enforcing a flexible commute benefits program would a new program and system of tracking large employers – y County Code amendments and a business license.

parking lot revenue poses two main issues: (1) Staff is not that there are any parking lots in the county that even generate e (charge a fee); and (2) Additional legal analysis needs to o understand the mechanism by which this tax/fee would be ed.

enting these items would require new programs and funding

require county to establish an on-street parking pricing program he county currently does not have the mechanism to ster.

nsure where such a program would be appropriate – it would researching the scope of current on-street parking problems to ine if any merit this degree of intervention. TABLE 2: SUMMARY RANKING OF CFEC "PARKING B" PATHWAYS (CLIMATE FRIENDLY AND EQUITABLE COMMUNITIES)

CFEC Parking B	Overall Rank*	Method to Implement	Requires New Programs/ Funding Sources	August 200-285 CFEC Parking Rules Page 1 of 1 Major Considerations
Pathway 1	1	 Comp Plan & ZDO amendments 	Νο	 Relatively straightforward Plan and ZDO amendments for staff to draft Simplest to administer and explain to public Would not prohibit developer from choosing to provide parking Because Parking A requirements would remain in effect if not selected, biggest impacts would be to some single-family neighborhoods and industrial areas Sizeable portion of the county would not have mandates – this could "level the playing field" Potential to cause on-street parking problems that do not currently exist
Pathway 2	3	 Comp Plan & ZDO amendments County Code amendments May need business license May require other method 	Yes • "Unbundled" parking program • Parking benefit (paid or permitted parking) district program • May need new tax/fee on parking lots	 Comp Plan and ZDO amendments are complicated and confusing to explain to the public. County would be able to retain some parking mandates, but once all reductions and exceptions are accounted for, not many parking requirements will be left. "Unbundling" parking is something that the county has no experience implementing. It is a landlord-tenant issue; it would require additional legal analysis and the development of a program and enforcement mechanism that does not currently exist. Includes requiring and enforcing a flexible commute benefits program for large employers - would require a new program and system of tracking large employers – possibly a business license. Includes a tax/fee on parking lot revenue. Not aware of any parking lots in the county that generate revenue and unsure of mechanism to impose new tax/fee. Requires county to establish an on-street parking pricing program which the county currently does not have the mechanism to administer.
Pathway 3	2	 Comp Plan & ZDO amendments County Code amendments May require other method 	Yes • "Unbundled" parking program • Parking benefit (paid or permitted parking) district program	 Comp Plan and ZDO amendments are complicated and confusing to explain to the public. County would be able to retain some parking mandates, but once all reductions and exceptions are accounted for, even fewer parking requirements will be left than under Pathway 2. "Unbundling" parking is something that the county has no experience implementing. It is a landlord-tenant issue; it would require additional legal analysis and the development of a program and enforcement mechanism that does not currently exist. Requires county to establish an on-street parking pricing program which the county currently does not have the mechanism to administer.

*Relative ease - time and expense - for implementation and on-going administration (1 is "easiest").