



**AGENDA**

**MOLALLA CITY COUNCIL MEETING  
July 26, 2023  
7:00 PM  
Molalla Civic Center  
315 Kennel Ave, Molalla, OR 97038**

*Mayor Scott Keyser*

*Council President Jody Newland  
Councilor Terry Shankle  
Councilor Eric Vermillion*

*Councilor Leota Childress  
Councilor Crystal Robles  
Councilor RaeLynn Botsford*

*In accordance with House Bill 2560, the City of Molalla adheres to the following practices:  
Live-streaming of the Molalla City Council Meetings are available on Facebook at “Molalla City Council Meetings – LIVE” and “Molalla City Council Meetings” on YouTube.  
Citizens can submit Public Comment in the following ways: attend the meeting, email the City Recorder @ [recorder@cityofmolalla.com](mailto:recorder@cityofmolalla.com) by 12:00pm on the day of the meeting, or drop it off at City Hall, 117 N. Molalla Avenue.*

**EXECUTIVE SESSION – 6:00pm: Not open to the Public.**

Held pursuant to Oregon Public Record Law, ORS 192.660(2):

(h) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

**1. CALL TO ORDER AND FLAG SALUTE**

**2. ROLL CALL**

**3. CONSENT AGENDA**

- A. Work Session Meeting Minutes – July 12, 2023.....Pg. 3
- B. City Council Meeting Minutes – July 12, 2023 .....Pg. 4

**4. PRESENTATIONS, PROCLAMATIONS, CEREMONIES**

**5. PUBLIC COMMENT & WRITTEN COMMUNICATIONS**

*(Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The City Council does not generally engage in dialog with those making comments but may refer the issue to the City Manager. Complaints shall first be addressed at the department level prior to addressing the City Council.)*

**6. PUBLIC HEARINGS**

- A. Ordinance No. 2023-07: Changing the Comprehensive Plan to Reflect the Goals and Policy Objectives of the 2022 Housing Needs Analysis and Buildable Lands Inventory with Methodology Appendix (Zinder) ..... Pg. 7

**7. ORDINANCES AND RESOLUTIONS**

- A. Ordinance No. 2023-07: Changing the Comprehensive Plan to Reflect the Goals and Policy Objectives of the 2022 Housing Needs Analysis and Buildable Lands Inventory with Methodology Appendix (Zinder) ..... Pg. 7
- B. Resolution No. 2023-21: Establishing a Purchasing Policy and Usage of Purchase Orders (Chauran) ..... Pg. 60

- C. Resolution No. 2023-19: Amending the Council Stipend Policy (Huff) ..... **Pg. 64**
- D. Resolution No. 2023-20: Adjusting the Monthly Reimbursement Amount for City Council... **Pg. 68**

**8. GENERAL BUSINESS**

**9. STAFF COMMUNICATION**

**10. COUNCIL COMMUNICATION**

**11. ADJOURN**

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*Agenda posted at City Hall, Library, and the City Website at <http://www.cityofmolalla.com/meetings>. This meeting location is wheelchair accessible. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-829-6855.*



**Minutes of the Molalla City Council Work Session**

**Molalla Police Department  
117 N. Molalla Ave., Molalla, OR 97038  
July 12, 2023**

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**CALL TO ORDER**

The Molalla City Council Work Session of July 12, 2023 was called to order at 5:15pm.

**COUNCIL ATTENDANCE**

Mayor Scott Keyser, Council President Jody Newland, Councilor Leota Childress, Councilor Crystal Robles, Councilor Eric Vermillion, and Councilor RaeLynn Botsford.

Absent: Councilor Terry Shankle.

**STAFF IN ATTENDANCE**

Dan Huff, City Manager; Christie Teets, City Recorder; Chris Long, Police Chief; Bobby Call, Police Lieutenant; Nicole Ricker, Support Services Supervisor.

Guest in attendance: Lizz Klein, Police PAC Chair.

**DISCUSSION ITEMS**

**A. Police Facility Tour**

The Police Facility Tour was scheduled for City Council members only. Space is limited to ten (10) persons per tour. To schedule a Police Department tour, please contact Nicole Ricker at [nricker@molallapolice.com](mailto:nricker@molallapolice.com) or call 503-829-8817. For a sneak peek of the tour, go to the Molalla Current, New Molalla Police Facility Committee.

Support Services Supervisor Ricker hosted the tour of Council members. She lead individuals through the entire Police Department, explaining what each rooms function was and how it affected the public and staff members. Nicole pointed out that the lobby is large enough for one person at a time, the holding area that has a shared staff bathroom, and the armory where the server is located. She also shared a more indepth look at the powerpoint presentation that was provided to Council at a recent meeting.

PAC Chair Klein explained the importance of Council members directing questions to her, as City staff must follow Public Employees Election Laws during the campaign. Ms. Klein will be contacting Councilors soon with more information.

**ADJOURN**

The Work Session adjourned at 6:25pm.

\_\_\_\_\_  
Scott Keyser, Mayor

\_\_\_\_\_  
Date

ATTEST: \_\_\_\_\_  
Christie Teets, City Recorder



## Minutes of the Molalla City Council Meeting

Molalla Civic Center  
315 Kennel Ave., Molalla, OR 97038  
July 12, 2023

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### **CALL TO ORDER**

The Molalla City Council Meeting of July 12, 2023 was called to order by Mayor Scott Keyser at 7:00pm.

### **COUNCIL ATTENDANCE**

Present: Mayor Scott Keyser, Council President Jody Newland, Councilor Leota Childress, Councilor Terry Shankle (via telephone), Councilor Crystal Robles, Councilor Eric Vermillion, and Councilor RaeLynn Botsford.

### **STAFF IN ATTENDANCE**

Dan Huff, City Manager; Christie Teets, City Recorder; Mac Corthell, Community Development Director; Cindy Chauran; Finance Director.

### **APPROVAL OF AGENDA**

Approved as presented.

### **CONSENT AGENDA**

- A. City Council Meeting Minutes – June 28, 2023

### **PRESENTATIONS, PROCLAMATIONS, CEREMONIES**

None.

### **PUBLIC COMMENT**

**Patricia Torsen, Molalla resident**, lives in Bear Creek in Molalla. Ms. Torsen wanted to thank City staff and Council for paving West Lane. She feels it is much safer for kids, especially with the new speed bumps installed.

### **PUBLIC HEARINGS**

None.

### **ORDINANCES AND RESOLUTIONS**

- A. Resolution No. 2023-13: Certifying All Requirements to Receive State Shared Revenues

Finance Director Chauran presented the staff report.

*A motion was made by Council President Newland to adopt Resolution No. 2023-13, Certifying All Requirements to Receive State Shared Revenues, seconded by Councilor Vermillion. Vote passed 7-0, with all Councilors voting Aye.*

- B. Resolution No. 2023-14: Declaring City's Election to Receive State Revenue Sharing

Finance Director Chauran presented the staff report.

*A motion was made by Councilor Robles to adopt Resolution No. 2023-14, Declaring City's Election to Receive State Revenue Sharing, seconded by Councilor Vermillion. Vote passed 7-0, with all Councilors voting Aye.*

### **GENERAL BUSINESS**

None.

**STAFF COMMUNICATION**

- City Manager Huff provided Council with a list of recent promotions and new hires. Coordination with ODOT is taking place for the construction going on at Hwy. 213 and Toliver. He appreciates ODOT’s responsiveness to the issues that have come up in the past week.
- Finance Director Chauran had no report.
- Community Development Director Corthell had no report.
- City Recorder Teets had no report.

**COUNCIL COMMUNICATION**

- Councilor Vermillion shared MRSD Board Meeting dates and times. All information is listed on the district's website. Councilor Vermillion reported that the Food Cart event held at the Molalla Nazarene Church went very well. He stated that it earned over \$8,000 for youth programs at the church. He thanked the responsible citizens for using good judgement in not drinking and driving.
- Councilor Shankle thanked Council President Newland and Councilor Botsford for helping coordinate the Parade.
- Councilor Childress reminded everyone that Celebrate Molalla is coming up on August 26<sup>th</sup>, and that vendors are still welcome.
- Council President Newland thanked all of the volunteers involved in helping during the 4<sup>th</sup> of July festivities. She also announced the upcoming Garage Sale that is a fundraiser for the Parks CPC.
- Councilor Robles offered thanks to everyone involved in the Grand Parade. She thanked Councilor Vermillion and Mayor Keyser for hosting the Food Cart event at the MoNaz Church.
- Councilor Botsford emailed Katelyn Jackson at ODOT, sharing a few suggestions. Councilor Botsford felt the 4<sup>th</sup> of July Grand Parade went very well. The Chamber of Commerce team will meet soon to debrief. She invited community members to contact her with suggestions or recommendations for next year. She felt the collaboration between the City and Chamber went very well.
- Mayor Keyser thanked City staff and Council members for their participation in all 4<sup>th</sup> of July events. He announced the Baseball Play-Offs that are taking place at Eckerd Field this weekend.

Mayor Keyser RECESSED INTO EXECUTIVE SESSION at 7:29pm, held pursuant to Oregon Public Record Law, ORS 192.660(2), (e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

[For the complete video account of the City Council Meeting, please go to YouTube “Molalla City Council Meetings -DATE”](#)

**RECONVENE REGULAR SESSION**

City Council reconvened Regular Session at 8:07pm. No decisions were made in Executive Session.

**ADJOURN**

Mayor Keyser adjourned the City Council meeting at 8:10pm.

\_\_\_\_\_  
Scott Keyser, Mayor

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Christie Teets, City Recorder

## July 2023 City of Molalla Staffing Changes

1. Justin Brenner - Police Department as a lateral officer
2. Alexis Paperman – Library Programming & Outreach Librarian
3. Mac Corthell - Promoted to Community Development Director/Asst City Manager
4. Cindy Chauran – Finance Director (Formerly Interim Finance Director)
5. Suzan Duffy – Senior Accountant (Formerly Interim Senior Accountant)
6. Sam Miller - Engineering Section Manager
7. Seth Kelly - Wastewater Treatment Plant Manager
8. Katie Niece - Water Treatment Plant Manager
9. Officer Taylor Thom is now Taylor Van Diest.



## CITY OF MOLALLA

117 N. Molalla Avenue  
PO Box 248  
Molalla, OR 97038

### Staff Report

### Agenda Category: Ordinances & Resolutions

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**Agenda Date** July 26, 2023

**From:** Dan Zinder, Senior Planner

**Approved by:** Mac Corthell, Assistant City Manager

**SUBJECT:** City File 21-16/ORD2023-07 - AMENDING AND UPDATING THE CITY OF MOLALLA COMPREHENSIVE PLAN TO ADOPT THE 2022 HOUSING NEEDS ANALYSIS AND BUILDABLE LANDS INVENTORY

**FISCAL IMPACT:** None.

**RECOMMENDATION/RECOMMEND MOTION:** Adopt

1. I move the City Council conduct the first reading of ordinance 2023-07, **AN ORDINANCE OF THE CITY OF MOLALLA, OREGON CHANGING THE COMPREHENSIVE PLAN TO REFLECT THE GOALS AND POLICY OBJECTIVES OF THE 2022 HOUSING NEEDS ANALYSIS AND BUILDABLE LANDS INVENTORY WITH METHODOLOGY APPENDIX**, by title only.
2. I move the City Council adopt ordinance 2023-07, **AN ORDINANCE OF THE CITY OF MOLALLA, OREGON CHANGING THE COMPREHENSIVE PLAN TO REFLECT THE GOALS AND POLICY OBJECTIVES OF THE 2022 HOUSING NEEDS ANALYSIS AND BUILDABLE LANDS INVENTORY WITH METHODOLOGY APPENDIX**, by title only.

**If approved by unanimous vote of the City Council:**

1. I move the City Council conduct the second reading of ordinance 2023-07, **AN ORDINANCE OF THE CITY OF MOLALLA, OREGON CHANGING THE COMPREHENSIVE PLAN TO REFLECT THE GOALS AND POLICY OBJECTIVES OF THE 2022 HOUSING NEEDS ANALYSIS AND BUILDABLE LANDS INVENTORY WITH METHODOLOGY APPENDIX**, by title only.
2. I move the City Council adopt ordinance 2023-07, **AN ORDINANCE OF THE CITY OF MOLALLA, OREGON CHANGING THE COMPREHENSIVE PLAN TO REFLECT THE GOALS AND POLICY OBJECTIVES OF THE 2022 HOUSING NEEDS ANALYSIS AND BUILDABLE LANDS INVENTORY WITH METHODOLOGY APPENDIX**, by title only.

**BACKGROUND:** In late 2021, Molalla received grant funding from DLCD to complete a Housing Needs Analysis (HNA), Housing Production Strategy (HPS), and residential Buildable Lands Inventory (BLI) to bring the City into compliance with HB 2003 and OAR 660. In April 2023, Emerio Design provided a final draft of the HNA and BLI to City Staff for review, which you have before you today. This document assesses the City’s current housing supply and projects the City’s housing needs over the 20 year period from 2022-2042 in accordance with Portland State University population estimates.

Notably, as the City begins work towards its first expansion of its Urban Growth Boundary in nearly forty years, the HNA will serve as the core housing component of the City’s workplan informing the expansion of the Urban Growth Boundary. Additional forthcoming workplan components prior to undertaking work on the expansion itself include an economic opportunities analysis and associated BLI and efficiency measures based on our Housing Production Strategies document. Efficiency measures may include efforts such as rezoning existing land and development code ordinances.

Draft posted to DLCD website 7/19/2023  
Posted for public review 7/19/2023

**EXHIBITS:**

- **Exhibit A** – 2022 HOUSING NEEDS ANALYSIS AND BUILDABLE LANDS INVENTORY WITH METHODOLOGY APPENDIX
- **Exhibit B** - DRAFT COMPREHENSIVE PLAN CHANGES
- **Exhibit C** - PUBLIC ENGAGEMENT AND MEETINGS SUMMARY SHEET





**ORDINANCE NO. 2023-07**

**AN ORDINANCE OF THE CITY OF MOLALLA, OREGON  
AMENDING AND UPDATING THE CITY OF MOLALLA COMPREHENSIVE PLAN  
TO ADOPT THE 2023 HOUSING NEEDS ANALYSIS AND  
BUILDABLE LANDS INVENTORY**

**WHEREAS**, pursuant to Oregon House Bill 2003, cities with a population greater than 10,000 are required to prepare and adopt a Housing Needs Analysis (HNA) that includes a housing needs projection addressing housing types and price levels, residential lands needed analysis, buildable lands inventory/needs analysis (BLI), and identification of measures for accommodating needed housing per OAR Chapter 660, Division 7 and 8; and,

**WHEREAS**, in partnership with DLCD, The City of Molalla contracted with Emerio Design to conduct a HNA, which was completed in 2022 and intended to be adopted mid-2023 to amend Goal 10 - Housing Chapter of the City's Comprehensive Plan; and,

**WHEREAS**, in 2019, the Oregon legislature passed House Bill 2003 which required the DLCD to establish a schedule for all Oregon cities with a population over 10,000 to adopt updated housing needs analyses (HNAs).

**Now, therefore, the City of Molalla does ordain as follows:**

**Section 1.** The findings related to the Housing Needs Analysis and Buildable Lands Inventory attached as Exhibit A, are incorporated herein by reference, and adopted.

**Section 2.** To amend and replace. The sections of the Comprehensive Plan identified in Exhibit B are hereby amended as set forth in Exhibit B.

**Section 3.** Effective Date. This ordinance shall be effective 30 days after adoption by the City Council and approved by the Mayor.

The first reading of this ordinance was held on \_\_\_\_\_ and was passed by vote of \_\_\_aye and \_\_\_Nay votes.

The second reading of this ordinance was held on \_\_\_\_\_ and was adopted by vote of \_\_\_Aye and \_\_\_Nay votes; **OR**

This ordinance was made available to the public at least 7 days prior to the first reading and was adopted at the first reading by unanimous approval of the City Council; the second reading is waived.

Ordinance is hereby adopted this \_\_\_day of \_\_\_\_\_2023.

\_\_\_\_\_  
Scott Keyser, Mayor

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Christie Teets, CMC  
City Recorder

# CITY OF MOLALLA

2022 – 2042 Housing Needs Analysis

Buildable Lands Inventory



# EMERIO

ENGINEERING • SURVEYING • DESIGN

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

## **Acknowledgements**

Emerio Design, LLC prepared this report for the City of Molalla. Emerio Design, LLC and the City of Molalla would like to thank the many people who helped develop this Housing Needs Analysis.

### **Technical Advisory Committee (TAC)**

Dan Zinder – City of Molalla

Mac Corthell – City of Molalla

Laura Kelly – Department of Land Conservation and Development

Kelly Reid - Department of Land Conservation and Development

Ethan Stuckmayer – Department of Land Conservation and Development

Karen Buehrig – Clackamas County

### **City of Molalla Staff**

Mac Corthell – Community Development Director

Dan Zinder – Senior Planner

### **Consulting Team (Emerio Design, LLC)**

Jennifer Arnold, Senior Land Use Planner

Steve Miller, Senior Land Use Planner

**Emerio Design, LLC**  
6445 SW Fallbrook Place, Suite 100  
Beaverton, Oregon 97008

**City of Molalla**  
117 N Molalla Avenue  
Molalla, Oregon 970388

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## I. Introduction

This report has been prepared to serve as the City of Molalla’s Housing Needs Analysis for the 2022 to 2042 planning period. The purpose of this document is to provide the City of Molalla with a factual basis to inform and guide future planning efforts related to residential development and redevelopment. It will be a valuable asset when updating the Housing Element of Molalla’s Comprehensive Plan and Development Code. This report is an amalgamation of the City of Molalla’s existing demographic profile (population, household size, age, income, etc.) – all data points relevant to a city’s residential development – existing housing stock, and projected housing demand consistent with the 20-year need assessment requirements of Oregon Revised Statutes<sup>1</sup> and Oregon Administrative Rule 660 Division 8 (Statewide Planning Goal 10, Housing). This information and population forecast from Portland State University’s (PSU) Population Research Center (PRC) were used to project Molalla’s housing needs to accommodate growth over the next 20 years. Emerio Design, LLC’s primary data sources include:

- Portland State University Population Research Center;
- U.S. Census;
- City of Molalla;
- Clackamas County; and
- Other sources are identified as appropriate.

