

**SUPPLEMENTAL STAFF REPORT**  
**CITY OF LAKE OSWEGO**  
**PLANNING AND BUILDING SERVICES DEPARTMENT**

APPLICANT

City of Lake Oswego

FILE NO.

LU 13-0010

LOCATION

Citywide

STAFF

Scot Siegel, Planning and Building Services  
Director  
Debra Andreades, Senior Planner

DATE OF REPORT

August 29, 2013

PLANNING COMMISSION HEARING DATE

September 9, 2013

**I. APPLICANT'S REQUEST & BACKGROUND**

The City of Lake Oswego is updating its Comprehensive Plan based on the 2010-2012 Visioning/Plan process and State Periodic Review requirements. The purpose of the Planning Commission hearing is to review and make a recommendation to City Council on Package 1 of the Comprehensive Plan. This Package has been revised over the past four months in response to a City Council motion, as described on page 2.

Package 1 contains revised goals and policies, and adds background text and recommended action measures to five of the eight new Comprehensive Plan chapters. The five new chapters are to replace existing Comprehensive Plan chapters or sections, as follows:

1. Community Culture, replaces Goal 1 (Citizen Involvement), part of Goal 5 (Section 8: Historic Preservation), and part of Goal 11 (Section 5: Administrative and Government Services, and Schools)
2. Complete Neighborhoods and Housing, replaces Goal 1 (Housing),
3. Connected Community, replaces Goal 12 (Transportation)
4. Economic Vitality, replaces Goal 9 (Economic Development)
5. Inspiring Spaces and Places, replaces part of Goal 2 (Section 2: Community Design and Aesthetics)

This report supplements the April 12, 2013, Planning Commission staff report on case file LU-13-0010; the Commission continued its hearing on LU-13-0010 to September 9, 2013, to allow time

to address a City Council motion approved on April 16, 2013, which directed staff to review all of the Plan chapters against the criteria listed below:

1. Identify for consideration subject matter, goals and policies that are unrelated to land use;
2. Maintain a list of those items listed in number one and prepare a report on how those items could be addressed separately;
3. Identify for Council consideration, policies that direct the City to increase residential densities and to add mixed uses in neighborhood residential zones;
4. Identify for Council consideration policies that might obligate the City to future actions that would have budgetary impacts; and
5. Provide a tracking system so that proposed changes to the existing Comprehensive Plan can be clearly understood.

The Council's intent was to become familiar with the proposed plan document so as to communicate its views and preferences to the Planning Commission and public prior to the initial public hearings on the final plan. The Council also wanted its values and preferences to be clear, and to provide the basis for a broader dialogue prior to and at its final public hearings.

During May through August of 2013, staff prepared a series of reports evaluating the Plan chapters based on the Council motion. Staff presented the first report, "Review of Proposed Lake Oswego Comprehensive Plan" (May 21, 2013) to Council on June 4, 2013. The report evaluates the Community Culture and Complete Neighborhoods and Housing chapters. That report also served as a model for staff's evaluation of the remaining Plan chapters.

During June through August, 2013, staff presented the evaluation reports to the Comprehensive Plan Citizens Advisory Committee (CAC) and Planning Commission in a series of work sessions. Based on CAC and Commission feedback, staff updated the Plan chapters to address Council's intent. Exhibit A-1, Attachment B.1 presents the text as proposed; Attachment B.3 shows the proposed revisions.

**The following summarizes the methodology staff used in editing and revising the document, per the Council motion:**

- Land Use Planning Policy – If a policy is not a land use policy, revise it to make it a land use policy, or recast it as a Recommended Action Measure. The existing (1994) Comprehensive Plan contains Recommended Action Measures.
- Recommended Action Measures – Recommended Action Measures guide the City in implementing the Plan, but they are not policies. They are often but not always specific actions or steps the City can take to advance the Plan's goals and policies (e.g., "Periodically review and update city standards...") The recommendations can also be aspirational (e.g., "Encourage the remodeling, restoration, and reuse of existing housing..."). It is important to note that the 1994 Comprehensive Plan also contains both concrete and aspirational Action Measures. Staff reviewed and, as

appropriate, carried forward or updated the Action Measures contained in the 1994 Plan, ensuring consistency with the new policies.

