

**INSPIRING SPACES & PLACES**  
**(Goal 2: Land Use & Goal 14: Urbanization)**  
**Draft Background Report**  
**Updated 11-7-11**

**Existing Goals**

Lake Oswego shall ensure that:

- a. The City’s land use planning processes and policy framework serve as a basis for all decisions and actions related to the use of land; and,
- b. The City’s land use regulations, actions, and related plans are consistent with, and implement the Comprehensive Plan.
- c. The City shall maintain and enhance the appearance and design quality of Lake Oswego.

**Policy Questions to Consider**

- What other policies are needed to implement the 2035 vision and 2035 vision plan.
- What objectives should urban development support? Where?
- What policies are needed to further sustainable urban development that contributes positively to quality of life?

**People, Places and Prosperity (show nested diagram)**

As the City develops key elements of the Comprehensive Plan update, sustainability – defined for Lake Oswego as meeting the vital human needs of the present without compromising our ability to meet future needs – is an important consideration. Strategic questions will aid in the decision-making framework moving forward. Planning in a sustainable way means looking at the community as an interrelated system that includes places around us (the natural and built environment), people (that live and work here), and prosperity (of the local economy) that supports society’s needs. As an example, land use planning supports a sustainable Lake Oswego in the following ways:

**People:** *Land use planning promotes public health and safety.*

**Places:** *Effective land use planning supports great places to live, work and play such as the 20-minute neighborhood concept.*

**Prosperity:** *Land use planning helps to secure a community’s future by helping ensuring coordinated development.*

Reference Material A

## Background

The purpose of this report is to provide background information for the update of the Goal 2: Land Use Planning chapter of Lake Oswego's Comprehensive Plan. This chapter consists of two sections: 1) Land Use Policies and Regulations and 2) Community Design and Aesthetics. This report assesses changes which have impacted the City's land use planning program since the last Comprehensive Plan update in 1994 and highlights issues and trends that should be considered in the current Comprehensive Plan update.

Lake Oswego is a largely developed, or built-out community. There are just a few large, vacant tracts of developable land remaining. Since regional and state regulations require the City to permit and plan for needed growth, the impacts of small land divisions and infill development in established neighborhoods have been increasingly important. In the current Comprehensive Plan update, the community should consider where growth should be encouraged, how benefits to existing neighborhoods can be maximized and negative effects avoided or mitigated, which tools are best suited for these challenges, and how land use planning can otherwise contribute to Lake Oswego's vision of a sustainable community.

*Regional Context (much of this and the Metro discussion also applies to Goal 14 – Urbanization)*

With approximately 36,500 residents, Lake Oswego is a mature, inner suburb in the Portland/Vancouver metropolitan area. There are approximately 2.2 million residents in the greater metropolitan area. Both the Portland metropolitan region and the State of Oregon have longstanding, comprehensive land use planning programs to promote efficient use of developable land. In recent decades, the region has become nationally known for its compact urban form, integrated land use and transportation planning and other leading planning practices. Within the region, Lake Oswego has a reputation for its exceptionally high quality of life. Effective planning in Lake Oswego must balance the desires of local residents to preserve Lake Oswego's existing character with regional and statewide land use regulations with which local jurisdictions must comply.

*Regulatory Obligations*

### State of Oregon

In 1973, the State of Oregon adopted Senate Bill 100, the bill which instituted the nation's first comprehensive, statewide land use planning program. The foundation of the new program was 19 statewide planning goals, each of which articulated a specific part of a larger vision for Oregon's future development. The new law also created the Department of Land Conservation and Development (DLCD), which administers the statewide land use planning program and reviews local plans for consistency with the 19 statewide goals. Goal 2 calls for coordinated land use planning.

Goal 2 of the statewide planning goals, mirrored by Lake Oswego's existing Goal 2 outlines procedures for the emergent statewide land use planning program. This goal requires local jurisdictions to adopt comprehensive plans which are based on factual information. Plans must be generally consistent with the statewide planning goals and other applicable state, regional, and federal requirements. Local governments' ordinances and land use decisions must, in turn, be based on state-approved comprehensive plans. Goal 2 also contains procedures for review and amendment of local comprehensive plans.