Data from both the Decennial Census and the American Community Survey (ACS) was used to create this report. While data from the ACS has a larger statistical margin of error than the ten-year census, the five-year ACS estimates are used whenever possible because the five-year estimates have lower margins of error compared to the three-year and one-year estimates. However, all Census data has some margin of error despite being the best source of data used to describe a city’s demographic profile.

### A. Oregon Housing Regulatory Requirements

Passage of the Oregon Land Use Planning Act of 1974 (ORS Chapter 197) established the Land Conservation and Development Commission (LCDC) and the Department of Land Conservation and Development (DLCD). This Act required the Commission to develop and adopt a set of statewide planning goals. Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing specific local comprehensive land use plans and implementing policies.

At a minimum, local housing policies must meet the applicable requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 – 197.314, ORS 197.475 – 197.490, and OAR 600-008). Goal 10 requires incorporated cities to complete an inventory of buildable residential lands. Additionally, Goal 10 requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households. The Molalla Comprehensive Plan has been written in compliance with Goal 10 and mirroring all Statewide Planning Goals.

Goal 10 defines needed housing types as “all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within

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<sup>1</sup> ORS 197.628; OAR 660-025

the county with a variety of incomes, including but not limited to household with low incomes, very low incomes and extremely low incomes.” ORS 197.303 defines needed housing types:

- (a) “Housing that includes, but is not limited to, attached, and detached single-family housing and multiple family housing for both owner and renter occupancy;
- (b) Government assisted housing;<sup>2</sup>
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 – 197.490;
- (d) Manufactured homes on individual lots planned and zoned for single-family residential that are in addition to lots within designated manufactured dwelling subdivisions; and
- (e) Housing for farmworkers.”

## B. Housing Needs Analysis Methodology

The housing needs analysis work for the City of Molalla includes the following tasks:

1. Housing needs forecast for the City of Molalla Urban Growth Boundary (UGB);
2. Buildable lands inventory (BLI) for residential and mixed-use designations in the UGB;
3. Residential land needs analysis for accommodating a 20-year forecast; and
4. Identification of local policy measures and housing strategies for accommodating needed housing

The recommended approach to conducting a housing needs analysis is described in Planning for Residential Growth: A workbook for Oregon’s Urban Areas, the Department of Land Conservation and Development’s guidebook on local housing needs studies. As described in the workbook, the specific steps in the housing needs analysis are:

1. Project the number of new housing units needed in the next 20-years;
2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix;
3. Describe the demographic characteristics of the population and, if possible, the housing trends that relate to demand for different types of housing;
4. Determine the needed housing mix and density ranges for each plan designation and the average needed net density for all structure types; and
5. Estimate the number of additional needed units by structure type.

## II. City of Molalla Demographic Profile

The City of Molalla has a population of approximately 10,228 <sup>Citation needed</sup> people and is located entirely within Clackamas County, Oregon. This report’s geographic scope is all land within the City of Molalla’s Urban Growth Boundary (UGB). Exhibit 1, below, illustrates Molalla’s city limits (red dashed) and UGB (green dashed). This report analyzes the status and development/redevelopment potential of residential land within city limits and the potential of land outside city limits, but inside the UGB, to address housing related deficiencies.

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<sup>2</sup> Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

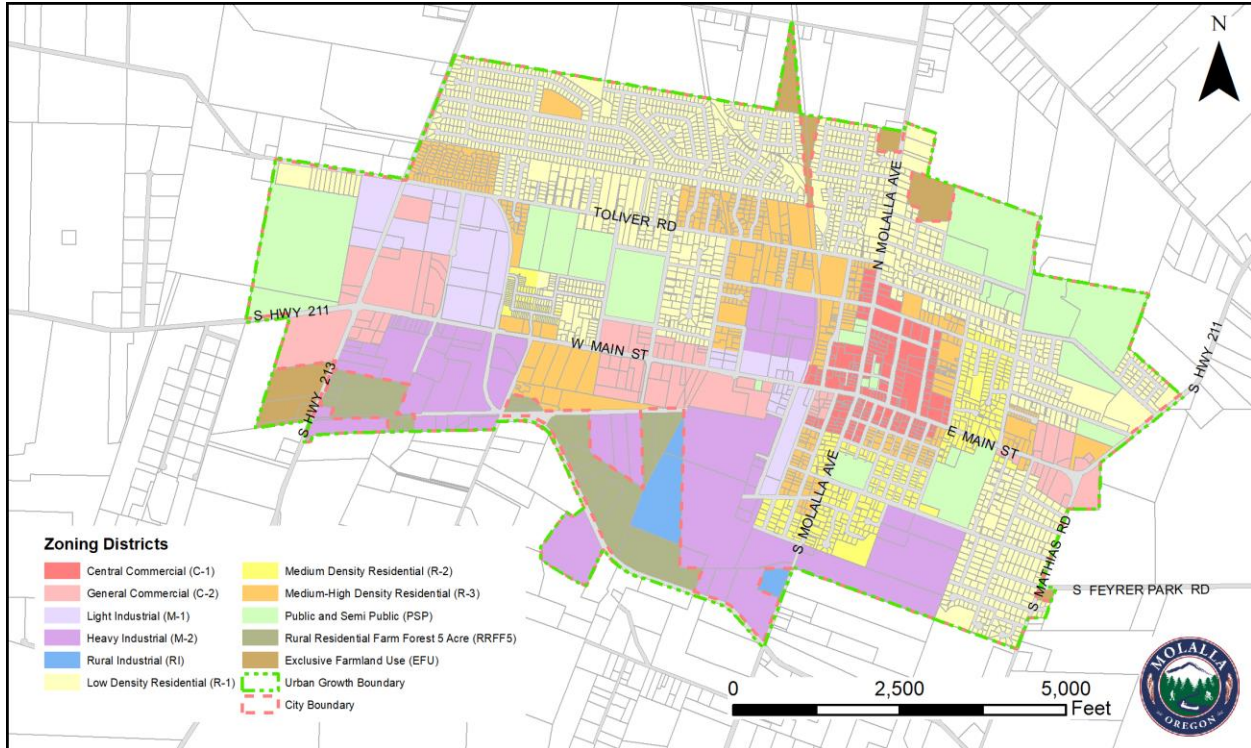


Exhibit 1: City of Molalla Zoning District Map

### A. Population Growth

The City of Molalla has sustained constant growth for more than twenty years. In the year 2000, only 5,872 people resided in the city. This had increased to 8,108 people by 2010. Within the last ten years, the population has increased by 2,120 people, which represents a 26 percent increase in total population. At this pace, Molalla boasts an Average Annual Growth Rate (AAGR) of 1.8 percent between the 2010 and 2020 Decennial Census.

Citations Needed

Table 1: Population & Housing Type

	Year 2010	Year 2020	Difference
<b>Total Population</b>	8,108	10,228	2,120
<b>In Household</b>	8,055	10,109	2,054
<b>In Group Quarters</b>	53	119	66

Source: U.S. Census, PSU Population Research Center, Emerio Design, LLC  
DEC Redistricting Data (PL 94-171)

For reference, Molalla's annual growth percentage is greater than Oregon's 1.08 percent and Clackamas County's 1.17 percent during the same timeframe. Citation needed

The vast majority, 98.8 percent, of Molalla's population resides in a household – A household is defined by the U.S. Census Bureau as "all the persons who occupy a housing unit as their usual place of residence. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters." Only 1.2 percent of the population lives in group quarters, defined as "a place where

Citation needed

people live or stay in a group living arrangement that is owned or managed by an entity or organization providing housing and/or services for the residents. For example, college residence halls, treatment centers, skilled-nursing facilities, and group homes, are classified as group quarters. Residents in group quarters are not included in the calculations to determine the other types of housing needed to serve the City of Molalla. This analysis assumed that the proportion of people living in group quarters will remain steady over the 20-year assessment period.

## B. Housing Units

Citation needed

The total number of house units in the City of Molalla has increased by 707 units, resulting in a total count of 3,724 units in 2020. Despite the total number of units has increased, the number of vacant or seasonally occupied units has decreased, although not significantly, from 160 to 146 units. As a result, the City of Molalla has an incredibly low vacancy rate of 0.4 percent. Citation needed

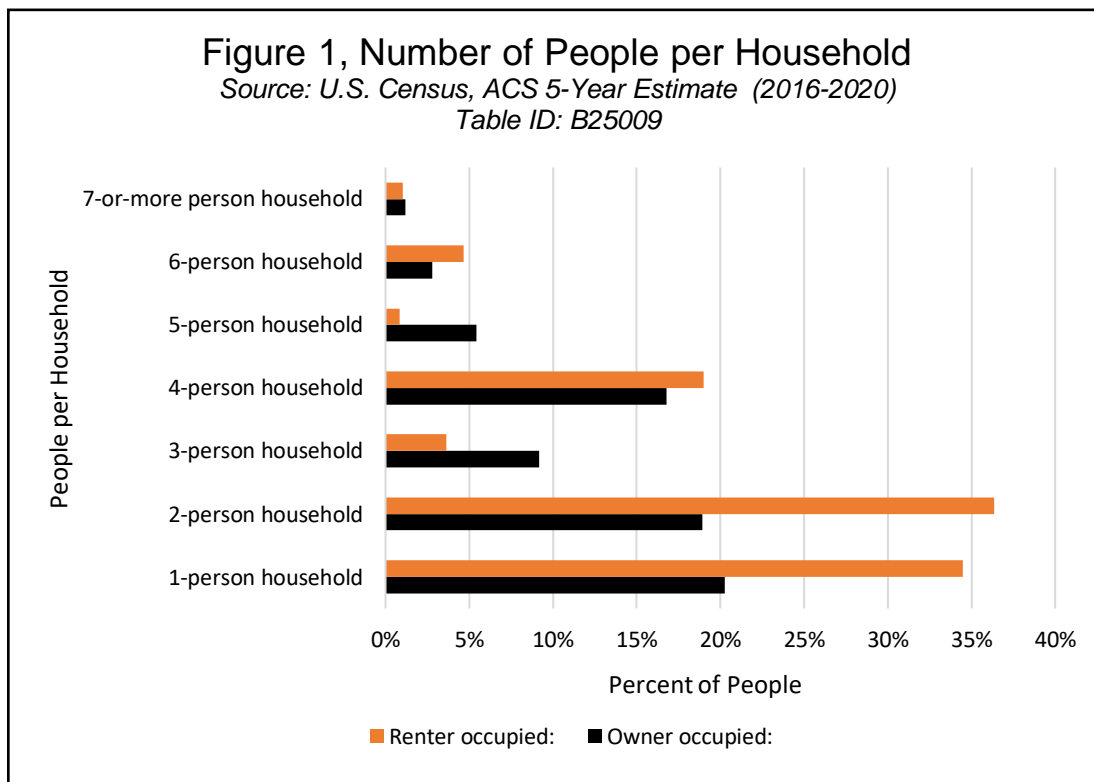
**Table 2, Total Housing Units**

	2010 (Census)	2020 (Census)	Difference
<b>Total</b>	3,017	3,724	707
<b>Occupied</b>	2,857	3,578	721
<b>Vacant or Seasonal Occupied</b>	160	146	-14

Source: U.S. Census, PSU Population Research Center, Emerio Design, LLC  
DEC Redistricting Data (PL 94-171)

## C. Household Growth & Size

While the City of Molalla’s population has been growing at a significant rate, the average household size has remained consistent. In 2010, it was 2.82 people per household. By 2020 it had only increased to 2.83 people per household. Citation needed

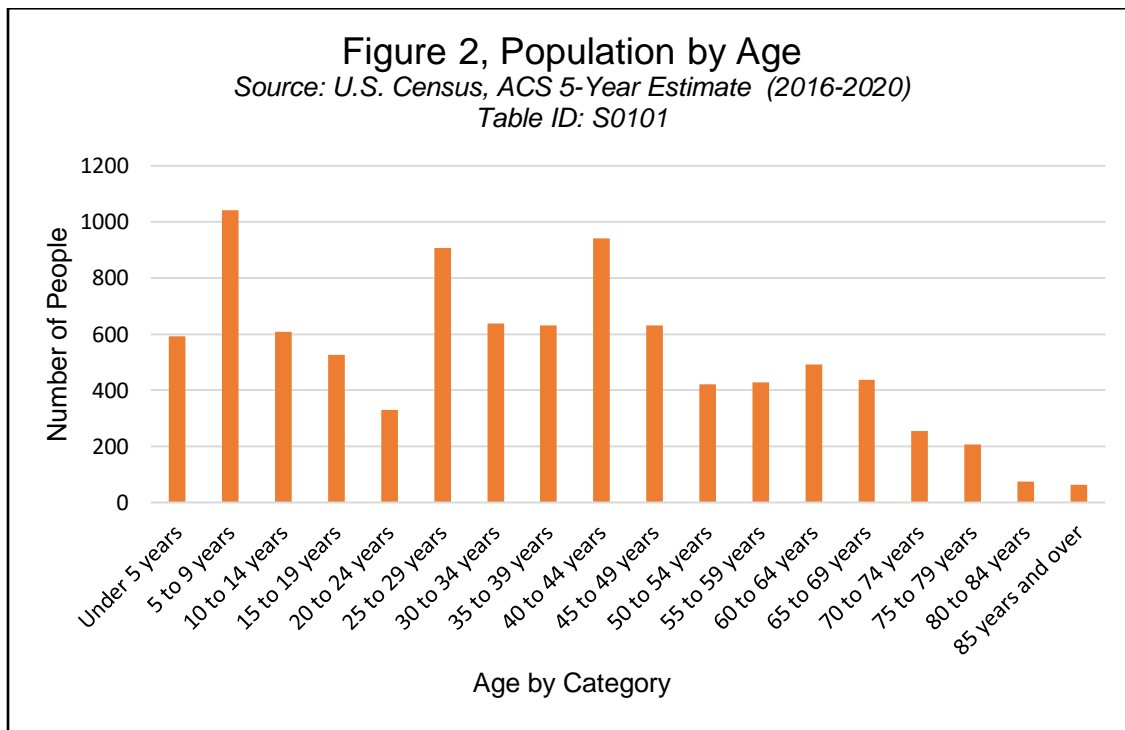




As Figure 1 demonstrates, the majority of renter occupied households are most likely to contain one or two individuals. Except for a relatively large portion of renter-occupied units containing four people, the number of people per renter-occupied households decreases as the number of persons per household increases. Meanwhile, the owner-occupied households are much more evenly distributed. There are still larger percentages to be found in the one-, two-, and four-person household categories, but it is not as extreme as the renter occupied units. Age trends, as discussed in the next section, could explain the concentration of people in these specific households.

### D. Age Trends

The City of Molalla is comparatively younger than its surroundings. The median age is 34.8 years. Oregon’s median age is a few years older at 36.5 years, and Clackamas County is even older than Oregon at 41.7 years. <sup>Citation needed</sup> The largest age brackets in the City of Molalla are 5 to 9 years, 25 to 29 years, and 40 to 44 years as illustrated by Figure 2, below.



### E. Income Trends

The median household income in the City of Molalla increased from \$49,524 in 2010 to \$68,590 in 2020, representing a 39 percent growth rate. Over this same period, the U.S. inflation rate was approximately 19%. <sup>Citation needed</sup> Thus, median household income in the City of Molalla significantly outpaced the national inflation rate. Locally, over the same period, the median household income in Clackamas County increased from \$62,007 in 2010 to \$82,911 in 2020, a growth rate of approximately 34 percent. <sup>Citation needed</sup> Thus, the City of Molalla has experienced a slightly higher growth rate in median household income than Clackamas County. However, its median household income of \$68,590 remains well below that of Clackamas County at \$82,911. <sup>Citation needed</sup>

**Table 3, Median Household Income**

	2010 (ACS)	2020 (ACS)	Growth
<b>Median Household</b>	\$ 49,524.00	\$ 68,590.00	39%

Source: U.S. Census, ACS 5-Year Estimates, Emerio Design, LLC  
Table ID: S1901

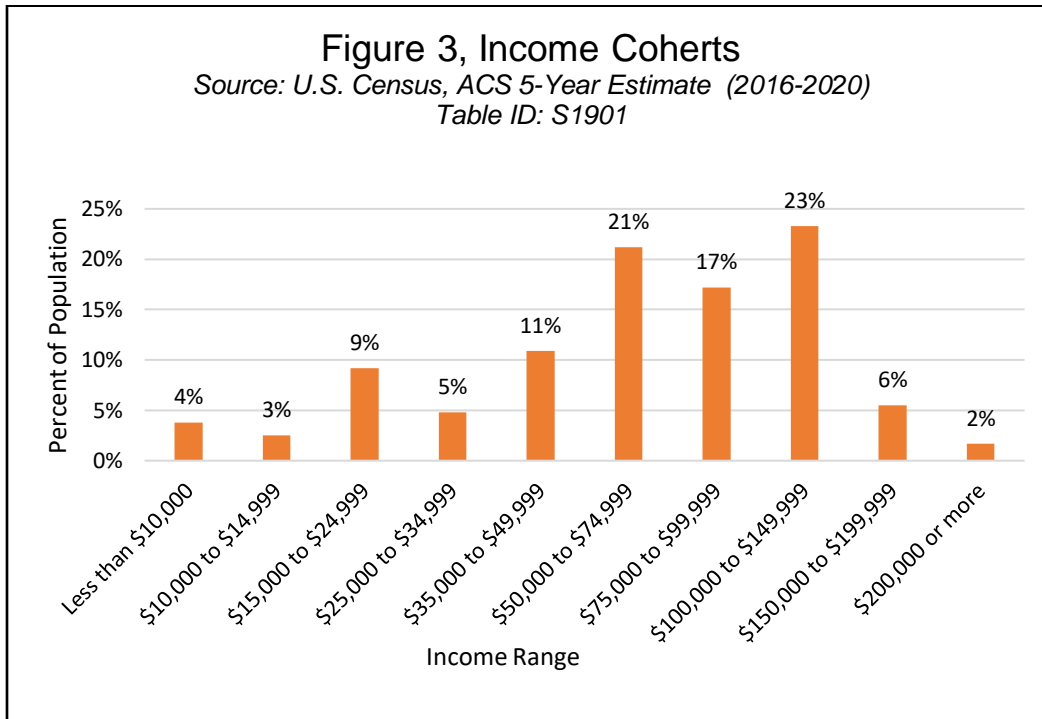


Figure 3 shows the estimated distribution of households by income level for the year 2020. Sixty-one percent of households earn between \$50,000 and \$149,999. Thirty-two percent of households earn less than \$50,000 per year.

