



November 24, 2018

To: City Commission of Oregon City
From: Planning Commission of Oregon City
Re: Policy Advisement

The Planning Commission, during the course of reviewing proposed amendments to the Oregon City Municipal Code, identified a variety of topics outside of the scope of the project. We would like the City Commission to consider the following.

Supporting Affordable Housing Units

Though the proposed code amendments provide opportunities to increase the number of housing units and housing options, they provide no guarantee that affordable housing will be built. Local jurisdictions often employ a variety of other tools to encourage affordable housing by preserving existing housing stock and supporting new construction. We suggest the Commission consider a menu of approaches to further support affordable housing, including:

- Provide property tax exemptions for up to ten years for multi-unit projects that meet certain rent affordability targets;
- Charging full system development charges (SDCs) for a home that replaces a demolished home;
- Provide a reduction or waiver of SDCs for accessory dwelling units, and/or new multi-unit housing;
- Adopt disincentives for demolition of existing housing stock beyond protected historic resources;
- Create and establish a City housing bond measure similar to the recent Metro measure that was recently approved by the voters;
- Require that new multi-unit developments include a given percentage of below-market rate units (known as inclusionary zoning);
- Create a locally-funded rent voucher system;
- Include workforce housing projects in Urban Renewal projects;
- Use of other capital improvement funds to help pay for the infrastructure needed to serve a workforce housing project.

Updating the Oregon City Comprehensive Plan

The existing Comprehensive Plan for Oregon City was adopted in 2004. In the past fourteen years the City has seen significant growth, a changing population, increased housing costs, adoption of multiple concept plans, economic growth, increased traffic, and new City facilities. The update of the Comprehensive Plan should include an analysis of the location of and uses within each zoning designation throughout the City, and must incorporate the findings of the Housing Needs Analysis being currently conducted. We strongly encourage the City Commission to ensure that adequate funding for an updated Comprehensive Plan is allocated within the next budget biennium.

Move Forward with Rezoning of Existing Manufactured Home Parks

The Planning Commission has recently heard concerns from residents of a manufactured home park about potential sale of that property. The City Commission has adopted measures in Oregon City Municipal Code Chapter 15.52 to assist residents in the case of a park closure, and we urge the Commission to provide further protections by investigating rezoning of all manufactured home parks to a zoning designation which only allows alternative low cost housing options such as manufactured homes, tiny homes, and similar housing.

Update the Urban Growth Management Agreement with Clackamas County

The Urban Growth Management Agreement (UGMA) with Clackamas County lays out the governance of property which is anticipated to be transferred from Clackamas County to Oregon City jurisdiction. The UGMA was last updated in 1990. We encourage the City to work with Clackamas County to update the agreement. The UGMA update should include mutual City / County regulation of annexation policies regarding tree removal as discussed below.

Short Term and Vacation Rental Use

Planning Commission heard testimony from several people regarding short term rentals such as HomeAway, Air B&B and Vacation Rental By Owner. Currently Bed and Breakfast use providing accommodation for less than thirty (30) days requires a Conditional Use permit, whether the house is entirely or partially rented out. The Conditional Use application review process is lengthy and a significant expense (the 2018 review fee is \$3,952.00 and also requires the submission of a Site Plan and Design Review application with a minimum review fee of \$862.00). We therefore encourage the City Commission to consider a more streamlined review process for certain types of Bed and Breakfast uses. Such a process could be tailored to Oregon

City and adapted from what other Oregon Communities have adopted (e.g. Newport, McMinnville and others), including additional policies, criteria and procedures that could streamline the approval process for short-term vacation rentals and assure that homeowners have some flexibility to use their property in this manner, while providing assurances that any negative impacts on the character and livability of the adjacent residential neighborhood is taken into account and mitigated.

Additional Issues

The following additional issues were also brought forward regarding tree removal in annexation areas and elsewhere:

Increase Fees for Tree Mitigation

In many cases, when a tree is cut down in the City, additional trees are required to be planted to mitigate for the loss of the tree. If the replacement trees cannot be planted onsite, property owners are allowed to pay a fee-in-lieu of planting the tree. The City utilizes the funding from these fee-in-lieu payments for tree education and tree plantings. The current fee reflects the City's cost of obtaining and planting each tree. The Planning Commission would like to discourage tree removal by increasing the tree mitigation fee to 150% of the City's cost, which would be consistent with how the City collects fee-in-lieu for required public right-of-way improvements.

Draft Regulations to Prohibit Significant Tree Removal Prior to Annexation

The proposed amended code includes standards regarding tree removal during the local annexation review process. However, property owners are still able to remove significant tree canopy while the property is within Clackamas County jurisdiction, prior to submittal of an annexation application. This is a significant concern, because the properties in the County are not subject to the generally stricter standards for tree removal and plantings of mitigation trees in the City. We strongly encourage the City Commission to review policies adopted by neighboring jurisdictions to address this concern through discouragement of annexation for properties where significant tree removal has occurred soon before the submittal of an annexation application.

We appreciate your consideration and are available to answer any further questions.