### Metro

Metro is the regional government for the Oregon side of the Portland/Vancouver metropolitan area. To control urban sprawl and maintain compliance with the statewide planning system, Metro administers an urban growth boundary around the metropolitan region beyond which urban services are not extended. To accommodate projected population growth within the urban growth boundary, Metro adopted the 2040 Growth Concept in 1995 based on broad public input. This concept to "grow up and not out" envisioned higher-density, mixed-use development in designated centers, main streets, station communities, and corridors and preservation of farmland outside the boundary.

To implement the 2040 Growth Concept, Metro adopted the Urban Growth Management Functional Plan in 1996. The Functional Plan established specific requirements on housing, commercial development, and other areas of importance for the regional growth management strategy. Local jurisdictions are required to ensure their comprehensive plans and development codes are consistent with the regional Functional Plan. Functional Plan requirements which affect land use planning in Lake Oswego include:

- Title 1: Requirements for Housing and Employment Accommodation
- Title 2: Regional Parking Policy
- Title 3: Water Quality, Flood Management and Fish and Wildlife Conservation
- Title 4: Industrial and Other Employment Areas
- Title 6: Central City, Regional Centers, Town Centers, and Station Communities
- Title 7: Affordable Housing
- Title 8: Compliance Procedures
- Title 9: Performance Measures
- Title 12: Protection of Residential Neighborhoods
- Title 13: Nature in Neighborhoods

Two primary impacts of Metro's 2040 Growth Concept and Urban Growth Management Functional Plan on land use planning in Lake Oswego are:

- More intensive land uses in the city's two primary commercial areas (downtown Lake Oswego and the Lake Grove commercial area), both of which are designated "Town Centers" by Metro. In the 2040 Growth Concept, "Town Centers" are described as compact, well-connected community hubs providing essential services for residents within a two- or three-mile radius.

- Increased infill and redevelopment in established residential neighborhoods.

### *Existing Conditions*

The recently updated draft Housing Needs Analysis and associated Buildable Lands Inventory confirms that Lake Oswego is a mostly developed community, with few large, undeveloped parcels within the city or in areas subject to annexation to the city. However, Lake Oswego still has many developed residential lots which are larger than twice the minimum lot sizes of their zones, and therefore potentially dividable. Many other properties were developed with modest buildings when local land values were much lower, and face redevelopment pressure as land values have increased. Therefore, the development of Lake Oswego continues, though mostly in the form of redevelopment and infill in established neighborhoods and in relatively small land divisions. Land use planning in Lake Oswego is now largely focused on managing the impacts of redevelopment and infill development in established neighborhoods.

This trend is evident in the neighborhood planning program adopted by the City in 1993. Neighborhood plans outline a land use planning vision for defined neighborhood areas, and provide policy bases for code standards and legislative decisions such as comprehensive plan and zoning map amendments. Adopted neighborhood plans have focused on preserving desirable aspects of established neighborhood character. The following neighborhood plans have been adopted by the City Council and incorporated into the comprehensive plan since its last major update in 1994:

- First Addition Neighborhood Plan (1996)
- Lake Grove Neighborhood Plan (1998)
- Old Town Neighborhood Plan (1998)
- Glenmorrie Neighborhood Plan (2000)
- Lake Forest Neighborhood Plan (2002)
- Waluga Neighborhood Plan (2002)
- Evergreen Neighborhood Plan (2005)
- Palisades Neighborhood Plan (2008)

The City's land use planning program is also implemented by the Community Development Code (LOC Chapter 50), which must be consistent with the Comprehensive Plan and which provides specific standards for development applications. Since the 1994 Comprehensive Plan update, changes to the Community Development Code have also tended to focus on managing and minimizing impacts of redevelopment and infill development in established neighborhoods.

### **Community Development Code Reorganization Project**

The last time the Community Development Code (CDC) was reorganized was in early 2000. In the summer of 2010, the City completed an audit of the CDC and related codes to identify problems with the organization, readability, and usability and to define an approach for

creating a more user-friendly code. The final recommendation of the audit was endorsed by the City Council and involves a two-phase approach to overhaul the codes.