### F. Poverty

The Federal Poverty Level (FPL) is a set of income thresholds that vary by family size as defined by the US Census. The average household size for Molalla is 2.8 according to the US Census, and for the purposes of measuring poverty this number was rounded up to 3 persons per household. Based on the FPL, a three-person household has a weighted average threshold of \$21,559 according to a U.S. Census Report (Creamer, Shrider, & Burns, 2021)<sup>3</sup>. According to this report, 10.9 percent of Molalla’s population live in poverty. This equates to approximately 1,115 individuals. Comparatively, the poverty rate for Clackamas County is only 6.7 percent (using the same methodology), while the statewide average is 12.2 percent.

### G. Employment Location Trends

Figure 4 shows workforce commuter patterns to and from Molalla based on the Census Longitudinal Employer Household Dynamics for 2019, the latest year available. The data shows

<sup>3</sup> U.S. Census Bureau, 2022. Poverty in the United States: 2021. Census.gov. Available at: <https://www.census.gov/library/publications/2022/demo/p60-277.html>

that 1,673 people commute into Molalla for employment, 418 people both work and live in Molalla, and 3,518 live in Molalla and commute elsewhere for work. Factors contributing to the disproportionate amount of people who live in Molalla and commute elsewhere likely include:

- An ever-tightening housing market in the Metro area that has pushed housing development into Molalla. As housing becomes more scarce people are willing to commute longer distances to work in order to attain housing.
- As a burgeoning community, Molalla has yet to develop a deep employment base that is prevalent in the surrounding Metro area.

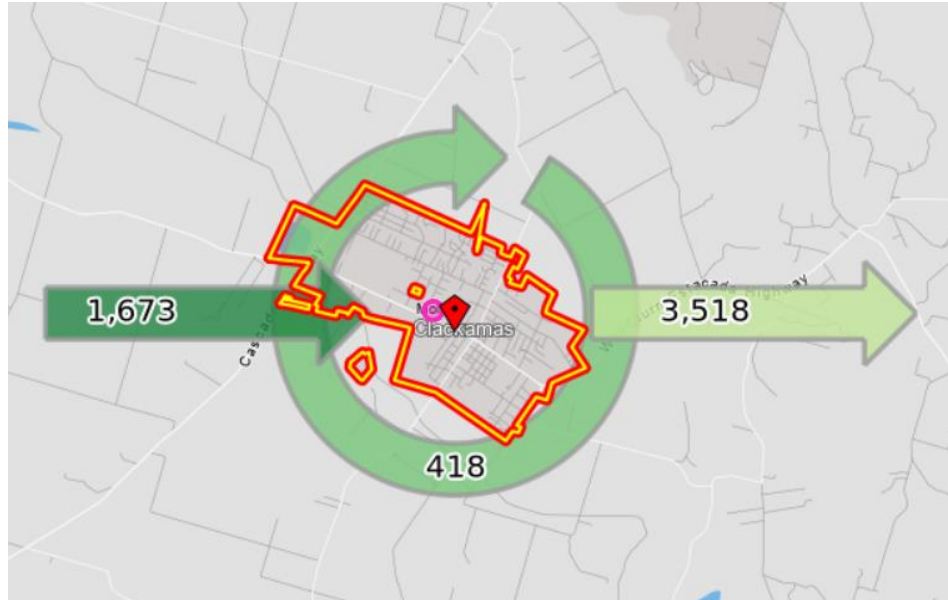


Figure 4: Workforce Commuter patterns

Table 4 summarizes the employment status for residents of Molalla age 16 and older. As shown below, the unemployment rate has decreased from 12.7% in 2010 to 5.8% in 2020 while those not in the labor force increased by 13%.

Table 4: Employment Status

Employment Status	2010	Percent	2020	Percent	Difference
<b>Population 16 years and over</b>	5,438	100.0%	6,864	100%	26.2%
<b>In labor force</b>	3,782	69.5%	4,993	72.7%	32.0%
<b>Civilian labor force</b>	3,782	69.5%	4,982	72.6%	31.7%
<b>Employed</b>	3,300	60.7%	4,691	68.3%	42.2%
<b>Unemployed</b>	482	8.9%	291	4.2%	-39.6%
<b>Armed Forces</b>	0	0.0%	11	0.2%	N/A
<b>Not in labor force</b>	1,656	30.5%	1,871	27.3%	13.0 %
<b>Unemployment Rate</b>	N/A	12.7%	N/A	5.8%	N/A

Source: U.S. Census, ACS 5-Year Estimates, Emerio Design, LLC  
Table ID: DP03

### III. Buildable Lands Inventory Summary

#### A. Methodology

In accordance with OAR 660-008-0005 (2), an estimate of buildable land inventory within the Molalla Urban Growth Boundary has been created to determine that amount of land available to meet housing needs. The BLI analysis used current GIS data provided by City Staff.

- BLI analysis included the following calculations:
  - Calculate gross vacant acres by plan designation, including classifications for fully vacant and partially vacant (infill potential) parcels.
  - Calculate gross buildable vacant acres by plan designation by subtracting land that is constrained from future development, such as existing public right-of-way, parks and open space, steep lots, and floodplains.
  - Calculate net buildable vacant acres by plan designation by subtracting future public facilities such as roads, schools, parks, and gross buildable vacant acres.
  - Determine total net buildable acres by plan designation by adding redevelopable acres to net buildable vacant acres.

#### B. Analysis

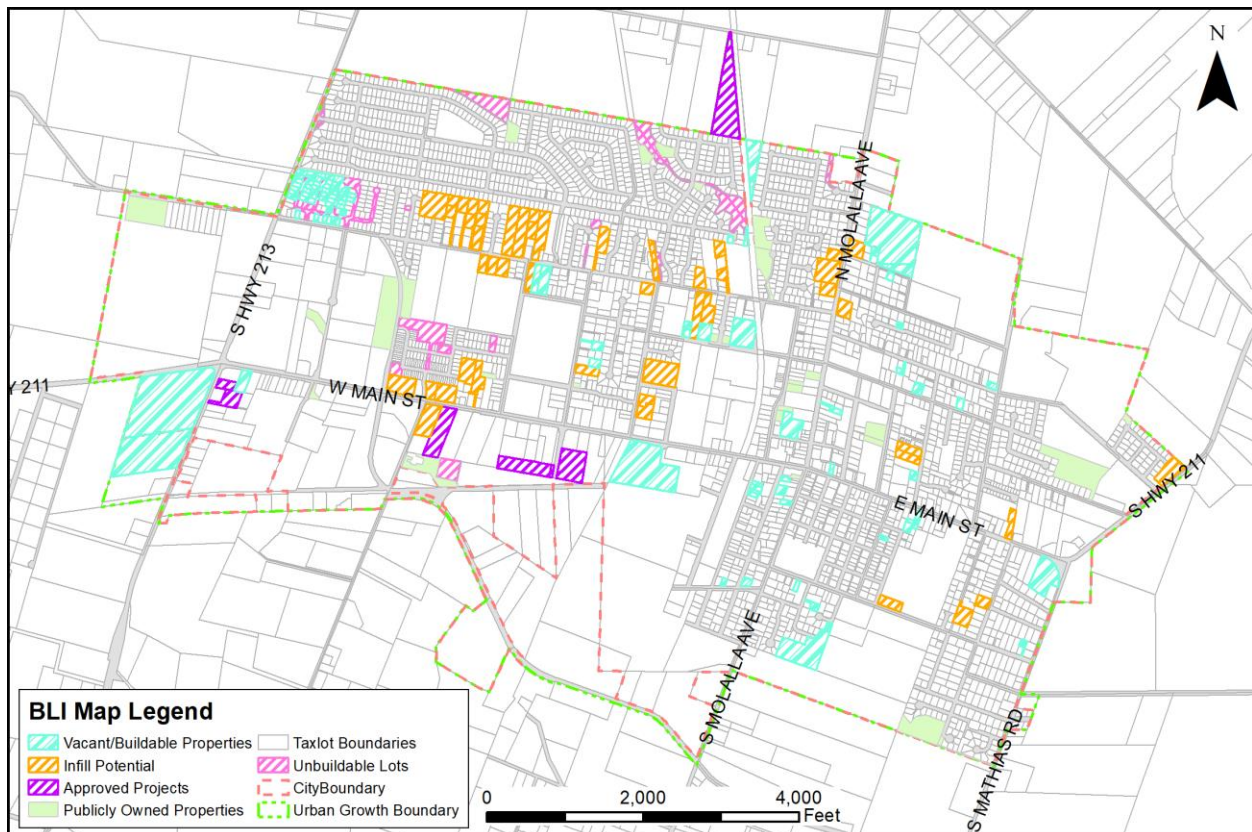


Exhibit 2: Buildable Lands Inventory Map; Provided to Emerio Design, LLC by City Staff

Exhibit 2 is a map of the City of Molalla including the city limits, urban growth boundary, and Comprehensive Plan designations. Further analysis is shown by indicating which parcels are constrained or unbuildable, considered infill properties, approved projects, and vacant parcels.

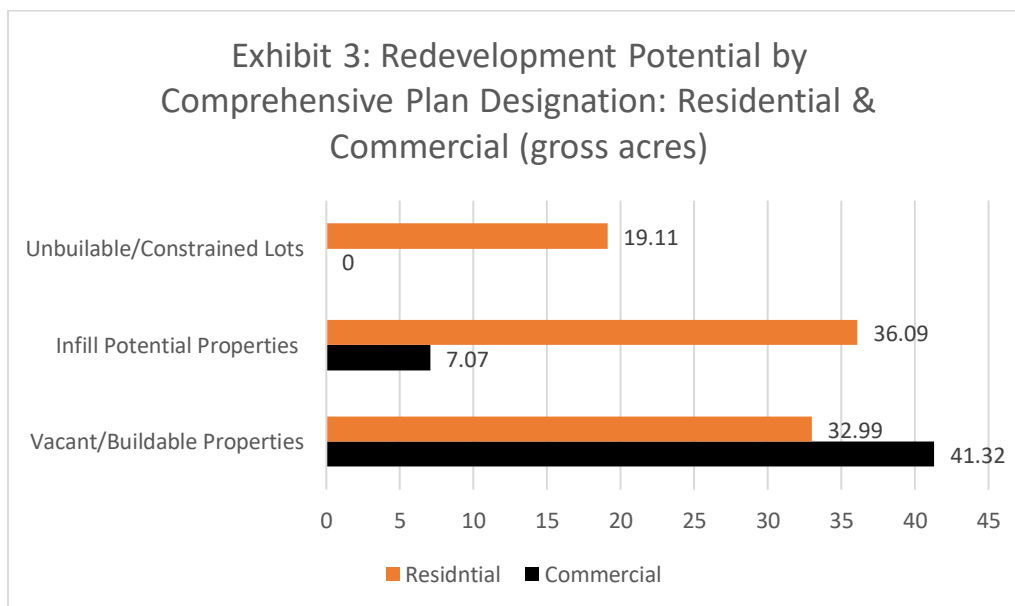
For the purposes of this analysis, constrained land is any land identified with natural hazards as determined by Statewide Planning Goal 7, land subject to wetlands or natural resource protection under Statewide Planning Goals 5, has a slope of 25% or greater, is within the mapped 100-year floodplain, or land designated as open or public spaces.

**Table 5: Residential Land Base Areas**

Existing Residential Units (By Current Comp. Plan Designation)	Land Area <sup>1</sup> (Acres)	Land Area Constrained (Acres)	Number of Units (2022 current)
Low Density Residential (R-1)	358.68	12.59	1,833
Medium Density Residential (R-2)	64.03	0.68	407
Medium-High Density Residential (R-3)	125.50	5.84	1,263

<sup>1</sup> Land area information from Clackamas County Assessor’s Office

Table 5 describes the residential land areas by comprehensive plan designation as shown in Exhibit 2. A breakdown of the commercial and residential designated properties is shown in Exhibit 3. Total areas are calculated using the County Assessor records for parcel size and reflected in acres. No commercial land was identified by City Staff to be constrained or unbuildable.



After removing constrained lands there are 32.99 gross buildable acres within the residential vacant/buildable property designation. After accounting for a 25% reduction in land area for open space, public lands, and right-of-way, Molalla has 24.73 net acres of vacant/buildable residential land. This is further broken down by 11.83 net acres of R-1, 4.49 net acres of R-2, and 8.41 net acres of R-3. Since commercial plan designated properties permit multi-family development above an approved commercial use, the vacant/buildable property designation was also reviewed

for dwelling unit potential. Further analysis is needed to draft findings for residential development within commercially designated properties outside of this report.

#### IV. Current Housing Conditions

##### A. Housing Tenure

According to the 2020 American Community Survey and summarized in Table 6 below, the City of Molalla had a total of 3,362 occupied housing units. Of those, 68.1 percent are owner-occupied, and 31.9 percent are renter-occupied. The percentage of owner-occupied units is higher than the statewide average of 61.3% (per U.S. Census Table ID DP04) but lower than the County average of 70.7% (per U.S. Census Table ID DP04). Correspondingly, the percentage of renter-occupied units is lower than the statewide average at 38.7% and higher than the County average at 29.3%.

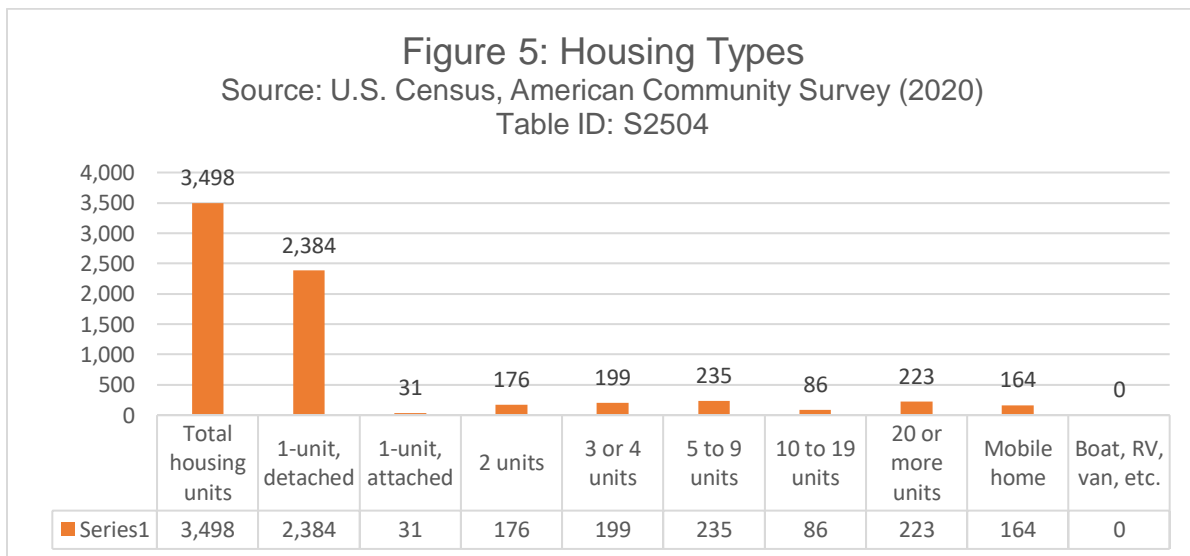
**Table 6: Housing Tenure**

	Occupied Housing Units	Owner Occupied	Renter Occupied	Percent of Total Owned	Percent of Total Rented
<b>City of Molalla</b>	3,362	2,289	1,073	68.1%	31.9%
<b>Clackamas County</b>	143,357	101,324	42,033	70.7%	29.3%
<b>State of Oregon</b>	1,533,430	939,637	593,793	61.3%	38.7%

Source: U.S. Census, ACS 5-Year Estimates, Emerio Design, LLC  
Table ID: DP04

##### B. Housing Stock

Figure 5 shows the distribution of housing unit types in the City of Molalla. Detached, single-family homes make up the vast majority (68.2%) of Molalla’s housing stock. Apartments with 5 or more units make up roughly 15 percent (15.6%) of the housing stock. Triplexes and quadplexes account for nearly 6 percent of all units, while duplexes account for 5 percent. Mobile homes make up 4.7 percent. Attached, single-family units (e.g., townhouses) account for only 0.9 percent of the total housing stock.



### C. Number of Bedrooms

Table 7 and Figure 5 show the distribution of housing units in the City of Molalla by number of bedrooms. Of the 3,362 occupied housing units in the City of Molalla, roughly 70 percent of them have 2 or 3 bedrooms, while an additional 23 percent have four or more bedrooms. One-bedroom units make up only 4.4 percent of all occupied housing units, with “no bedroom” units—commonly referred to as studios—making up the remaining 3.5%.