- Residential Density Increases – In its review of the staff evaluation of Complete Neighborhoods and Housing, the Planning Commission did not reach consensus on the policies related to density increases in residential neighborhoods, principally Policies A-1 and A-3. Therefore, staff has prepared revised language aligned with Council’s intent, which is to avoid zone changes that would increase density in residential neighborhoods. The previous draft of Policy A-1 would have potentially allowed such zone changes “adjacent to” any Employment Center, Town Center, or Neighborhood Village, provided it is adjacent to a major collector or arterial street, or a transit center. The revised Policy A-1 limits high-density residential zone changes to areas within designated Employment Centers, Town Centers, Neighborhood Villages, and areas that are already developed with medium- or high-density residential uses. Medium-density residential may also be applied to areas where the designation is consistent with an adopted Neighborhood Plan; the formulation of such neighborhood plans would have to find the area is near an arterial or major collector street, has few development constraints, and public services are available to serve it. This approach implements the Council’s intent while providing an option for neighborhoods that want additional housing options.
- Mixed-Use – Clarify that mixed-use development is directed to designated Employment Areas, Town Centers, and Village Centers; and revise the provisions for “Commercial Corners” such that they may be near but not within residential neighborhoods. (See Economic Vitality, Policy 8.d.ii.) It is important to note that some existing neighborhood business and commercial areas do exist within residential neighborhoods, such as within Mountain Park and Westlake. Those areas are zoned residential—The commercial corner at Westlake and Meadows is zoned R-5—but but small-scale neighborhood uses are allowed because they are authorized by Planned Developments approved in the 1980s and 1990s.
- Budget – If a policy has budget impacts (e.g., establishment of new programs or financial incentives) recast it as a Recommended Action Measure.
- Tracking – For all Package 1 chapters, except Connected Community, staff used the version Council had tentatively approved in 2012, with updates as subsequently recommended by the CAC and Planning Commission as the basis for revisions, or track-changes. For Connected Community, staff used the most recent Planning Commission reviewed draft as the basis for further revisions. In addition, the first page of each revised chapter (clean copy) summarizes the Statewide Planning Goals that apply to it, and lists the existing Comprehensive Plan chapters that the new Plan replaces. Staff also updated the Background narrative from the 1994 Comprehensive Plan, and added Recommended Action Measures, as described above.

The Commission will make two recommendations to Council, one for each of the two Comprehensive Plan packages. Package 1 is the subject of this staff report and hearing. Package 2, which contains the Land Use Planning, Urbanization, and Community Health and Public Safety chapters of the Plan, will be presented to the Commission in a public hearing October 14.

The Healthy Ecosystems chapter and Willamette Greenway provisions contained in other chapters have been pulled from the Plan Update; those elements will be reviewed and updated comprehensively through a separate public process as the City updates its Sensitive Lands Program in 2014. As an interim measure, the existing Comprehensive Plan chapters on Open Space and Natural Areas (Goal 5) and Willamette Greenway (Goal 15) are being carried forward and incorporated in the new Plan with no changes.

The evaluation reports prepared in response to the April 16, 2013, motion are available in the land use case file LU 13-0010, as listed in Exhibit F-7, which can be accessed online using the link provided at the end of this report. Information on the detailed public process for each plan chapter that preceded the April 16, 2013, Council motion is available in the individual land use case files predating LU 13-0010, which are listed in Exhibits F-1 through F-5.

## II. APPLICABLE REGULATIONS AND CORRESPONDING COMPREHENSIVE PLAN CHAPTERS

### A. Oregon Statewide Planning Goals and Administrative Rules

- Goal 1: Citizen Involvement (“Community Culture”)
- Goal 2: Land Use Planning (“Inspiring Spaces and Places,” and the “Land Use Planning” chapter, which is forthcoming in Package 2)
- Goal 5: Scenic and Historic Areas (“Community Culture”; note the Natural Resources and Open Space elements of Goal 5 do not apply.)
- Goal 8: Recreational Needs (“Community Culture”)
- Goal 9: Economic Development (“Economic Vitality”)
- Goal 10: Housing (“Complete Neighborhoods and Housing”)
- Goal 12: Transportation (“Connected Community”)  
OAR 660-12 – Transportation Planning Rule
- Goal 14: Urbanization (“Inspiring Spaces and Places,” and the “Urbanization” chapter, which is forthcoming in Package 2)