Phase 1: the CDC and other development-related chapters will be reviewed for practical changes to improve clarity, organization, and user-friendliness, setting the stage for future amendments. Phase 1 will kick off in December 2010 and is expected to be completed in early 2012.

Phase 2: substantive, policy-related issues identified during the initial code audit and Phase 1 will be addressed. Phase 2 could be implemented within six months of completion of Phase 1, but depends on the availability of funding.

The goal of the Phase 1 Code Reorganization project is to present the existing content of the Community Development Code (CDC) and related development codes in a more coherent, consistent, concise and user-friendly manner.

### **Code Amendments**

The last major CDC update was in December 2005. Ideally amendments are scheduled on an annual basis that consists of “housekeeping” and substantive changes. The “housekeeping” changes back to 2008 are scheduled to be completed in the near future. The Planning Commission will then begin the substantives changes to the CDC.

### **Emerging Issues and Trends**

Since 1994, the Portland metropolitan region’s population has grown significantly, and current projections are for one million more newcomers to the region by 2030. Under Metro rules, the City of Lake Oswego must plan for its fair share of the growth. Updated targets for new population and employment growth are due out by the end of 2011.

#### Where should growth occur?

The Comprehensive Plan process looks to address the issue of where best to accommodate new growth over the next 20 years. The 2035 Vision Plan map is the beginning of a community discussion about where growth and development should occur. Some residential areas, such as Forest Highlands and Lake Forest, are designated in the current Comprehensive Plan Map for somewhat higher residential densities than characterize those neighborhoods now. Development proposals which approach planned densities often generate controversy, as many neighbors prefer these areas to retain a low-density character. Some have suggested “downzoning” certain neighborhoods for lower density, which, under the Functional Plan, may require the City to plan for higher densities elsewhere. Meanwhile, the City has the opportunity to absorb some growth through redevelopment of the Foothills industrial area, as well as through continuing redevelopment of the downtown and Lake Grove commercial areas.

### How should we address infill compatibility?

Another emerging, land use-related challenge the City must address is the compatibility of infill. The long-term trend in Lake Oswego's residential neighborhoods, interrupted only recently by economic recession, has been toward increasing land values and larger new homes. State rules for housing require that subjective standards may not impede development of affordable housing.

### *Sustainability Considerations and Proposed Indicators*

The current Goal 2 chapter of the Comprehensive Plan supports the City's vision of a sustainable community in the following ways:

- Requires provision of open space and protection of natural resources as land is developed.
- Requires that land use regulations minimize pressures to expand the Portland Metropolitan Urban Growth Boundary.
- Requires that opportunities for mixed-use development be provided in commercial zones.
- Requires evaluation of transit opportunities, pedestrian and bicycle circulation, and energy conservation measures for residential subdivisions of four units or more.
- Promotes a "safe and interesting" transit and pedestrian environment city-wide.

### **What We've Heard**

According to the September 2010 Vision survey, respondents most desire a community that is:

- safe (82%)
- has quality schools (78%)
- has a small town feel (69%)
- has scenic beauty (65%)
- has great neighborhoods (64%)
- has great parks (48%)
- a variety of housing types (43%)
- and close to work (33%)

These measures are possible with good land use planning and the engagement of the Lake Oswego community.

### **Sources** (LO staff to fill in)

**INSPIRING SPACES & PLACES (Goal 14: Urbanization)**  
**Background Report**  
**Updated 11-7-11**

**Existing Goal:**

The City shall, in conjunction with adjacent jurisdictions and Metro, control urban sprawl and enhance livability by managing growth in an orderly and efficient manner to establish stable and predictable land use patterns.

**Policy Questions to Consider**

- The 2035 Vision Map assumes that anticipated residential and commercial growth can be accommodated within the City’s existing Urban Services Boundary (USB). Shall the City accommodate needed growth within the existing (USB) and affirm a no-growth policy regarding Stafford Basin?
- Should the City annex the areas inside the Urban Services Boundary or continue its owner-initiated annexation policy ?