Table 7 also provides a breakdown of owner and renter-occupied units by number of bedrooms. Housing units with 2 or 3 bedrooms make up 68 percent of owner-occupied units and 71 percent of renter-occupied units. Housing units with 4 or more bedrooms make up approximately 23 percent of owner-occupied units and 8.4 percent of renter-occupied units. Studio and one-bedroom units are predominately renter-occupied. Combined, they account for 20.5 percent of all renter-occupied units, while only accounting for 2 percent of owner-occupied units.

**Table 7: Number of Bedrooms - Renter and Owner Occupied**

	Occupied housing units	Percent of occupied housing units	Owner-occupied housing units	Percent of owner-occupied housing units	Renter-occupied housing units	Percent of renter-occupied housing units
<b>No bedroom</b>	116	3.5%	27	1.2%	89	8.3%
<b>1 bedroom</b>	149	4.4%	18	0.8%	131	12.2%
<b>2 or 3 bedrooms</b>	2,323	69.1%	1,560	68.2%	763	71.1%
<b>4 or more bedrooms</b>	774	23.0%	684	29.9%	90	8.4%
<b>Totals</b>	3,362	100%	2,289	100%	1,073	100%

Source Needed

### D. Unit Types by Tenure

Table 8 shows the distribution of housing unit types that are owner-occupied. Single-family detached homes account for 92 percent of all owner-occupied housing units, followed by “mobile homes and other housing types” at 6.5 percent. Townhouses and duplexes make up the remainder. There are no owner-occupied units that consists of buildings with three or more units—frequently referred to as condominiums—within Molalla city limits.

**Table 8: Owner-Occupied Housing**

	Single-Family Detached	Single-Family Attached	Duplex	Triplex and Quadplex	5+ Units	Mobile Homes & Other Types
<b>Housing Units</b>	2,100	23	18	0	0	148
<b>Percentage</b>	91.7%	1.0%	0.8%	0.00%	0%	6.5%

Source needed

Table 9 shows the distribution of housing unit types that are renter-occupied. Single-family detached homes account for approximately 28 percent of all renter-occupied housing units,

followed by Triplexes and Quadplexes (25.2%) and 5+ units (27.1%). Duplexes make up roughly 12 percent of all renter-occupied units.

**Table 9: Renter-Occupied Housing**

	Single-Family Detached	Single-Family Attached	Duplex	Triplex and Quadplex	5+ Units	Mobile Homes & Other Types
<b>Housing Units</b>	223	8	130	199	214	16
<b>Percentage</b>	28.2%	1.0%	16.5%	25.2%	27.1%	2.0%

Source needed

### E. Age of Housing Stock

Table 10 provides a housing stock outlook for age and occupancy up to 2017. Not captured in Table 10 are the approximately 170 single-family homes added from 2018 to 2022 according to the Portland State Population Research Center Annual Housing Unit and Population Survey Molalla staff submitted. Nearly 60 percent of Molalla’s housing stock was built before the year 2000 according to Table 10, with the largest pre-2000 cohort being 1980 to 1999 (33.8%). The majority of the remaining 40 percent was built during the housing boom that occurred in the early 2000s (34.4%). Comparatively, 75 percent of Clackamas County’s existing housing stock was built before 2000. Molalla’s relatively newer housing stock is reflective of the growth and increased development pressures the community has experienced over the past twenty years.

The largest share of owner-occupied housing units were built from 2000 to 2009 (39.10%), while the largest share of renter-occupied housing units were built from 1980 to 1999 (43.10%). Approximately 56 percent of owner-occupied units were built before 2000, while roughly 70 percent of renter-occupied housing units were built before 2000. Due to investor and homeowner preferences, it is not uncommon for the majority of renter-occupied units to be comprised of older homes (20+ years).

**Table 10: Age of Housing Stock - Renter and Owner Occupied**

Year Structure Built	Occupied Housing Units	Percent Occupied	Owner-occupied	Percent Owner-occupied	Renter-occupied	Percent Renter-occupied
<b>2014 to 2017</b>	120	3.6%	78	3.4%	42	3.9%
<b>2010 to 2013</b>	40	1.2%	30	1.3%	10	0.9%
<b>2000 to 2009</b>	1,226	34.4%	895	39.1%	263	24.5%
<b>1980 to 1999</b>	1,135	33.8%	673	29.4%	462	43.1%
<b>1960 to 1979</b>	569	13.0%	256	11.2%	182	17.0%
<b>1940 to 1959</b>	281	8.4%	224	9.8%	57	5.3%
<b>1939 or earlier</b>	190	5.7%	133	5.8%	57	5.3%
<b>Totals</b>	3,561	100%	2,289	100%	1,073	100%

Source: U.S. Census, 2020 ACS 5-Year Estimates (Table ID: B25034), Emerio Design, LLC



## F. Housing Costs vs. Local Incomes

According to the 2020 Census, the median cost for housing in Molalla is \$327,200 for those with a mortgage<sup>4</sup> and \$257,800 for those without a mortgage<sup>5</sup>. In 2020, the median rent in Molalla was \$1,118 per month according to the Census data<sup>6</sup>. Table 11 shows the estimated number of owner and renter households that spend less than 20% of their income on housing costs, 20 to 29 percent of their income on housing, and 30 percent or more of their income on housing. Housing that requires no more than 30% of a household's income is generally considered affordable. Conversely, households that spend more than 30 percent of their income on housing costs are considered "rent burdened," despite the fact that both homeowners and renters can be rent burdened.

Oregon Housing and Community Services (OHCS) produces an annual report reviewing severe rent burdened communities of 10,000 people or larger. OHCS defines "severe rent burden" as the share of households spending more than 50% of their income on rent. Molalla was included in the 2020 report after surpassing the 10,000-resident threshold. The 2020 OHCS report lists Molalla as 23.6% severe rent burdened.

Not surprisingly, the less a household earns the more likely they are to spend a greater portion of their income on housing. Due to rents often increasing yearly, renters are typically more likely to be rent burdened than are homeowners, particularly in tight housing markets where rent increases outpace gains in wages.

As Table 11 demonstrates, this holds true in Molalla and in Clackamas County. Renters are significantly more likely to be rent burdened in all income categories than are homeowners.

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<sup>4</sup> Data source: Table S2506 American Community Survey; Financial Characteristics for Housing Units with a Mortgage

<sup>5</sup> Data source: Table S2507 American Community Survey; Financial Characteristics for Housing Units without a Mortgage

<sup>6</sup> Data source: Table DP04 American Community Survey; Selected Housing Characteristics

**Table 11: Percentage of Income Spent on Housing; Monthly (Estimate)**

	Molalla: Owner-Occupied Housing Units	Molalla: Renter-Occupied Housing Units	Clackamas Co.: Owner Occupied Housing Units	Clackamas Co.: Renter Occupied Housing Units
<b>Less than \$20,000:</b>				
Less than 20 percent	0	23	112	0
20 to 29 percent	39	9	64	462
30 percent or more	71	249	4,768	7,725
<b>\$20,000 to \$34,999:</b>				
Less than 20 percent	27	0	1,206	0
20 to 29 percent	25	41	1,133	165
30 percent or more	26	140	5,634	6,146
<b>\$35,000 to \$49,999:</b>				
Less than 20 percent	82	32	2,030	32
20 to 29 percent	26	0	1,481	102
30 percent or more	83	118	6,200	5,866
<b>\$50,000 to \$74,999:</b>				
Less than 20 percent	90	24	4,151	521
20 to 29 percent	189	258	2,516	3,165
30 percent or more	146	6	5,884	3,834
<b>\$75,000 or more:</b>				
Less than 20 percent	765	36	51,965	6,828
20 to 29 percent	592	74	22,016	5,280
30 percent or more	128	9	9,108	1,249

Source: U.S. Census, ACS 5-Year Estimates, Emerio Design, LLC  
Table ID: S2503

## V. Current Housing Needs

### A. Actual Development

Recent development has been based on Development Code policies (most recently updated early 2022) which implements the goals and policies of the Comprehensive Plan. The City of Molalla's 2014 Comprehensive Plan established residential land designations and density ranges.

Molalla 2014 Comprehensive Plan Designations<sup>7</sup> (Residential):

- Low Density Residential (R-1) provides for single-family dwellings and duplexes at densities of 4-8 units per buildable acre.
- Medium Density Residential (R-2) provides for a mix of multi-family, attached single-family housing and manufactured dwelling parks at densities of 6-12 dwelling units per net buildable acre.
- Medium-High Density Residential (R-3) provides for a mix of multi-family, attached and single-family housing at 8-24 dwelling units per net buildable acre.

<sup>7</sup> City of Molalla 2014 Comprehensive Plan pages 50-51 retrieved from [https://www.cityofmolalla.com/sites/default/files/fileattachments/planning/page/3760/3\\_final.molalla.comp\\_plan.10.09.2014.pdf](https://www.cityofmolalla.com/sites/default/files/fileattachments/planning/page/3760/3_final.molalla.comp_plan.10.09.2014.pdf)

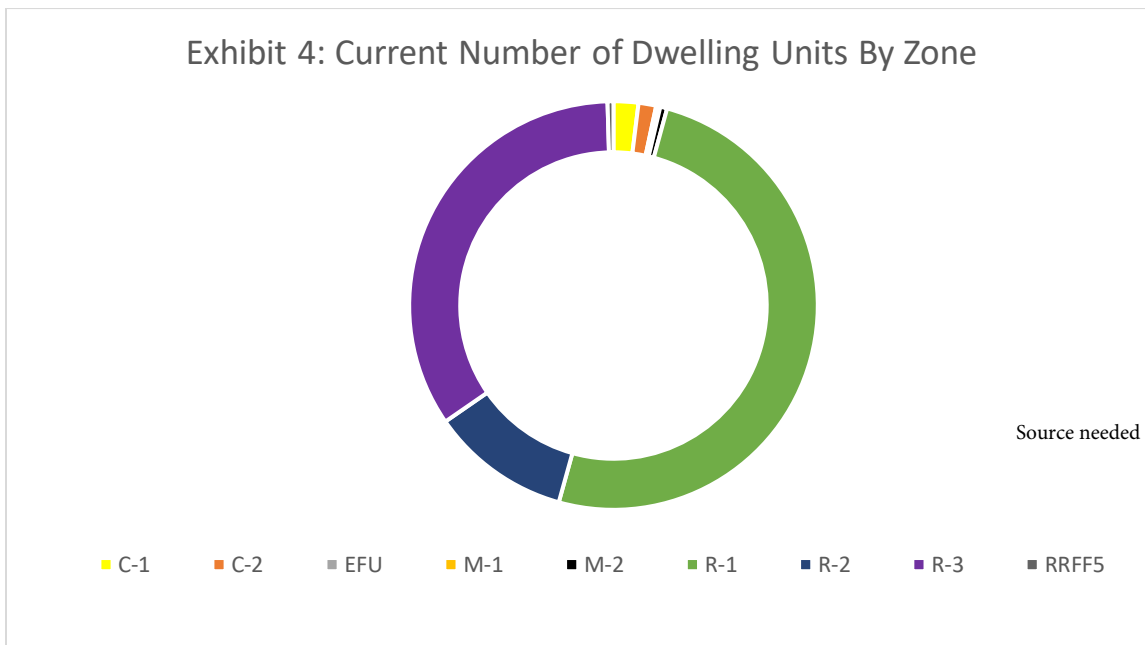
Table 12 describes the total development permits approved from 2018 to 2022 (percent column of Table 12 calculated using the number of permits not the number of dwelling units added). A previous study by Winterbrook Planning<sup>8</sup> provided the data for building and development permits from 2011-2017. According to the Winterbrook Study, from 2011 to 2017 single-family homes accounted for 30% of the residential development including manufactured homes. During this same period 70% of the residential development permits proposed multi-family or duplex housing.

Clackamas County provided data from 2018-2022 (spring) and City Staff provided data for approved development permits as of Fall 2022 including approved projects where a development permit may not yet have been pulled. Since 2018, 33 building permits have been approved and were issued certificates of occupancy to account for 284 residential units. Only two multi-family or apartment building permits were approved (certificate of occupancy issued) although this category accounted for dwelling units added during this time (211 dwelling units of the total 284 units). Duplexes (2 dwelling units on one parcel) accounted for 4.9 percent of the total building permits applied for during this same period.

**Table 12: Building Permits 2018-2022**

	2018-2022	Percent <sup>9</sup>
<b>Single-Family</b>	14	4.9%
<b>Manufactured Home</b>	9	3.6%
<b>Duplex (units)</b>	14 (7 projects)	4.9%
<b>Multi-family (units)</b>	247 (2 projects)	86.9%

Source needed (City)



As shown in Exhibit 4, 95% of the current development in Molalla is split between the three residential zoning designations (R-1, R-2, and R-3). Molalla has 3.38 acres of property with a zoning designation of Exclusive Farm Use within its urban growth boundary but only accounts for two dwelling units. M-1 and M-2 zones describe property intended for industrial development and

<sup>8</sup> DRAFT Residential Land Needs Report by Winterbrook Planning (2018) pages 6-8

<sup>9</sup> Percent calculated using total number of units rather than number of permits

allows a dwelling unit as a conditional use for the purpose of a caretaker or watchman. The M-1 and M-2 zones account for 10 dwelling units over 10.61 acres. C-1 and C-2 are commercially zoned properties but allow for limited residential development. Manufactured homes are permitted within the C-1 and C-2 zones along with residential units above a commercial use. Molalla has 20.49 acres of commercially zoned land split between the C-1 and C-2 zones. To date, Molalla has 123 residential units within this zoning designation and equates to the second largest cohort in Exhibit 2.

## VI. Future Housing Needs to 2042

The future (20 year) housing need forecast for Molalla considers demographic and socio-economic factors. The Portland State University Population Research Center forecasts Molalla’s 2042 population to be 15,660. Based on projected population growth as forecasted and housing market conditions, Molalla is expected to add 5,432 people and that will require 2,077 net new dwelling units over the next 20 years as described in Table 13.

The expected distribution of housing types is depicted in Table 14. Based on local housing mix preferences outlined in the Safe Harbor Method, it is anticipated that 55% of the dwelling unit demand (1,143 dwelling units) will consist of single-family detached homes including manufactured dwellings, 25% will be medium density such as townhouse/plexes (519 dwelling units), and 20% (415 dwelling units) will be high density such as multi-family (apartments). The future demand represents a greater share of medium and high-density housing in Molalla than the current inventory and would result in more attainable housing for households at all income levels.

We also reviewed vacancy rates as part of the Housing Needs Analysis. The City of Molalla had overall vacancy rates lower than Clackamas County and indicates a constrained housing market. Molalla’s vacancy rate as of 2020 was 2% compared to Clackamas County at 3.7%<sup>10</sup>. For the purposes of this analysis, we assumed an increase of overall vacancy rate to 4% due to large margins of error in US Census data.

**Table 13: Project New Dwelling Units Needed**

<b>Year</b>	<b>2042</b>
<b>Projected Population Increase</b>	5,432
<b>Households @ 2.72 Persons Per Household</b>	1,997
<b>Households Including 4% Vacancy Rate</b>	2,077

Methodology for projection needed

Cite PSU study

The Safe Harbor Method is described in OAR 660-024-0040(8)(f) and further described in “Table 1: Housing Mix/Density Safe Harbors”. As part of this rule municipalities are categorized by projected size. Based on the methodology, the City of Molalla is grouped into the category with a projected 2042 population (20-year projection) range of 10,001 to 25,000. As indicated in Table 14, this assumes 2,077 net new dwelling units with a required mix as follows: 55% low-density, 25% medium-density, and 20% high-density residential units. This method requires an overall citywide minimum density within residential base zones of 5 dwellings per net acre. Additionally,

<sup>10</sup> Data source: US Census Table CP04 American Community Survey; Comparative Housing Characteristics

this method requires 7 dwellings per net acre for UGB analysis and a maximum density of at least 9 units per acre over all on the identified residential buildable land base.

**Table 14: Safe Harbor Housing Mix and Density**

Dwelling Mix	Percent	Number of Dwellings	Notes
Low Density Residential <sup>1</sup> (R-1)	55%	1,143	See OAR 660-024: Table 1
Medium Density Residential (R-2)	25%	519	See OAR 660-024: Table 1
Medium-High Density Residential (R-3)	20%	415	See OAR 660-024: Table 1
Total	100%	2,077	

<sup>1</sup>Includes Mobile Homes

## VII. Conclusion

From the Buildable Lands Inventory Analysis, we know that the City of Molalla has 60.82 net acres of vacant/buildable and infill potential land with a residential comprehensive plan designation within the Urban Growth Boundary and City Limits. Further broken down, Molalla staff has identified 33.25 net acres within the R-1 zone, 5.06 net acres within the R-2 zone, and 22.51 net acres in the R-3 zone. Using the 7 units per net acre density and accounting for a 25% reduction (right-of-way and public facilities), the current available land can accommodate approximately 425 of the 1,662 (Calculation: Table 14 R-1 + R-2 # of dwellings column) attached and detached dwelling units (including manufactured dwellings) needed for the projected population growth by 2042. With current available land accommodating for 25% of the needed dwelling units, this leaves a deficit of 1,237 units.

Properties with a commercial plan designation within the Comprehensive Plan permit medium-high density dwellings above commercial uses. This development is typically seen in the form of apartment or condominium dwelling units. Based on the Buildable Lands Inventory summary, Molalla staff have identified 61.98 acres of vacant/buildable and infill commercial properties (4.82 ac within C-1 zone and 57.16 ac within the C-2 zone) as shown in Exhibit 3. This analysis uses the Safe Harbor provisions which does not account for residential development on commercial lands. Although some residential development could be accommodated within commercial zoned lands while allowing commercial uses, further analysis is needed on economic lands prior to developing a conclusion on residential development within commercial lands. Additionally, the Housing Production Strategy will provide additional clarification on this topic.

## VIII. Glossary of Key Terms

**Acre** is 43,560 square feet.

**Buildable Lands** are properties classified as vacant or partially vacant that have at least some development capacity for new residential development.