### B. Metro

#### A. Urban Growth Management Functional Plan

- Title 1: Housing Capacity (“Complete Neighborhoods and Housing”)
  - 3.07.110-3.07.170
- Title 4: Industrial and Other Employment Areas (“Economic Vitality”)
  - 3.07.430 Protection of Industrial Areas
  - 3.07.440 Protection of Employment Areas

- 3.07.450 Employment and Industrial Areas Map
- Title 6: Centers, Corridors, Station Communities and Main Streets (“Economic Vitality,” “Complete Neighborhoods and Housing,” and “Inspiring Spaces and Places”)
- 3.07.610
  - 3.07.620
  - 3.07.640
  - 3.07.650
- Title 7: Housing Choice (“Complete Neighborhoods and Housing”)
- 3.07.710-3.07.760
- Title 14: Urban Growth Boundary (“Economic Vitality,” “Complete Neighborhoods and Housing,” and the “Urbanization” chapter, which is forthcoming in Package 2)
- 3.07.1405

B. Regional Transportation Plan (RTP) and Regional Transportation Functional Plan (RTFP)

- Title 1: Transportation System Design (“Connected Community”)
- 3.08.110 Street System Design
  - 3.08.120 Transit System Design
  - 3.08.130 Pedestrian System Design
  - 3.08.140 Bicycle System Design
  - 3.08.150 Freight System Design
  - 3.08.160 Transportation System Management and Operations
- Title 2: Development and Update of Transportation System Plans (“Connected Community”)
- 3.08.210 Transportation Needs
  - 3.08.220 Transportation Solutions
  - 3.08.230 Performance Targets and Standards
- Title 3: Transportation Project Development Plans (“Connected Community”)
- 3.08.310 Defining Projects in Transportation System Plans
- Title 4: Regional Parking Management (“Economic Vitality”)
- 3.08.410 Parking Management

C. City of Lake Oswego Comprehensive Plan

- Goal 1: Citizen Involvement (“Community Culture”)
- Goal 2: Land Use Planning, Section 1, Land Use Policies and Regulations

- Policy 15 (“Inspiring Spaces and Places,” and the “Land Use Planning” chapter, which is forthcoming in Package 2)
- Goal 2: Land Use Planning, Section 2, Community Design & Aesthetics (“Inspiring Spaces and Places”)
- Goal 5: Section 8: Historic and Cultural Resources (“Community Culture”)
- Goal 8: Parks & Recreation (“Community Culture”)
- Goal 9: Economic Development (“Economic Vitality”)
- Goal 11: Public Facilities and Services  
Section 5: Administrative and Government Services, Energy, Communications, and Schools (“Community Culture”)
- Goal 12: Transportation (“Connected Community”)
- Goal 14: Urbanization (“Economic Vitality,” “Complete Neighborhoods and Housing,” and the “Urbanization” chapter, which is forthcoming in Package 2)

D. City of Lake Oswego Community Development Code

- LOC 50.07.003.3.c. Published Notice for Legislative Hearing
- LOC 50.07.003.16a Legislative Decisions Defined
- LOC 50.07.003.16b Criteria for Legislative Decision
- LOC 50.07.003.16c Required Notice to DLCD
- LOC 50.07.003.16.d.iii Planning Commission Recommendation Required
- LOC 50.07.003.16.e City Council Review and Decision

V. COMPLIANCE WITH APPROVAL CRITERIA – REVISED FINDINGS

A. Oregon Statewide Planning Goals

Amendments to the Lake Oswego Comprehensive Plan must comply with Oregon’s Statewide Planning Goals, which express the state’s policies on land use and related topics, and are adopted as part of the Oregon Administrative Rules (OAR 660 Chapter 15). Accompanying most goals are planning guidelines, which are non-mandatory suggestions for how the goal can be implemented.