**People, Places and Prosperity** (show nested diagram)

As the City develops key elements of the Comprehensive Plan update, sustainability – defined for Lake Oswego as meeting the vital human needs of the present without compromising our ability to meet future needs – is an important consideration. Strategic questions will aid in the decision-making framework moving forward. Planning in a sustainable way means looking at the community as an interrelated system that includes places around us (the natural and built environment), people (that live and work here), and prosperity (of the local economy) that supports society’s needs. As an example, Goal 14 supports a sustainable Lake Oswego in the following ways:

**People:** *Planning for urbanization identifies where Lake Oswegans can live, work and play as population increases.*

**Places:** *Compact urban growth uses resources in an efficient manner. Lake Oswego is currently known for its attractive quality of life.*

**Prosperity:** *Planned urbanization secures a community’s future by organizing intended growth and infrastructure investment.*

## Background

### *EXISTING PROCESS*

Since the late 1970's, the regional government Metro has been charged with managing the Urban Growth Boundary (UGB) around the Portland metropolitan area. Pursuant to state law, Metro is required to review and consider expanding the UGB every five years to ensure that there is a 20-year supply of land to accommodate projected urban residential and employment growth. Cities within Metro also are required to periodically update their comprehensive plans and development codes. The City entered into periodic review on May 20, 2008. The work program was approved by the state on April 15, 2010. The City has three years to complete periodic review with a deadline of April 15, 2013.

Stateside, the primary factor in determining the location of future urban growth has been based on the quality of soil types. This is because protecting high value farmland has been a priority under state planning laws since inception. This process has directed development to less productive farmland or areas with lower levels of developments. Some say this process 1) Directs development into areas that are not necessarily good places for compact urban development; 2) A time-consuming process to undertake every five years; and 3) carries too much uncertainty that leaves land owners and farmers wondering if their land will be urbanized in the next round of expansion. This uncertainty makes it difficult for producers and other investors to plan for and manage their land.

### *Senate Bill 1011*

In 2007, the Oregon Legislature approved Senate Bill 1011 (SB 1011). The purpose of the SB 1011 was to provide a long range planning process that provided more certainty over the next 40-50 years when considering expanding the UGB. Specifically, the legislation enabled Metro and the three counties (Clackamas, Multnomah, and Washington) to designate lands as either rural reserve or urban reserve, thereby providing a level of certainty that land would be urbanized or could be farmed for the next 40-50 years without threat of urbanization.

Implementation of this legislation is found in Oregon Administrative Rule (OAR) 660, Division 27 - Urban and Rural Reserves in the Portland Metropolitan Area.

- **Urban Reserve:** Lands outside an urban growth boundary designation that will provide for future expansion of the UGB over a long-term period and to facilitate planning for the cost-effective provision of public facilities and services when the lands are included within the urban growth boundary.
- **Rural Reserve:** Lands outside the Metro UGB, and outside any other UGB in a county with which Metro has an agreement pursuant to this division, reserved to provide long-term protection for agriculture, forest or important natural landscape features.

NOTE: A third category not defined is “undesigned”; lands not designated either urban or rural reserve. Metro and the counties are not required to designate all lands as either urban or rural reserve.

- If land is designated as urban or rural reserves, a county cannot amend its land use regulations to allow more intensive uses or smaller lots than those allowed at the time of the original zoning. This in essence holds the zoning on land designated rural reserve for the next 40-50 years. Zoning on urban reserve land is held until the urban land is included in the UGB.
- Coordinated and concurrent process for adoption.
  - Metro is responsible for designating urban reserves outside of the UGB that are suitable for accommodating urban development over the next 40-50 years.
  - Clackamas, Multnomah, and Washington County are each responsible for designating rural reserves, which protects high value farmland and important natural features such as forest, rivers and floodplains for the next 40-50 years.
  - Metro and the counties must agree on urban and rural reserves designations.
  - Metro and the counties must enter into an intergovernmental agreement for the reserves areas, then submit their amended Comprehensive Plans (counties) and regional plan (Metro) reflecting the reserves lands for acknowledgement by the State.
- Required stakeholder and public involvement coordination. Metro and the counties must coordinate the Reserves process with the public, cities, special districts, school districts and state agencies. Metro in partnership with the counties is coordinating the regional public engagement process. The Clackamas County process is further described below.
- It is important remember that the Reserves process does not rezone any land and Metro still needs to review the UGB every five years.
- In the latest round, the Stafford Basin was given an urban reserve designation.