**Constrained Lands** are any land identified with natural hazards as determined by Statewide Planning Goal 7, land subject to wetlands or natural resource protection under Statewide Planning Goals 5, has a slope of 25% or greater, is within the mapped 100-year floodplain, or land designated as open or public spaces.

**Density** is the number of housing units on one acre of land.

**Developed Property** is property considered to be fully developed or unavailable for development (such as parks/open space, working lands, or cemeteries). Also land not previously identified as vacant, partially vacant, or constrained.

**Dwelling** is a structure conforming to the definition of a dwelling under applicable building codes and providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

**Dwelling Unit** is a house, apartment, mobile home or trailer, group of rooms, or single room that is occupied or is intended for occupancy.

**Federal Poverty Level (FPL)** is a set of income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income before taxes is less than the family's FPL, then the family and every individual in it is considered in poverty.

**Infill Properties** are land areas identified as underdeveloped or have the potential to be redeveloped to a higher density.

**Multi-family Development** is a structure or group of structures containing three or more dwellings on the same lot or parcel.

**Oregon Administrative Rules (OAR)** are created by most agencies and some boards and commissions to implement and interpret their statutory authority (ORS 183.310(9)). Agencies may adopt, amend, repeal, or renumber rules, permanently or temporarily. Every OAR uses the same numbering sequence of a three-digit chapter number followed by a three-digit division number and a four-digit rule number. For Example, Oregon Administrative Rules, Chapter 166, Division 500, Rule 0020 is cited as OAR 166-500-0020. (Oregon.gov)

**Persons per Household (PPH)** is the average household size (i.e. the average number of persons per occupied housing unit).

**Partially Vacant Property** is a legal lot of record with some existing development or improvement but can be subdivided to allow for additional residential development.

**Redevelopable Acres** are properties identified as vacant, partially vacant, other non-constrained legal lots of record planned for future residential development or properties identified as infill properties.

**Safe Harbor** means an optional course of action that a local government may use to satisfy a requirement of Goal 14 (urbanization); and if the city needs to expand their urban growth boundary, a safe harbor analysis lends protections from appeal on certain elements.

**Severely Cost Burdened (AKA Rent Burdened)** are households who spend over 50% of their income on housing according to the US Department of Housing and Urban Development (HUD).

**Townhouse** (attached, single-family dwelling) is a dwelling unit located on its own lot that shares one or more common or abutting wall(s) with one or more dwelling units on adjacent lot(s).

**Vacant Property** is a legal lot of record with no existing structures or parcels with building value = 0-\$50,000 (Clackamas Assessors Database) and identified as unconstrained within the local buildable land inventory for future residential development.



# City of Molalla

## 2022-2042 Buildable Lands Inventory Methodology Appendix



## Methodology

### Introduction

The purpose of this appendix is to describe the methodology and data sources for the City of Molalla's Buildable Lands Inventory (BLI) and the results of the inventory. This BLI is a component of the Molalla Housing Needs Analysis (HNA) project, and the results will inform the land needed for future housing growth. The Molalla HNA is being funded through a Department of Land Conservation and Development (DLCD) grant for implementing applicable requirements of House Bill 2003 (Regional Housing Needs Analysis) implementation. The BLI addresses land within the Molalla Urban Growth Boundary (UGB) as shown in Figure 1.

The BLI is conducted in several steps, as follows.

**Step 1: Identify Constraints.** Constraints include floodplains, wetlands, water bodies, and steep slopes (25% or greater).

**Step 2: Classification of Land.** Every tax lot within the Molalla UGB was classified based on zoning. The BLI for this project is confined to those properties with a zoning designation allowing residential development.

**Step 3: Assign Development Status.** Each tax lot within the Molalla UGB is given a "development status." These development statuses are based on Assessor's data, aerial imagery, and staff input. Each development status type is defined later in this appendix.

**Step 4: Determine Developable Acreage.** Tax lots with a vacant or partially vacant status are given an amount of developable acreage based on their size, existing uses, and any development constraints on the property identified in Step 1.

**Step 5: Determine Development Capacity.** For land categorized as residential or allows residential development, development capacity was determined by number of units based on the developable acreage of a parcel and a review of the City's zoning regulations.

### Legal Framework

#### STATE RULES AND STATUTES

This appendix draws on requirements related to analyzing buildable land for UGB expansions in jurisdictions throughout Oregon. Relevant to this analysis are provisions under OAR 660 Division 24, Urban Growth Boundaries (660-024-0050 Land Inventory and Response to Deficiency); and Division 38 (Simplified Urban Growth Boundary Method).

This regulatory framework provides the following guidance for assessment of buildable lands within the UGB:

- ◆ Physical constraints on the developability of land include floodways and water bodies; land with slopes greater than 25%; and lands subject to Goal 5 (Natural Resources, Scenic and historic areas, and open space), Goal 6 (air, water, and land resources quality), or Goal 7 (areas subject to natural disasters and hazards).
- ◆ Land should be categorized by as vacant, partially vacant or developed.
- ◆ A BLI must consider lands for public facilities such as roads, stormwater facilities, schools, etc. Publicly owned land is not generally considered available for development.
- ◆ Per OAR 660-038-0070, the following types of constraints must be removed from the land inventory at the varying rates:
  - ◆ The regulatory floodway and 100-year floodplain – 100% removal
  - ◆ Slopes over 25% that are contiguous and at least one acre – 100% removal

- ◆ Is severely constrained by natural hazards as determined under Statewide Planning Goal 7
- ◆ Lands subject to natural hazards or natural resource protection measures determined under Statewide Planning Goals 6, 6, and 7.

Insert city limits map with UGB line.

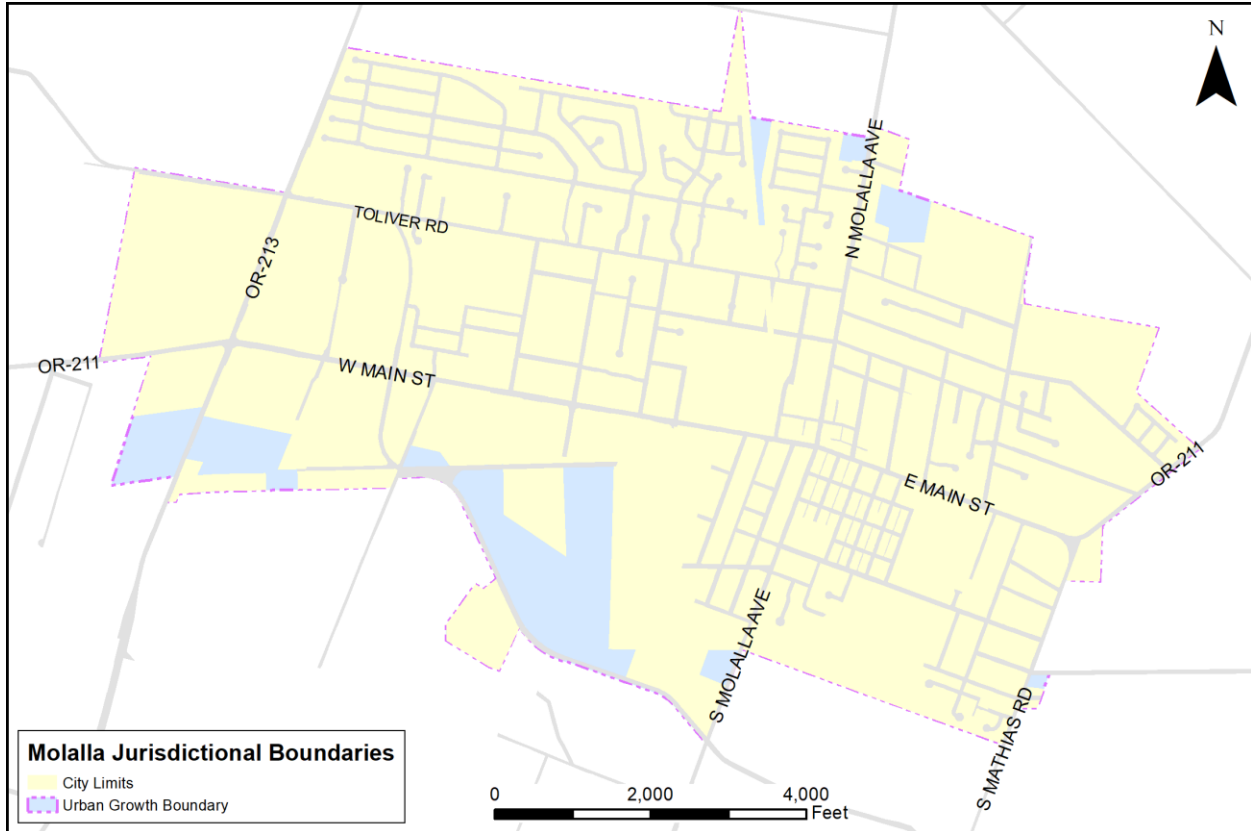


Figure 1: Study Area

### Step 1 - Constraints

Development constraints are factors that temporarily or permanently limit or prevent residential development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, slope, topography, infrastructure deficiencies, parcel fragmentation, or natural hazard areas. The first step of the BLI process addresses land constraints by natural resources. Subsequent steps in the BLI removes the constrained acreage from the total area within each tax lot.

#### Natural Resource Constraints

Natural resources typically provide beneficial environmental functions or aesthetic enhancements that are necessary to preserve. In addition, the City contains areas subject to natural hazards and other land that is not suitable for development, such as floodplains, and steep slopes. Each constraint was identified for removal due to State or local requirements that limit development.

The following natural resource constraints are assumed to be entirely unbuildable or removed fully.

- Steep slopes >25%
- Wetlands identified in the City's Local Wetland Inventory
- Waterbodies and floodplains
- Natural Hazards as determined by Statewide Planning Goal 7

Note that any given piece of land can have multiple, overlapping constraints. Specifically, this would be the acreage that is removed from the buildable areas analysis.

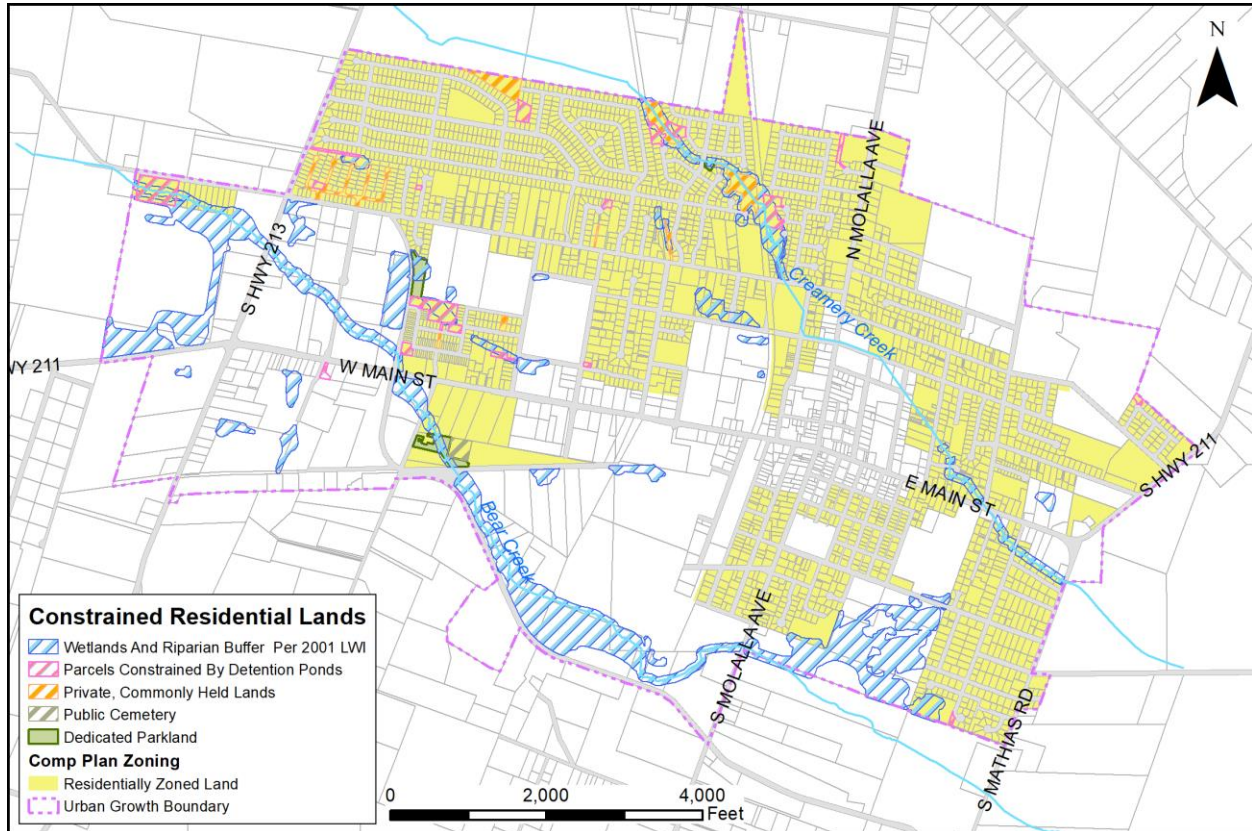


Figure 2: Molalla Development Constraints

## Step 2 - Classification of Land

The only areas included in the analysis are the City's three residential zones that are currently being applied: R-1 through R-3. Land zoned for other uses (commercial, industrial, open space, etc.) or which is outside the UGB is excluded.

Table 2 summarizes the residentially zoned lots or designated land including unbuildable/constrained lands. Per Table 5 of the HNA, there are approximately 548.21 acres of residential land within the City's UGB. As shown, R-1 represents a significant portion of all residential land within the UGB at approximately 358.68 acres (approx. 65.43% of residential land).

Table 2: Development Status by Zone

Zone	Vacant Lots	Partially Vacant Lots	Developed Lots	Unbuildable/Constrained Lots
R-1	14	31	1833	16
R-2	7	1	405	3
R-3	57	17	1250	6
<b>Totals</b>	<b>78</b>	<b>49</b>	<b>3488</b>	<b>25</b>
	(32.99 ac)	(36.09 ac)	(547.67 ac)	(19.11 ac)

### Step 3 – Development Status

Each residential property within the Molalla UGB was given a ‘development status’ of either vacant, partially vacant, constrained, or developed. These designations are based on County tax assessor’s data, aerial imagery, and staff input. Criteria for these categories are described below.

#### Development Status for Residential Tax Lots

- ◆ **Vacant Property** is a legal lot of record with no existing structures or parcels with building value = 0-\$50,000 (Clackamas Assessors Database) and identified as unconstrained within the local buildable land inventory for future residential development. Determination for building values that constitute vacant properties was based on definitions from OAR 660-024-0050.
- ◆ **Partially Vacant Property (Infill Potential)** is a legal lot of record with some existing development or improvement but can be subdivided to allow for additional residential development. Per OAR 660-024-0050 the City determined infill potential as follows: for lots and parcels that contain at least one-half acre of buildable land and that contain a single-family residence, the city has subtracted one-quarter acre for the residence and counts the remainder of the lot or parcel as vacant land.
- ◆ **Constrained Lands** are any land identified with natural hazards as determined by Statewide Planning Goal 7, land subject to wetlands or natural resource protection under Statewide Planning Goals 5, has a slope of 25% or greater, is within the mapped 100-year floodplain, or land designated as open or public spaces.
- ◆ **Developed Property** is property considered to be fully developed or unavailable for development (such as parks/open space, working lands, or cemeteries). Also land not previously identified as vacant, partially vacant, or constrained.

Table 2 summarizes the number of properties/lots within each development status category by the respective zoning designation. As shown in the table, there are an estimated 127 vacant or partially vacant lots within the UGB. Most of the developable land is in the R-3 zone, at approximately 25.32 acres.

Figure 3 from the Molalla Housing Needs Analysis and Buildable Land Inventory Summary illustrates the location of the development status of properties within the City’s UGB. Vacant land appears to be sprinkled throughout the city with the largest properties on the fringes of town near the City Limits line. Most constrained properties (as shown in Figure 2) are adjacent to Creamery Creek and Bear Creak wetland areas. However, most properties adjacent to Bear Creek are not identified as residential.