Findings: The Planning Commission staff reports from the previous five case files found that each set of revisions met the applicable Oregon Statewide Planning Goals and those findings are incorporated here by reference, and the Planning Commission affirmed these findings for each case file: LU 12-0002, LU 12-0018, LU 12-0019, LU 12-0031, LU 12-0033. The findings are attached as Exhibits B-1 through B-5. Revisions made to the proposed Plan since April 22, 2013, addressing the City Council motion of April 16, 2013, do not affect compliance with the above provisions.

Conclusion: The proposals are consistent with all applicable Oregon Statewide Planning Goals:

- Goal 1: Citizen Involvement
- Goal 2: Land Use Planning
- Goal 5: Historic Areas
- Goal 8: Recreational Needs
- Goal 9: Economic Development
- Goal 10: Housing
- Goal 12: Transportation  
OAR 660-12 - the Transportation Planning Rule.
- Goal 14: Urbanization
- ~~Goal 15: Willamette Greenway~~

B. Metro:

1. Urban Growth Management Functional Plan

- Title 1: Housing Capacity
  - 3.07.110-3.07.170
- Title 4: Industrial and Other Employment Areas
  - 3.07.430 Protection of Industrial Areas
  - 3.07.440 Protection of Employment Areas
  - 3.07.450 Employment and Industrial Areas Map
- Title 6: Centers, Corridors, Station Communities and Main Streets
  - 3.07.610
  - 3.07.620
  - 3.07.640
  - 3.07.650
- Title 7: Housing Choice
  - 3.07.710-3.07.760
- Title 14: Urban Growth Boundary
  - 3.07.1405

2. Regional Transportation Plan (RTP) and Regional Transportation Functional Plan (RTFP)

- Title 1: Transportation System Design
  - 3.08.110 Street System Design
  - 3.08.120 Transit System Design
  - 3.08.130 Pedestrian System Design
  - 3.08.140 Bicycle System Design
  - 3.08.150 Freight System Design
  - 3.08.160 Transportation System Management and Operations

- Title 2: Development and Update of Transportation System Plans
- 3.08.210 Transportation Needs
  - 3.08.220 Transportation Solutions
  - 3.08.230 Performance Targets and Standards
- Title 3: Transportation Project Development
- 3.08.310 Defining Projects in Transportation System Plans
- Title 4: Regional Parking Management
- 3.08.410 Parking Management

Findings: The Planning Commission staff reports from the previous five case files found that each set of revisions met the applicable Metro Plans (the Urban Growth Management Functional Plan, Regional Transportation Plan (RTP) and Regional Transportation Functional Plan (RTFP)). Those findings are incorporated here by reference, and the Planning Commission affirmed these findings for each case file: LU 12-0002, LU 12-0018, LU 12-0019, LU 12-0031, LU 12-0033. The findings are attached as Exhibits B-1 through B-5. Revisions made to the proposed Plan since April 22, 2013, addressing the City Council motion of April 16, 2013, do not affect compliance with the above provisions.

Conclusion: The proposal is consistent with these policies.

C. City of Lake Oswego Comprehensive Plan

- Goal 1: Citizen Involvement
- Goal 2: Land Use Planning, Section 1, Land Use Policies and Regulations Policy 15
- Goal 2: Land Use Planning, Section 2, Community Design & Aesthetics
- Goal 5: Section 8: Historic and Cultural Resources
- Goal 8: Parks & Recreation
- Goal 9: Economic Development
- Goal 11: Public Facilities and Services  
Section 5: Administrative and Government Services, Energy, Communications, and Schools
- Goal 12: Transportation
- Goal 14: Urbanization
- ~~Goal 15: Willamette Greenway~~

Findings: The above goals and policies are under revision. Policy 2.1.15 applies to this proposal: *Review and update the Comprehensive Plan periodically, to ensure it:*

- a. Remains current and responsive to community needs,*
- b. Contains reliable information and provides dependable policy direction,*

*and*



*c. Conforms to applicable state law, administrative rules, and Metro requirements.*

- a. The Plan amendments are proposed to update the current 1994 Plan and respond to changing conditions (buildable land availability, housing, employment needs, community values).
- b. The amendments are proposed to provide dependable, clear policy direction based upon reliable information developed through the update process.
- c. As demonstrated in the above sections, the proposed revisions meet all applicable state, regional and local requirements.
- d. Revisions made to the proposed Plan since April 22, 2013, to address the City Council motion of April 16, 2013, do not affect compliance with the above provisions.