#### *HB 2229*

HB 2229 implemented the 2008 recommendations of the “Big Look Task Force,” appointed in 2005 to review Oregon’s land use system. The legislation:

- (1) Established new “main principles” for the state land use system;
- (2) Expands authorities for regional land use planning;

(3) Provides that a county may conduct a legislative review of county lands for purposes of correcting mapping errors and updating designations of farmland and forestland, and to determine whether zoning of such lands is consistent with definitions of agricultural lands, forest lands or non-resource land. The county must submit any decisions to change planning and zoning as a result of this review to the Land Conservation and Development Commission for approval;

(4) Revises statutory criteria and other provisions under which a county, in conjunction with at least one other local government, may enter into a collaborative regional problem-solving process; and

(5) Authorizes the Land Conservation and Development Commission to carry out a policy-neutral review and audit of the land use system to reduce complexity. Declares an emergency, effective on passage.

#### *EXISTING CITY GUIDING DOCUMENTS*

Summarized below are documents that provide direction to the City regarding the Stafford area:

- 1993 Stafford Area Task Force Agreement
  - In 1992, the City sponsored a local government forum on the future of the Stafford area with the purpose of providing local guidance for the Stafford area. The Stafford Area Policy Task Force was formed and members included: Lake Oswego, Tualatin, West Linn, Clackamas County, West Linn/Wilsonville School District, Unified Sewerage Agency (now Clean Water Services), and citizens from the area.
  - The Task Force concluded that the Stafford Area should not be urbanized and found that the future land use pattern of the Stafford area should be comprehensively planned to:
    - Preserve the air, water, and land resource quality of the area;
    - Provide safe and efficient transportation consistent with the areas needs;
    - Ensure that future development is consistent with the capacity of the existing public facilities and services; and
    - Preserve the rural character and open space values of the area.
- Comprehensive Plan – Growth Management Policy (Goal 14-Urbanization)
  - In 1997, Metro considered expanding the UGB in the north Stafford area and raised the possibility that the City would be expected to provide urban services to 1,200 acres in this area. In response, the City adopted the policy below:

Goal 14 (Urbanization), Policy 1 states:

*“The City will not expand the Urban Services Boundary (USB) and will resist efforts to require expansion, except in those areas designated as Tier 1 Urban Reserves as of February 1998.”*

- City Charter – Voter Annexation
  - Associated with the adoption of Goal 14, Policy 1 (above), in November 1998, the voters of the City approved an amendment to the City Charter, requiring voter approval of annexations in the North Stafford Area, except for those identified as Tier 1 Urban Reserves. Specifically, this required that prior to annexation of affected unincorporated territory to the City of Lake Oswego, the proposed annexation shall be referred to the voters in a City-wide election. No annexation shall occur unless approved by a majority of electors voting in the election.
  
- Aspiration
  - On May 5, 2009, the City Council adopted Lake Oswego’s Community Aspirations. Key Stafford area aspirations include:
    - The City does not envision or support urban levels of development in the upper Stafford area. The area is envisioned to be a rural enclave within the region with access to small sustainable agriculture farms.
    - Borland Road area (south of the Tualatin River, north of I-205), if the area were to be designated as an urban reserve, the City would want to have a primary decision-making role in the development of the area. Additionally, the area should be developed with a walkable, transit oriented, mixed-use town center, only upon the condition that high capacity transit is provided along I-205.