### Step 4 – Determine Development Capacity

The capacity of developable residential land is estimated based on the City’s zoning designations. Buildable land is unconstrained acreage minus the assumed future right-of-way (ROW) dedication to accommodate dwelling units (streets) and public lands/water quality facilities. A 25% reduction

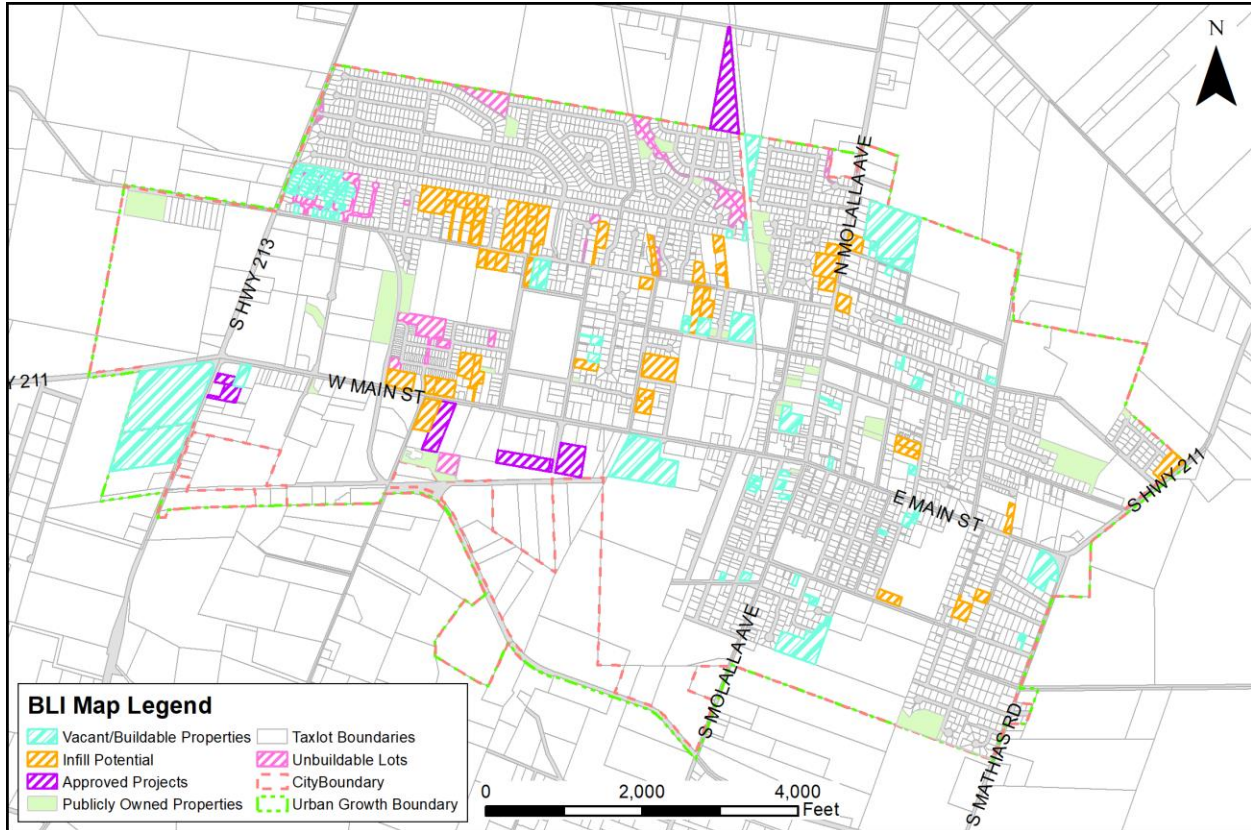
in land area to accommodate required right-of-way improvements and public lands. Table 5 from the Housing Needs Analysis provides a breakdown of the gross land area per designation, the constrained lands per designation, and the number of current dwelling units within each residential designation.

**Table 5: Residential Land Base Areas**

<b>Existing Residential Units (By Current Comp. Plan Designation)</b>	<b>Land Area<sup>1</sup> (Acres)</b>	<b>Land Area Constrained (Acres)</b>	<b>Number of Units (2022 current)</b>
<b>Low Density Residential (R-1)</b>	358.68	12.59	1,833
<b>Medium Density Residential (R-2)</b>	64.03	0.68	407
<b>Medium-High Density Residential (R-3)</b>	125.50	5.84	1,263

<sup>1</sup>Land area information from Clackamas County Assessor's Office

Housing capacity was estimated by multiplying the estimated buildable acreage by each zone. This approach assumes that every vacant or partially vacant property can accommodate at least one unit. The estimated housing capacity and density assumptions are based on the Safe Harbor methodology as shown in Table 14 of the Housing Needs Analysis.



**Figure 3: Buildable Lands Inventory Map**

**Table 14: Safe Harbor Housing Mix and Density**

Dwelling Mix	Percent	Number of Dwellings	Notes
Low Density Residential <sup>1</sup> (R-1)	55%	1,143	See OAR 660-024: Table 1
Medium Density Residential (R-2)	25%	519	See OAR 660-024: Table 1
Medium-High Density Residential (R-3)	20%	415	See OAR 660-024: Table 1
Total	100%	2,077	

<sup>1</sup>Includes Mobile Homes

### Safe Harbor Method

The Safe Harbor Method is described in OAR 660-024-0040(8)(f) and as part of this rule municipalities are categorized by projected size. Molalla is grouped into the category of cities with a future population of 10,001 – 25,000. This analysis used the as indicated in Table 14, this method assumes 2,077 net new dwelling units, with a required mix as follows: 55% low-density, 25% medium-density, and 20% high-density. This method requires an overall (citywide) minimum density within residential base zones of 5 dwellings per net acre; 7 dwellings/acre for UGB analysis; and the city must allow 9 units per acre overall (citywide) on its buildable residential land base.

The Safe Harbor Combined Housing Mix and Density Method was used for this analysis. In accordance with OAR 660-008-0005 (2), an estimate of buildable land inventory within the Molalla Urban Growth Boundary has been created to determine that amount of land available to meet housing needs. The BLI analysis used current GIS data provided by City Staff, Clackamas County

Assessor parcel information and US Census data to make the following calculations for vacant land in accordance with OAR 660-024-0050(3)(a-b):

- ◆ **Step 1:** Calculate gross vacant acres by plan designation, including classifications for fully vacant and partially vacant (infill potential) parcels.

- ◆ Per Exhibit 3: 32.99 acres of residential land is further broken down as follows:

R-1	15.78 ac
R-2	5.99 ac
R-3	11.22 ac

- ◆ **Step 2:** Calculate gross buildable vacant acres by plan designation by subtracting land that is constrained from future development, such as existing public right-of-way, parks and open space, steep lots, and floodplains.

- ◆ For the purposes of this analysis, it was assumed that a 25% reduction in land area adequately accounts for open space, right-of-way, parks, and constrained lands.

- ◆ Equation: (Step 1) X (25%)

R-1	3.94 ac
R-2	1.50 ac
R-3	2.81 ac

- ◆ **Step 3:** Calculate net buildable vacant acres by plan designation by subtracting future public facilities such as roads, schools, parks, and gross buildable vacant acres.

- ◆ Equation: (Step 1) - (Step 2)

R-1	11.83 ac
R-2	4.49 ac
R-3	8.41 ac

- ◆ **Step 4:** Determine total net buildable acres by plan designation by adding redevelopable acres to net buildable vacant acres.

- ◆ The basic calculations for redevelopable properties were completed by Molalla City Staff utilizing current GIS data and visual inspection of properties.

- ◆ Total net redevelopable properties by plan:

R-1	21.42 ac
R-2	0.57 ac
R-3	14.10 ac

- ◆ Equation: (Step 3) + (total net redevelopable properties by plan)

R-1	33.25 ac	Total:
R-2	5.06 ac	60.82 ac

R-3	22.51 ac	
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The City has 60.82 acres of redevelopable properties across all three residential zones. Further analysis is required to determine how much land would be needed to accommodate future housing in a UGB expansion.



## Exhibit B - Comprehensive Plan Recommended Changes

Annotated to show deletions and additions to the code sections being modified. Deletions are ~~bold lined through~~, and additions are **bold underlined** in red.

### Molalla Comprehensive Plan – ~~2014~~ **2023**

#### GOAL 2: LAND USE PLANNING

The purpose of Statewide Planning Goal 2 – Land Use Planning is:

*To establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions.*

#### Background

Molalla began its first comprehensive planning process in 1975 by forming a citizens' advisory committee (CAC). By 1980, the CAC completed Molalla's first Comprehensive Plan that was generally consistent with the statewide planning goals adopted by the Oregon Land Conservation Development Commission (LCDC). Many notices and articles were published to provide citizens with an opportunity to assist in the preparation of the Comprehensive Plan. Since that time, the Molalla Comprehensive Plan has guided growth and development in the City.

Molalla's 1980 Comprehensive Plan was adequate for its time. In 2002, the City determined a major revision to the Comprehensive Plan was necessary to address rapid population growth, changes to the City's economic base, and the City's recreation-based and family-oriented identity.

**Between 2002 and 2014**~~Over the last decade~~, the City has:

- Conducted extensive reviews of the Molalla Comprehensive Plan and Development Code;
- Prepared a detailed economic analysis ;
- Conducted a residential land needs analysis and buildable lands inventory;
- Prepared a Downtown Plan
- Prepared and updated a Parks & Recreation Plan;
- Held a number of Planning Commission meetings.

**In 2014, Molalla completed extension revisions to the Molalla Development Code and new Parks and Recreation Master Plan. This work was completed in two phases. Phase 1 included adoption of the 2014 Molalla Comprehensive Plan and the adoption of the Parks and Recreation Plan.**

**Phase 2 included an assessment and possible expansion of the City's 20-year Urban Growth Boundary (UGB) and adoption of:**

- **Extensive revisions to the Molalla Development Code; and**
- **Revisions to the Molalla Transportation Systems Plan.**

~~The City is now completing adoption of this document (the 2014 Molalla Comprehensive Plan), extensive revisions to the Molalla Development Code and a new Parks and Recreation Master Plan. The first phase of a two-phased comprehensive planning process:~~

~~Phase 1 includes adoption of this document (The 2014 Molalla Comprehensive Plan) and the adoption of the Parks and Recreation Plan.~~

~~Phase 2 includes an assessment and possible expansion of the City's 20-year Urban Growth Boundary (UGB) and adoption of:~~

- ~~▪ Extensive revisions to the Molalla Development Code; and~~
- ~~▪ Revisions to the Molalla Transportation Systems Plan.~~

~~The updates will provide for the coordination of both the growth and development projections and timing of facility expansions.~~

## Population Projection

Population projections serve several purposes. First they allow cities to estimate the amount of public infrastructure capacity that will be necessary to serve city residents. This ensures that cities have sufficient public facilities, such as sewer, water, and transportation to accommodate projected growth. These facilities require a substantial public investment, and it is essential to have a reasonably accurate demand forecast.

Next, projections allow cities to develop estimates of how much housing, park, school, institutional, commercial, and industrial space will be needed over the planning period. These estimates in turn allow for a determination of how much land will be needed to accommodate that growth. Finally, the amount of land needed for growth can be compared with the City's buildable lands inventory to determine whether sufficient land is available to accommodate 20 (or more) years of growth.

## Historic Population Trends

Based on the ~~2010~~ **2020** US Census, Molalla is a city of approximately ~~10,228~~ **8,100** residents. Molalla's economy was hurt by the decline in the timber industry, which remained the mainstay of the community's economy until the 1980s. In recent years, the city has been making efforts to diversify its economic base with new manufacturing and commercial investments and creating an Enterprise Zone to encourage more economic development. Tourism is playing an increasing role in the city's economy as well.

Despite recent economic difficulties, Molalla remains an attractive location to reside. Molalla is near recreational activities, and it has largely become a bedroom community to the Portland and Salem areas.

Population growth has been strong in Molalla, averaging 4.0% annually over the last 20 years, slightly higher than the 50 year average of 3.4% annual growth. The population increased steadily from 1970 to 2000, averaging approximately 70 persons per year. Population increases jumped from 1990-2010, averaging around 200 persons per year. Based on building permit data (~~Table 4~~), this jump in population growth may be largely due to the housing boom from 2000 to 2007, with an average of 72 new permits issues each year. In the latter part of the last decade, building activity declined

dramatically, with an average of only 18 new permits issued annually from 2008 to 2010. ~~Molalla also has a low supply of developable residential land, however, which could be exacerbating this slowdown.~~ Within the last ten years (2010 – 2020), the population has increased by 2,120 people, which represents a 26 percent increase in total population. At this pace, Molalla boasts an Average Annual Growth Rate (AAGR) of 1.8 percent between the 2010 and 2020 Decennial Census.

## **20-Year Coordinated Population Forecast**

In order to maintain and update Comprehensive Plans and urban growth boundaries (UGBs), a “coordinated” population projection is required by ORS 195.036. Population projections must be coordinated by the designated coordinating agency, Clackamas County.<sup>1, 2</sup>

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<sup>1</sup> Note: Under House Bill 2254, the State legislature in 2013 changed the rules for coordinated population projections. These new rules will become effective Jan 1, 2015 and requires that population projections be completed and coordinated by the Portland State University Population Resource Center.

<sup>2</sup> The urban cities in Clackamas County are part of Metro (the Metropolitan Service District), which is responsible for coordinating population forecasts within its boundary. Until the changes in HB 2254 take effect, Clackamas County is the coordinating body for the rural area of the County (the area outside the Metro boundary), including the five rural-area cities.(see note 1)

In 2013, Clackamas County adopted 20-year coordinated forecasts for its five rural cities (Barlow, Canby, Estacada, Molalla and Sandy). This forecast was completed over a year-long process of analysis and coordination in which staff from the City of Molalla participated. The adopted forecast for Molalla takes into account historic growth trends in the city, as well as factors that are expected to affect future growth both positively (i.e. efforts to attract more business investment and recent increases in home-building activity and interest from developers) and negatively (i.e. potential limitations in the water supply in the future and relatively few jobs and retail opportunities currently)

**Historic and Projected Growth, City of Molalla**

Year	Population	AAGR	Avg. Annual Increase
1960	1,501		
1970	2,005	2.9%	50
1980	2,992	4.1%	99
1990	3,683	2.1%	69
2000	5,739	4.5%	206
2010	8,108	3.5%	327
2032	12,760	2.0%	212
2035	13,400	2.0%	212
2042	15,660	1.8%	755

Extrapolating from this forecast for the 20-year planning horizon of 2022-2042, as specified for this Comprehensive Plan, the City of Molalla (UGB) is projected to contain approximately 15,660 people in 2042. This means the City must plan for a net growth of approximately ~~4,340~~ 5,432 new residents, or roughly ~~1,530~~ 2,077 households over the next 20 years.

The further out a population projection goes, the less reliable it becomes. This is especially true for smaller jurisdictions, where events such as the gain or loss of a single large industrial employer can have significant impact on the area population, and development of a large subdivision will comprise a substantial portion of the City’s projection. Lifestyle and migration patterns, key components of population growth, are logically less clear as we look into the future. As such, it is important for the city to monitor actual population growth, so that they may adjust and modify plans and projections to account for variances.

**Comprehensive Plan Revision and Interpretation**

Comprehensive plans or maps must adjust to changing attitudes and desires, economic and social conditions, and technology. The City expects to review the Comprehensive Plan every 5-10 years, to ensure the Plan remains up-to-date and in a workable framework for development. If changing conditions indicate that review of the Plan’s Goals and Policies are warranted, the Planning Director, City Council, or Planning Commission may initiate modifications at any time. Any citizen or group may file the appropriate paperwork and pay the appropriate fees to apply for a ~~Pplan~~ plan amendment. The City shall review proposed plan amendments as received. An assessment and/or expansion of the city’s Urban Growth Boundary may only be initiated by the City Council.

Once public hearings before the Planning Commission and the City Council have been concluded and the Plan has been officially adopted, the Plan becomes the official policy statement of the City Council of the

City of Molalla. The City will interpret the standards and requirements of either the text or maps of the Comprehensive Plan pursuant to the adopted process. The City Council shall have final authority for the interpretation of the text and/or the map when such matters come before the City Council for consideration.

### **Major and Minor Plan Amendments**

All land use plans and implementation ordinances shall be adopted by the governing body after public hearing and shall be reviewed and, as needed, revised on a periodic cycle to take into account changing public policies and circumstances. Major and minor plan amendments are described below:

- A **major amendment** means any significant change to the Comprehensive Plan text or map initiated by the City Council or Planning Commission. A “major change” is one that refines, amends, or changes both the plan text and map, has an effect over a large geographic area and is likely to have significant environmental, energy, economic and social consequences. Major plan amendments include but are not limited to plan amendments that incorporate community plans as part of the Comprehensive Plan or use portions of the public facility plans as part of the Comprehensive Plan in accordance with State statute and regulations implementing Statewide Planning Goal 11.
- A **minor amendment** means change to the Comprehensive plan, which is not a major plan amendment. Minor plan amendments include all quasi-judicial, site-specific amendments to the Comprehensive Plan Map.

### **Jurisdictional Boundaries and Urban Growth Management**

The Molalla Urban Growth Boundary (UGB) contains land under both City and County jurisdiction. The establishment and change of the UGB is a joint process that requires approval from both the Molalla City Council and the Clackamas County Board of Commissioners. To ensure consistency, the City and County coordinate efforts to manage all lands within these boundaries. The policy document used for this purpose is the "Urban Growth Management Agreement."

Molalla has land use decision making authority within the Molalla City Limits. Annexation to the City is required to access urban services necessary to support urban levels of development. The City's intent is maintain an adequate supply of buildable and serviceable land within the City Limits to ensure that there are choices in type, location, and density or intensity of residential, commercial, industrial and public facilities development.

Clackamas County is responsible for making land use decisions outside the City Limits but within the Urban Growth Boundary (UGB). The City intends to update its Urban Growth Management Agreement (UGMA) with Clackamas County, as needed, regarding the preparation of long-range plans for the properties within Molalla's UGB and outside the City limits. The City may participate in the land use planning decisions of nearby jurisdictions that may have an effect on Molalla.

### **Planning Process Goals**

- To comply with the Statewide Planning Goals and ensure that changes to this Plan comply with these goals.

- To participate with other jurisdictions and special districts to ensure appropriate land use and related issues are coordinated.
- To ensure that, to the extent possible, land use reviews minimize cost and delay in administration.
- To implement the community vision through the comprehensive planning process.

**Periodic Review**

Pursuant to ORS 197.629, the City Planning Commission, with the assistance from the Planning Department, may review the Comprehensive Plan and initiate major or minor revisions of the plan in order to address city wide or community needs. As part of this responsibility, the Planning Commission may schedule and conduct a biennial public plan review process to consider requests for plan revisions from any property owner, city agency, government agency, or business or community organization.

**Planning Roles**

The following describes the roles of the Planning Director and Planning Commission:

- The **Planning Director** shall keep copies of the Comprehensive Plan, the city’s Development Code, adopted Community Plans and Functional Plans on file at city hall and at all branches of the city library for inspection by the public. The Planning Department shall notify citizens and government agencies that copies of such adopted plans are available for public review and distribution.
- The **Planning Commission** considers and reviews amendments to the Comprehensive Plan, Functional Plans, Community Plans and the Molalla Development Code. The Planning Commission also acts as a decision-making body in reviewing quasi-judicial land use applications. At its discretion, the Council may assign this quasi-judicial review function to a land use hearings officer.