Conclusion: The proposal is consistent with Policy 2.1.15.

D. Lake Oswego Community Development Code Procedural Requirements

LOC 50.07.003.3.c.	Published Notice for Legislative Hearing
LOC 50.07.003.16a	Legislative Decisions Defined
LOC 50.07.003.16b	Criteria for Legislative Decision
LOC 50.07.003.16c	Required Notice to DLCD
LOC 50.07.003.16.d.iii	Planning Commission Recommendation Required
LOC 50.07.003.16.e	City Council Review and Decision

Findings:

The Community Development Code 50.07.003.16.a defines “legislative decisions” to include amendments to Comprehensive Plan policies. Public hearings by the Planning Commission for recommendations to the City Council for “legislative decisions” are required to have at least 10 days prior published notice, per LOC 50.07.003.16.d.iii and 50.07.003.3.c. Notice is defined as being published in a newspaper of general circulation in the City of Lake Oswego at least ten days in advance of the hearing, and mailed at least ten days in advance to the Commission for Citizen Involvement and to all recognized neighborhood associations. The notice shall include:

- i. The time, date, and place of the public hearing;
- ii. A brief description of the proposed legislative amendment; and
- iii. A phone number for obtaining additional information.

Notice of the public hearing was published in the Lake Oswego Review newspaper on April 4, 2013. Copies of the proposed goals and policies were sent by electronic email to the chairs of the City’s Neighborhood Associations on March 22, 2013. Legislative notice was mailed per LOC requirements on April 12, 2013.

The Planning Commission motions to continue the public hearing on LU 13-0010 to September 9, 2013 were approved pursuant to LOC 50.07.4.f.

Conclusion:

Staff concludes that public notice for its public hearing has met the applicable CDC criteria.

VI. CONCLUSION / RECOMMENDATION

Based on the information presented in this report, staff recommends that the Commission support the proposed Comprehensive Plan text amendments as proposed in Exhibit A-1, Attachment B.3, and recommends the City Council approve the Community Culture, Complete Neighborhoods and Housing, Inspiring Spaces and Places, Economic Vitality and Connected Community chapters (Package 1).

EXHIBITS

Documents included in the record for the **preliminary** hearings before the Planning Commission and City Council can be found on the land use web pages. A link is provided on page 11 under "BACKGROUND MATERIAL AND REFERENCES".

***Only new exhibits are included in this supplemental staff report. The original staff report and exhibits can be found on City's webpage for LU 13-0010.***

Use the link below to visit the City's "Project" page. In the "Search" box enter LU 13-0013umber then press "Submit":

<http://www.ci.oswego.or.us/projects>

A-1 (Attachment B.3) Proposed Text Amendments Clean, 08/29/13

A-1 (Attachment B.4) Proposed Text Amendments Track-Changes, 08/29/13

C-1 Planning Commission Minutes, 04/22/13

F-7 Analyses of Proposed Changes per April 16, 2013 City Council Motion

G-1 E-Mail from Skip Ormsby, Birdshill Neighborhood Association, 04/18/13

G-2 Letter from Tom Cusack, Oregon Housing Blog, 04/22/13

G-3 E-Mail from Skip Ormsby, Birdshill Neighborhood Association, 04/22/13

G-4 E-Mail from Skip Ormsby, Birdshill Neighborhood Association, 04/22/13

G-5 Letter from Rick Eilers, Palisades Neighborhood Association, 04/22/13

G-6 Letter from Nancy Gronowski, Citizen Advisory Committee Member, 06/10/13

## BACKGROUND MATERIAL AND REFERENCES

Staff reports, minutes, and other exhibits presented to the Planning Commission and City Council during the **preliminary** public hearings can be found by visiting the land use web page for that case.

Use the link below to visit the City's "Project" page. In the "Search" box enter the desired land use case number then press "Submit":

<http://www.ci.oswego.or.us/projects>

For Community Culture enter: LU 12-0002

For Complete Neighborhoods and Housing enter: LU 12-0018

For Inspiring Spaces and Places enter: LU 12-0019

For Economic Vitality enter: LU 12-0031

For Connected Community enter: LU 12-0033