**GOAL 10: HOUSING**

The purpose of Statewide Planning Goal 10 is:

**To provide for the housing needs of citizens of the state.**

**Background**

Housing is a basic human need that concerns the entire community. As housing costs increase, satisfying this basic need becomes more difficult. The City of Molalla supports Oregon’s housing goal to “encourage the availability of adequate number of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households.”

Molalla saw unprecedented residential development in the late 1990s through 2008. **Molalla saw another growth spurt between 2010 and 2020 which resulted in the addition of 2,120 people.** The rate of residential growth experienced by Molalla between 1996 through ~~2008~~ **2020** clearly indicates the popularity of this community as a place to live and supports the City's decision to continue and further develop the recreation concept for the City. The proximity to the Molalla River, Mt Hood, the Forest, and the coast benefits the City’s decision to support the recreational community concept.

This housing boom ~~has~~ provided a greater variety of housing that meets modern structural, electrical, plumbing, and energy codes. As a result, most of the buildable land supply within the City’s urban growth boundary had been consumed.

### Population Projection

~~As explained in Chapter 2, Clackamas County recently completed a coordinated 20-year population forecast for the city of Molalla, provided for by ORS 195.034(2) and OAR 660-024-0030(4) for the 2012-2032 timeframe, resulting in a population estimate of 12,760 for year 2032. Extrapolating from this forecast for the 20-year planning horizon of 2014-2034, as specified for this Comprehensive Plan, the City of Molalla (UGB) is projected to contain approximately 13,130 people in 2034.<sup>3</sup>~~

The Portland State University Population Research Center forecasts Molalla’s 2042 population to be 15,660. Based on projected population growth as forecasted and housing market conditions, Molalla is expected to add 5,432 people and that will require 2,077 net new dwelling units over the next 20 years.

### Demographic Trend Analysis

Molalla’s 2022 Housing Needs Analysis and the 2022 Portland State University Population Research Center forecast for local demographic trends based on Census data, and other assumptions related to housing needs from those trends as well as City Policy were used to inform this section.

~~Molalla’s 2009 Housing Needs Analysis and the 2013 Rural Cities Coordinated Population Background Report and Forecasts review regional and local demographic trends based on Census data, and extrapolated assumptions related to housing needs from those trends as well as City policy. Preliminary demographic findings showed that Molalla is still a relatively homogeneous community with relatively affordable housing, although this is likely to change somewhat over the next 20 years. Increased employment opportunities, young commuting households, and a growing Hispanic community, are likely to push the demand for a broader range of housing.~~

The Housing Needs Analysis also describes base housing need assumptions, reviews future housing type and density needs, and concludes with recommended dwelling unit types, densities, and plan district allocations.

### Housing Need Assumptions

Basic housing land need assumptions include determination of household size, ~~and~~ vacancy rate and establishing a projected density for future residential development. To facilitate this planning process and to provide Molalla with as much security as possible this analysis uses the OAR 660-024-0040 “safe harbors,” further described in “Table 1: Housing Mix/Density Safe Harbors.”

### Household Size

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~~<sup>3</sup> Both the 2014 and 2034 numbers were extrapolated from the coordinated forecast using an assumption of exponential growth between the starting and end points. The 2014 forecast was extrapolated because the PSU Population Research Center has not received the data from the city to provide annual population estimates since the 2010 US Census~~

The “safe harbor” provided by OAR 660-024-0040(8)(a) allows that:

“A local government may estimate persons per household for the 20-year planning period using the persons per household for the urban area indicated in the most current data for the urban area published by the U.S. Census Bureau.”

The ~~2010~~ 2020 Census determined a household size for Molalla of ~~2.84~~ 2.72 persons per household. Therefore, Molalla assumes a household size of ~~2.84~~ 2.72 through ~~2034~~ 2042 for the purposes of this analysis.

### Vacancy Rate

The “safe harbor” provided by OAR 660-024-0040(8)(e) allows that:

“A local government outside of the Metro boundary may estimate its housing vacancy rate for the 20-year planning period using the vacancy rate in the most current data published by the U.S. Census Bureau for that urban area that includes the local government.”

The ~~2010-2020~~ Census determined a vacancy rate for Molalla of 2% and 3.7% for Clackamas County. However, there were large margins of error for 2022 and to compensate the vacancy rate overall was increased. Therefore, Molalla assumes a vacancy rate of ~~5.3% through 2034~~ 4% through 2042 for the purposes of this analysis.

### Dwelling Units Projected

Using the projected population for ~~2034~~ 2042 and the assumptions above, projected dwelling units are ~~1,616 for 2034~~ 1,237 for 2042.

~~Table 10-1: Projected Dwelling Units~~

Year	2034	
Projected Population Increase (2014-2034)	4,340	
Households @ 2.84 Persons per HH	1,530	
HHs Including 5.3% Vacancy Rate	1,616	

~~Source: US Census, Clackamas County and City of Molalla~~

**Table 10-1: Projected New Dwelling Units Needed**

<u>Year</u>	<u>2042</u>
<u>Projected Population Increase</u>	<u>5,432</u>
<u>Households @ 2.72 Persons Per Household</u>	<u>1,997</u>
<u>Households Including 4% Vacancy Rate</u>	<u>2,077</u>

Data source: US Census Table CP04 American Community Survey; Comparative Housing Characteristics

### Density

The “safe harbor” provided by OAR 660-024a Table 1 allows a city planning for between 10,001 and 25,000 people to assume an overall density of 7 dwelling units per net buildable acre. Therefore, this analysis assumes an overall density of 7 dwelling units per net buildable acre.



As shown on Table 10-2, Molalla will require ~~231~~ 177 net buildable acres to accommodate housing for the estimated ~~2034~~ 2042 population.

~~Table 10-2: Net Buildable Acres Required for Housing~~

<del>Year</del>	<del>2034</del>	
<del>Households</del>	<del>1,616</del>	
<del>Net Density</del>	<del>7</del>	
<del>Net Buildable Acres Required</del>	<del>231</del>	

~~Source: US Census, Clackamas County and City of Molalla~~

Table 10-2: Net Buildable Acres Required for Housing

Year	<del>2034</del>	2042
Households	<del>1,616</del>	1,237
Net Density	7	
Net Buildable Acres Required	<del>231</del>	177

Source: US Census, Clackamas County and City of Molalla

### Net to Gross Conversion

According to OAR 660-024-0010, a “Net Buildable Acre” consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads.” Molalla assumes a ~~20%~~ 25% reduction land area to account for future right-of-way and other constrained lands factor to account for future streets and roads related to housing development.

As shown on Table 10-3, Molalla will require ~~289~~ 221 gross buildable acres to accommodate housing for the estimated ~~2034~~ 2042 population.

~~Table 10-3: Gross Acres Required for Housing~~

<del>Year</del>	2034	
<del>Net Buildable Acres Required</del>	231	
<del>Right of Way Assumption</del>	20%	
<del>Gross Buildable Acres Required</del>	289	

~~Source: Clackamas County and City of Molalla~~

Table 10-3: Gross Acres Required for Housing

Year	<del>2034</del>	2042
Net Buildable Acres Required	<del>231</del>	177
Right of Way Assumption	<del>20%</del>	25%
Gross Buildable Acres Required	<del>289</del>	221

Source: Clackamas County and City of Molalla

### Housing Mix

Molalla intends to use the safe harbor for housing mix provided in OAR 660-024a Table 1 should it forecast UGB needs. The relationship between housing mix and zoning changes would be detailed in any future UGB analysis.

## Housing Goals and Policies

### Housing Goal:

To allow for a variety of housing options for all income levels in both existing neighborhoods and new residential areas that match the changing demographics and lifestyles of Molalla residents.

### Housing Policies:

1. Residential development shall consider the physical characteristics of the site by meeting applicable zoning and building code requirements.
2. The City shall adopt clear and objective design standards to ensure that new residential development in existing residential areas is reasonably compatible with surrounding developments with respect to landscaping, massing, architectural styles, lighting, and appearance.
3. To provide greater flexibility and economy of land use, the Zoning Ordinance shall allow variable lot sizes in single-family residential subdivisions.
4. The City shall encourage rehabilitation and maintenance of housing in existing neighborhoods to preserve the housing stock and increase the availability of safe and sanitary living units.
5. As set forth in the City's Housing Needs Analysis, a variety of housing types shall be encouraged throughout the planning area for households of all incomes levels, ages and living patterns. Such housing should include but not be limited to:
  - 5.1. large and small lot single-family residences;
  - 5.2. accessory dwellings;
  - 5.3. duplexes, **triplexes & quadplexes**;
  - 5.4. multiple-family housing (including for-rent apartments and for-sale condominiums);
  - 5.5. attached single-family residences; and
  - 5.6. manufactured dwellings in parks and on individual lots.
6. Specific locations for each type of housing shall be consistent with the comprehensive plan and development code.
7. The City shall work with the private sector and non-profit housing development to encourage housing at various prices and rents in order to maximize housing choices of the public.
8. The development of low- to moderate-income housing is appropriate throughout the planning area and shall be of a design and construction consistent with policy of this Section.
  - 8.1. Such housing shall not be so concentrated as to create a recognizable or exclusively low-income district.
  - 8.2. The City and County should encourage government assisted housing to be located at a variety of locations within the UGB **where funding is available**.
9. The development of mid-rise housing (up to **31ft**/2 stories) is appropriate near the downtown area, in Community Planning Area Districts, and in other designated areas adjacent to arterial streets that are on transit routes. Such developments shall be subject to special planning and

development review or meet specific Community Planning Area design and development standards.

10. Housing for the elderly shall be encouraged.

10.1. The livability of these developments shall be a prime concern in the review process.

10.2. Large-scale developments for the elderly would be most appropriately located near the City core area for shopping, public transportation, medical and other similar facilities.

10.3. Alternative housing options, such as cooperative housing with common facilities, shall be allowed outright in ~~all areas medium or high density areas and as a conditional use in low density areas~~ as outlined in the Zoning Ordinance.

~~11. Higher end housing opportunities shall also be encouraged, especially in areas with view and natural amenities.~~

12. The City shall review housing needs and projections periodically and make necessary revisions during the major revision process as outlined in the Planning and Citizen Involvement section of the Comprehensive Plan.

13. The City shall provide for manufactured dwelling parks in the R-3 zone to allow persons and families a choice of residential settings.

14. In order to minimize the adverse impacts of higher density housing on adjacent properties, The City shall establish clear standards for:

14.1. The placement and design of mobile home or manufactured dwelling parks;

14.2. Buffering by means of landscaping, fencing or distance from conflicting uses;

14.3. Compatibility of design, recognizing the conflicts of mass and height between apartment buildings and houses; and

14.4. On-site recreation space as well as pedestrian and bicycle access to parks, schools, mass transit stops and convenient shopping;

14.5. Placement of buildings to minimize the visual effects of parking areas and to increase the availability of privacy and natural surveillance for security.

15. New residential developments in areas without an established character or quality should be permitted maximum flexibility in design and housing type consistent with densities and goals and objectives of this Plan.

16. The City shall encourage new and innovative residential planning and design techniques that, while different from standard subdivision developments and design requirements, are consistent with the policies of this Comprehensive Plan and the Development Code.

17. Minimum and maximum densities shall be established for all areas designated for residential use or mixed-use on the Comprehensive Plan Land Use Map.

17.1. Minimum residential density zoning standards shall be prescribed for all residential areas.

17.2. The minimum densities are intended to ensure the Molalla Comprehensive Plan achieves the residential density objectives, while retaining flexibility for residential development patterns and projects tailored to local conditions.

- 17.3. No land use regulation provision or process may be applied, nor shall any condition of approval be imposed that would have the effect of reducing the density permitted under the minimum density standard of an applicable residential zone.
- 18. Manufactured homes on individual lots shall be permitted in all residential zones subject to:
  - 18.1. Conformance with applicable local, state, and federal standards in force at the time of installation pursuant to Chapter 50 – Prefabricated Structure Code
  - 18.2. Installation on excavated and backfilled foundations
  - 18.3. Removal of all transport related gear.
  - 18.4. Placement and design standards allowed by State statute to insure the harmonious integration of this housing type with other housing in the vicinity.
- 19. Residential density designations are intended to discourage development at lower densities. The densities of new developments shall be monitored and reviewed annually to assure that residential construction is implementing the Comprehensive Plan designations. If the residential density designations are not being implemented, additional land within the City shall be designated or redesignated to help assure that the overall density will be attained.
- 20. Plan for and permit a variety of housing types consistent with the objectives and policies set forth under this section of the Comprehensive Plan, while maintaining a reasonable balance between the economics of building and the cost of supplying public services.
  - 20.1. It is the City's desire to ensure there are a variety of housing types needed to meet a wide range of personal preferences and income levels.
  - 20.2. The City also recognizes the fact that adequate public facilities and services must be available in order to build and maintain a decent, safe, and healthful living environment.
- 21. Encourage the construction and development of diverse housing types, while maintaining a general balance according to housing type and geographic distribution, now and in the future.
- 22. Require new housing developments to pay an equitable share of the cost of required capital improvements for public services.
- 23. The City shall adopt specific goals for low and moderate cost housing to ensure that sufficient and affordable housing is available to households of all income levels that live within the City of Molalla.
- 24. Housing units shall be designed, constructed, and maintained so that the community is assured of safe, sanitary, and convenient living conditions in dwellings that are sound, energy efficient, and attractive in their appearance. Conservation of housing resources shall be encouraged through code enforcement, renovation, and rehabilitation of the existing housing stock.
- 25. Site plans shall provide for adequate yard space for residents and play space for children.
  - 25.1. The yards shall have distinct area and definite shape and are not just the residue left after buildings are placed on the land.
  - 25.2. The Planning Department shall review development to ensure adequate yard space is available.

**Residential Zoning and Implementation**

The following implementing measures are intended to provide for the range of housing types and densities identified by OAR 660-024a Table 1, with an overall density of 7 dwelling units per net acre.

#### Single Family Residential Measures

- **Small-lots Lots** ranging from 4,000 to 5,000 square feet in area can accommodate single family development. Minimal to "zero" side yard setbacks can be used with a generous setback provided for the other side yard.
- Variable lot dimensions can be used to allow flexibility in platting irregular blocks and result in greater land use efficiency and lower development costs. Alternating narrow and wide lots can be used to accommodate different housing plans and appeal to target markets.
- Accessory dwelling unit additions can be made to existing single family neighborhoods with reasonable design guidelines. A new, generally small accessory dwelling unit can be created by converting a garage, building over garages, dormer additions on second stories, or basement apartment conversions.
- Cluster housing can increase the standard single-family densities of 6 units per acre to anywhere from 8 – 10 units by clustering homes together and sharing open spaces.
- **Attached or detached housing in the form of duplexes, triplexes and four-plexes can be added to existing neighborhoods on relatively small lots; allowing such development on large corner lots, while reserving interior lots for more traditional housing.**
- Attached single-family development (townhouses or rowhouses) provide affordable homeownership opportunities. A single family attached dwelling with a common wall shared with other units and typically occupy narrow lots (25' to 32' wide) arranged in clusters or rows of 2 to 10 units, producing densities of from 8 to 12 units per acre. Each townhouse and townhouse lot (2,000 to 3,500 square feet) is individually owned and may be sold or rented, appealing to many markets.

#### Multiple Family Residential Measures

- Garden apartments are typically two to three stories, contain 10 or more rental units within a single building, but do not have an elevator. This is the most common type of apartment construction, yielding 15 to 20 units per acre. Units can also be individually owned, with a condominium association owning exterior and common elements of the building, and the site and parking area. Condominium ownership can be built into a new project, or an existing apartment building can be converted to condominium ownership.
- Mid-rise apartments typically range from 4 to 8 stories in height and require service by an elevator, and may be constructed to densities of 20 to 50 units per acre.

#### Mixed Use Residential Measures

- Mixed-Use (Commercial and Residential) developments can take many forms, including retail space on the ground floor with office space above, rental apartments above ground floor retail space, and structures combining offices and hotels or hotels and private residential units.
- These mixed-uses are often targeted in downtowns and neighborhood commercial areas where "around the clock" pedestrian activities are desired. There are few such projects in Oregon, and Molalla should not rely on any significant movement toward this type of real estate product over the planning period. It is likely, however, that "Mom and Pop" type of store fronts and small retail operations can develop in homes designated for mixed use as an affordable small business opportunity. Mixed-uses could also take the form of adjacent commercial and residential uses in separate buildings within a neighborhood center.

- Home occupations can provide low overhead cost and assist in business startups by allowing them to be operated from the home. These small-scale businesses are typically allowed in residential zones, but require that the primary use of the premises remain residential. Careful regulation is needed to protect the residential character of neighborhoods while allowing reasonable business starts. Criteria generally focus on a list of allowable uses and conditions, or may be performance based (i.e. related to traffic and other impacts). In all cases, the home business is expected to move to a business zone when it out grows the permit parameters.

Residential areas should be designated to avoid incompatible commercial, industrial, and other uses. The Molalla Municipal Code should not be so restrictive as to create large, exclusively residential areas that deprive their residents of convenient access to necessary commercial, cultural and transportation facilities.

### Residential Land Use

The *Molalla Comprehensive Plan Map* indicates where residential development will be encouraged.

- **High-density** development is encouraged near the Central Business District. This density will assist the downtown in growth of its commercial business while providing a large amount of residential growth and maintaining the look and feel of Molalla and for the potential redevelopment of the downtown area.
- **Low-density** lots shall be provided in areas that provide scenic views and have access to trail and park (existing and proposed) sites throughout the City.
- **Additional Medium density** single family residential shall be located in areas to the north of Main Street (Highway 211). These residential areas provide a buffer between commercial and residential living. This places homes in close proximity of schools and neighborhood parks.
- **Duplex, Triplex & Quadplex Units:** Duplex units shall be encouraged in new single-family residential subdivisions ~~on all corner lots.~~ This requirement will assist in density and ~~duplexes these dwelling types~~ are a needed housing options, which integrates with the existing community, are energy and cost efficient.

**Preservation of Residential Densities:** If a parcel of land is sized and designated to allow development of substantially more than one dwelling unit, the siting of a single new dwelling unit on the parcel shall allow development of the remainder of the parcel to the density range of the zoning designation.

### Residential Plan Designations

**Low Density Residential:** This density provides for single-family dwellings and duplexes at densities of 4 to 8 dwelling units per net buildable acre. This plan designation is implemented by the Low-Density Zone (R-1).

- Environmental Resources and Community Design Objectives.
- Provide quality and affordable housing.
- The City shall incorporate this zoning throughout the City in order to provide a balance in housing options and locations.

**Medium Density Residential** (renamed, previously “Two-Family Residential”): This plan designation provides for a mix of multi-family, attached, and **detached** single family housing, and manufactured dwelling parks. This plan designation shall provide a density of 6 to 12 dwelling units per net buildable acre. This plan designation is implemented by the Medium Density Zone (R-2).

- Environmental Resources and Community Design Objectives.
- Provide mixed-use residential areas in close proximity to services and activity areas.
- The City shall monitor the location, density and design of these developments in this zone to enhance the City livability and safety.

**Medium-High Density Residential:** This plan designation provides for a mix of multi-family, attached and single-family housing at 8 to 24 dwelling units per net buildable acre. This plan designation is implemented by the Medium-High Density Residential Zone (R-3).

- Environmental Resources and Community Design Objectives.
- Provide quality multi-family housing, which assists in buffering commercial and light industrial uses from single-family residential where possible as well as providing affordable housing alternatives.
- The City shall monitor the location, density and design of these developments in this zone to enhance the City livability and safety.

**Community Planning Areas** shall be identified with Community Planning Area Overlay on the Comprehensive plan map and may authorize more intensive land use densities and floor area ratios than residential zoning designated elsewhere in the City. Specific zoning districts shall be applied to implement policies and objectives for the Community Planning Areas, including minimum residential and employment density objectives.

- A mix of pedestrian supportive commercial and residential uses shall be encouraged within Community Planning Areas.
- The Development Code shall provide for sufficient land and shall establish development regulations and design standards that coincide with these objectives and encourage new commercial and residential development within Community Planning Areas.
- Minimum floor area ratios shall be applied based on the implementing Community Planning Area
- Overlay District as depicted on the Comprehensive Plan Map. Garages should be accessed from alleys where alleys are provided.
- City owned alleys should be cleared and opened for access to rear garages.
- As development occurs garages shall be located off of alleys where feasible.

Criteria for the location of multi-family housing shall include proximity to the City core, major transportation corridors, schools, services, parks, shopping, employment centers, and transit corridors.

### ***Residential Livability Goals and Policies***

#### **Residential Livability Goals:**

- Establish residential areas that are safe, convenient, and attractive places to live which are located close to schools, services, parks, natural areas, shopping and employment centers.
- Provide housing, employment opportunities and an environment with a high degree of livability for the citizens of Molalla.
- To provide for urban growth while maintaining community livability while ensuring the efficient provisions of public facilities and services.

#### **Residential Livability Policies:**

1. Development standards shall be established for churches, parks, schools and other public uses and services that recognize the residential character of the neighborhood. Design standards shall

provide for off-street parking and maneuvering, landscaping, access control, sign regulations, design review, and limitations relative to scale and services provided.

2. Public and semi-public buildings should be located in residential areas where those services are necessary or desirable. Such facilities should be compatible with their surroundings and meet planning and design review standards to ensure compatibility with surrounding residential neighborhoods.
3. The City shall coordinate with the Molalla fire and police departments to ensure residents have a safe environment in which to live.
4. The City shall establish areas for housing development, schools and parks that are convenient to shopping areas and employment centers.
5. The Molalla Municipal Code shall contain special planning and design review for public buildings, semi-public buildings, non-residential public buildings, and quasi-public buildings to ensure compatibility with the surrounding area.
6. Private and public developers shall be required to landscape their developments in order to create a park-like nature in the community.
7. The Molalla Municipal Code shall establish criteria for landscaping new development.
8. The City shall establish criteria for signage and sign placement.
  - a. Signs located throughout the City should be aesthetically pleasing, though not restricted in design as to significantly limit their economic purpose.
  - b. Specific sign design standards shall be applied in Community Planning Areas and along designated pedestrian streets.
  - c. Sign standards shall control the visual impact of signs on the community and minimize sign clutter.
9. The City shall work with housing and employment agencies to improve the housing and employment opportunities in the city to create a high degree of livability for the citizens of Molalla.
10. The City shall establish park locations throughout the City as well as encourage other recreational uses of the surrounding area.
11. The City shall **coordinate with Clackamas County to** ensure homes are built to federal, state, and local standards.
12. Master land development and conservation plans may be required prior to annexation of land to the City. Master plans shall show how and where:

The annexed property will be provided with adequate sanitary sewer, water, storm drainage, transportation, fire, police, school, and park facilities, as called for in adopted plans and standards.

  - a. Urban public facilities can be provided efficiently with the above public facilities and services.
  - b. Urban level development will be phased to ensure that adequate public facilities will be provided to each phase of development.



- c. Inventoried natural hazards and resources will be protected consistent with adopted plans and standards.
13. The City shall coordinate with property owners in the development of housing, schools and parks that are convenient to shopping areas and employment centers.
14. Private and public developers shall be required to landscape their developments and protect identified natural features in order to develop needed parks and protect inventoried natural features in the community.
15. Design of developments within the community shall consider the design of individual buildings in relationship to the broader community.
  - a. Good architectural design is necessary to provide visual variety and allow for individual identity.
  - b. At the same time, good community design provides a sense of unity with other development while eliminating conflicting appearances.
  - c. The City shall establish criteria for signage and sign placement.
16. Provide for an attractive, interesting, and convenient downtown as a place to do business, work, shop, reside and visit.
  - a. Residential units should be permitted above or as an incidental use in conjunction with commercial development in the downtown area. These uses must go through a design review process.
  - b. Through the Transportation Systems Plan the City shall make efforts to relieve truck traffic through the downtown area.
  - c. The City may create and adopt a downtown revitalization plan.
17. Encourage landscaping of streets throughout the City.
  - a. The City shall establish landscaping requirements throughout the City including industrial zones in order to uphold the recreational theme and enhance the surrounding area.
  - b. The landscaping criteria shall be reviewed for each proposed land use application for industrial development.
  - c. Existing trees shall be preserved where feasible. New trees shall be incorporated into each landscape plan.
  - d. Landscaping and/or open space may be used to buffer non-compatible uses. It is intended to soften the visual impact and provide a sense of openness and should be used to complement good building designs and may be used to screen certain types of development.
18. When possible, schools shall be established close to housing, parks, and services.
  - a. Designate the school district's property and facilities for school purposes and coordinate expansion of the facilities, as they are needed.

- b. The City will provide information to the school districts about proposed and actual residential developments within the City as well as continue to coordinate with the school districts for planning, scheduling, and construction of needed educational facilities.



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## EXHIBIT C: PUBLIC ENGAGEMENT AND MEETINGS SUMMARY SHEET

### MOLALLA CURRENT PROJECT PAGE:

<https://current.cityofmolalla.com/urban-growth-boundary>

### TECHNICAL ADVISORY COMMITTEE MEETINGS:

Date of Meeting	Project	Description
5/3/2022	All	Project Kickoff Meeting
6/14/2022	HNA/BLI	Early Draft Project Feedback
10/21/2022	HNA/BLI	Late Draft Project Feedback
3/30/2023	HPS	Draft Feedback

### PUBLIC MEETINGS\*:

Date of Meeting	Project	Presiding Body	Description
6/1/2022	HNA/BLI, HPS, UGB	Planning Commission	Project Overview Discussion
11/16/2022	UGB, HNA/BLI	Planning Commission and City Council	Overview of sequential UGB process with DLCD
1/4/2023	HNA/BLI	Planning Commission	Final Draft Discussion Item
2/8/2023	HNA/BLI	City Council	Public Hearing
4/18/2023	HPS	Public and City Council	Open House/Town Hall Meeting
5/24/2023	HPS	City Council	Work Session and Public Hearing
7/26/2023	HNA/BLI, HPS	City Council	Adoption of HNA, BLI, and HPS

\*All public hearings and the Open House/Town Hall were noticed in accordance with the City’s Type IV procedures, as outlined in MMC 17-4.1.050 Type IV. Additionally, a group of 113 interested citizens signed up for email notifications via the Molalla Current.

\*Two surveys were also conducted, see Appendix 2 in the Housing Production Strategies Document



## CITY OF MOLALLA

117 N. Molalla Avenue  
PO Box 248  
Molalla, OR 97038

### Staff Report

### Agenda Category: Ordinances and Resolutions

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**Agenda Date:** July 26, 2023

**From:** Cindy Chauran, Finance Director  
**Approved by:** Dan Huff, City Manager

**SUBJECT:** Resolution No. 2023-21: Establishing Purchasing Policy and Usage of Purchase Orders

**FISCAL IMPACT:** 0

**RECOMMENDATION/RECOMMEND MOTION:** Adopt Resolution No. 2023-21

**BACKGROUND:**

1. The City routinely updates policies each year to ensure compliance with changing laws and regulations, externally and internally.
2. Attached Purchasing policy outlines processes, procedures, and what is expected of staff before submitting invoices or receipts to Finance.

# City of Molalla



## **Establishing a Purchasing Policy and Usage of Purchase Orders**

Resolution No. 2023-21



**City of Molalla**

117 N Molalla Ave / PO Box 248

Molalla, OR 97038

Phone 503.826.6855

[www.cityofmolalla.com](http://www.cityofmolalla.com)

## **PURCHASING POLICY AND USAGE OF PURCHASE ORDERS**

### **I. Purpose**

The purpose of the Purchasing Policy is to ensure efficiency and accountability in purchasing, while mitigating the risk of theft and impropriety.

### **II. Scope**

This policy applies to all City of Molalla Department Purchases, including all divisions and subdivisions thereof.

### **III. Authority**

This policy is provided under the expense authority signed by the City Manager.

Spending Authority:

Community Development Director/Assistant City Manager – up to \$5,000

Police Chief – up to \$5,000

Finance Director – up to \$5,000

Library Director – up to \$5,000

Police Lieutenant – up to \$1,000

Public Works Maintenance Manager – up to \$1,000

Water Treatment Plant Manager – up to \$1,000

Wastewater Treatment Plant Manager – up to \$1,000

Assistant Library Director - \$1,000

Support Specialist – up to \$500

Executive Administrative Assistant – up to \$500

Police Support Supervisor – up to \$500

### **IV. Policy**

#### **Purchasing with a Purchase Order (PO)**

PO's **SHALL** be used for the following purchase types:

1. All purchases of \$5,000 or more.
2. When a paper PO is required by a vendor.

PO's **MAY** be used for the following purchase types:

1. For recurring expenses that can be encumbered for the entire fiscal year (e.g. utilities).



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### Purchasing Without a PO

For any purchase made without a PO:

1. Before Purchasing - Permission to purchase must be granted by a manager or supervisor with expense authority over the purchaser. (*see Spending Authority, Paragraph III*).
2. During Purchasing - An invoice or receipt for the full cost of the expenditure must be retained by the purchaser and provided to the authorizing Manager or Supervisor.
3. After Purchasing – The authorizing manager or supervisor will code the invoice/receipt with the account number (and activity code if applicable), initial and date the document.
4. Routing after coding and initialing.
  - a. **Cash/Check purchase** invoices/receipts will be submitted to Accounts Payable upon coding and initialing by the authorizing manager or supervisor.
  - b. **Credit card purchase** receipts/invoices shall be coded, initialed, and retained. Upon receipt of the monthly credit account statement, each expenditure on the statement will be coded and initialed and all corresponding receipts will be attached to the statement.
  - c. **Account purchase** receipts/invoices shall be noted in addition to the coding and manager initials, then turned into Accounts Payable.
5. Credit Purchasing Records
  - a. The Planning and PW Support Specialist, and Police Support Supervisor shall create separate folders for their department. Everyone with a city issued credit card will collect all their receipts for credit card purchases.
  - b. All receipts submitted will be coded and initialed by the approving manager or supervisor prior to delivery to the Support Specialists listed in (5a.)
  - c. Upon receipt of the monthly credit statements, the Support Specialist listed in (5a) will reconcile all receipts with the monthly statement. Provide account numbers for each purchase on the statement, attach all receipts to the statement (ensuring each purchase noted on the statement has a matching receipt.) Then submit to accounts payable for processing.



## CITY OF MOLALLA

117 N. Molalla Avenue  
PO Box 248  
Molalla, OR 97038

### Staff Report

### Agenda Category: Ordinances & Resolutions

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**Agenda Date:** July 26, 2023

**From:** Christie Teets, City Recorder  
**Approved by:** Dan Huff, City Manager

**SUBJECT:** Resolution No. 2023-19: Amending the Council Stipend Policy

**FISCAL IMPACT:** 0

**RECOMMENDATION/RECOMMEND MOTION:** Adopt Resolution

**BACKGROUND:**

In February 2021, City Council adopted a Council Stipend Policy for the monthly reimbursement of City Council members. (See attached Resolution No. 2021-05)

In this policy, under Objectives, the monthly reimbursement/stipend amount was listed. The items listed in red in your packet need to be removed from the Policy.

A separate resolution for reimbursement amounts agreed upon should be adopted as needed with the annual budget.



# City of Molalla

CHAPTER 1.02 COUNCIL RULES  
1.02.210 COUNCIL EXPENSES



## Council Stipend Policy

Adopted February 24, 2021  
Resolution 2021-05

**This document supersedes all previous council stipend policies.**



### **Purpose**

The City Council wishes to establish a Council Stipend Policy to serve as a guideline for monthly reimbursement/stipend of Councilors.

### **Definitions**

MMC 1.02 Council Rules, 1.02.210 Council Expenses. Reimbursement. The Council shall receive a monthly reimbursement for expenses, the amount to be set appropriately by the Mayor and Council. (Ord. 2007-05)

MMC 1.02 Council Rules, 1.02.060 Council meetings. G. Attendance at meetings is expected of Councilors who should use their best efforts to attend all Council meetings. Councilors will inform the Mayor and the City Manager if they are unable to attend any meeting. Additionally, the Mayor will inform the Council President and the City Manager regarding any absence by the Mayor. (Ord. 2019-07, Or. 2007-05)

### **Objectives**

~~As of the date of this policy, the current monthly reimbursement/stipend is as follows:  
Mayor ————— \$125.00 per month or \$62.50 per regular meeting  
Councilors ——— \$100.00 per month or \$50.00 per regular meeting~~

The objective is that Councilors will attend all regular meetings using their best efforts.

Councilors may incur one regular meeting absence per year without having a deduction in stipend.

A per regular meeting deduction will occur for all other absences.

Distance attendance through zoom, facetime or other technological process shall be counted as being present for a regular meeting.



**RESOLUTION NO. 2023-19**

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON  
AMENDING THE COUNCIL STIPEND POLICY**

**WHEREAS**, Molalla Municipal Code 1.02.210 Council Expenses, Reimbursement. The Council shall receive a monthly reimbursement for expenses, the amount to be set appropriately by the Mayor and Council (Ord. 2007-05); and

**WHEREAS**, Molalla City Council adopted Resolution No. 2021-05, Establishing a Council Stipend Policy on February 24, 2021; and

**WHEREAS**, an amendment needs to be made to Council Stipend Policy Objectives, removing the reimbursement dollar amount; and

**WHEREAS**, the monthly reimbursement amount will be a separate Resolution from the Council Stipend Policy.

**Now, Therefore, the City of Molalla Resolves as follows:**

**Section 1.** The attached policy will become effect upon approval of City Council.

Signed this 26<sup>th</sup> day of July 2023.

\_\_\_\_\_  
Scott Keyser, Mayor

ATTEST:

\_\_\_\_\_  
Christie Teets, CMC  
City Recorder



## CITY OF MOLALLA

117 N. Molalla Avenue  
PO Box 248  
Molalla, OR 97038

### Staff Report

### Agenda Category: Ordinances & Resolutions

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**Agenda Date:** July 26, 2023

**From:** Christie Teets, City Recorder  
**Approved by:** Dan Huff, City

**Manager**

**SUBJECT:** Resolution No. 2023-20: Adjusting the Monthly Reimbursement Amount for City Council

**FISCAL IMPACT:** \$4,500 annually

**RECOMMENDATION/RECOMMEND MOTION:** Adopt Resolution No. 2023-20

#### BACKGROUND:

Resolution No. 2021-05 set the monthly reimbursement/stipend amount for City Council as follows:

- Mayor            \$125.00 per month or \$62.50 per regular meeting
- Councilors      \$100.00 per month or \$50.00 per regular meeting

It was agreed upon by Council for FY 2023-2024, the monthly amounts would be increased to:

- Mayor            \$200.00 per month or \$100.00 per regular meeting
- Councilors      \$150.00 per month or \$75.00 per regular meeting

Resolution No. 2023-20 reflects the change.



**RESOLUTION NO. 2023-20**

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON  
ADJUSTING THE COUNCIL REIMBURSEMENT AMOUNT**

**WHEREAS**, Molalla Municipal Code 1.02.210 Council Expenses, Reimbursement. The Council shall receive a monthly reimbursement for expenses, the amount to be set appropriately by the Mayor and Council (Ord. 2007-05); and

**WHEREAS**, Councilors will make their best effort to attend meetings in accordance with Molalla Municipal Code 1.02.060.

**Now, Therefore, the City of Molalla Resolves as follows:**

**Section 1.** As of the date of this resolution, the current monthly reimbursement/stipend for individuals will be:

Mayor: \$200 per month or \$100 per regular meeting

Council: \$150 per month or \$75 per regular meeting

**Section 2.** Effective Date. Upon Council approval.

Signed this 26<sup>th</sup> day of July 2023.

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Scott Keyser, Mayor

ATTEST:

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Christie Teets, CMC  
City Recorder