#### STAFFORD AREA IMPACTS AND INTERESTS

Stafford Hamlet – In 2006, Clackamas County created the Stafford Hamlet with the purpose of providing those area residents with a voice in land use and growth management issues related to the Stafford Triangle (generally north of I-205, south of Lake Oswego, west of West Linn and east of Tualatin). The Stafford Hamlet adopted a Vision and Value Statement in March 2009 with an 87% approval rate. Highlights of the document include: rural residential cluster housing to preserve the rural character and natural resources, designation of the Borland Road area for residential and employment development; Exclusive Farm Use parcels (EFU, 80 acres minimum size) should be allowed to subdivide to allow for some development; and providing water through a water district or other common system.

The City of Lake Oswego (including the Urban Services Boundary) is approximately 8,000 acres. The Stafford area under consideration for urban or rural reserves is almost 4,000 acres. Urbanization at any level in the Stafford area could have the potential to negatively impact the quality of life the citizens of Lake Oswego have come to enjoy and expect. A summary of considerations submitted as a part of the urban and rural reserves process is described below.

- Transportation:
  - The major roadways in the area, Stafford Road, Rosemont Road, and Childs Road are not improved to urban standards. Any development in this area would require significant roadway improvements that would increase traffic impacts on these roadways from the Highway 43 system.
  - Clackamas County is in the process of constructing a three lane (designed for up to five lanes) bridge over the Tualatin River with an expected completion date of November 2010. The County has proposed a Regional Transportation Plan project for 2018-2025 on Stafford Road to relieve congestion and improve access to Lake Oswego and West Linn. The road widening project will include three lanes with bike lanes and sidewalks.
  - In a letter from State agencies to the Reserves Steering Committee, the Oregon Department of Transportation (ODOT) indicated that a preliminary analysis showed that I-205 would be the least suitable to accommodate additional trips and most expensive to improve.
  
- Governance:
  - West Linn has not identified any of the area as an “area of interest”. Tualatin has indicated they no longer have an area of interest in Clackamas County. The Hamlet has considered incorporation, but went no further. The County does not appear to have any interest in urbanizing the area.
  
- Public Facilities:
  - Metro’s analysis rated the Stafford area as having “high suitability” for the potential extension of sewer and water as compared to other reserve candidate areas. Staff has not done an extensive cost or serviceability analysis; however, a preliminary analysis indicates that the City could potentially serve some parts of the area.
  
- Open Space and Natural Resources:
  - Protecting open space and natural resources in the Stafford area is important to the cities and the Stafford Hamlet. The aspirations of the cities and Stafford Hamlet all aspire to preserve the rural character and natural resources in the Stafford Area. The Stafford area has been described as the City’s southern rural gateway. The City currently owns approximately 150 acres of open space and resource lands, including the 40 acre Luscher Farm.
  - Metro’s Natural Landscape Features Map (2008) appears to identify Wilson Creek as the only natural feature for preservation. The natural features identified on the County’s Rural Reserve candidate map (Attachment 5), includes the Tualatin as a natural feature for protection. In addition, the Tualatin River would be protected under Metro’s Title 3 – Water Quality, Flood Management and Fish and Wildlife Protection Conservation.

## *QUALITY OF LIFE INDICATORS (QOL) PROGRAM*

In 1998 the City adopted amendments to the Comprehensive Plan for Goal 14-Urbanization, incorporating growth management policies. These amendments were in response to the concern over the potential expansion of the Urban Growth Boundary into the Stafford Road area. Subsequently, the Planning Commission recommended that the Council create a QOL Indicator Program to monitor community livability and identify growth related impacts that may affect the community.

In December 1998, the Council appointed a 24-member QOL Task Force to develop indicators that were comprehensive and measurable with timely and reliable information. After 12 work sessions and two open houses, the Task Force submitted a report that included 72 indicators and an implementation program. The Planning Commission recommended that the Council adopt the Quality of Life Indicator Program; however, the Planning Commission also recommended that a Planning Commission Subcommittee (“Subcommittee”) be formed to refine parts of the program, including the 72 indicators. The Commission cited need to make more simple and clear the 72 indicators and also match implementation of the program with available resources (staff time).

In December 2003, the Subcommittee, after two years of work, presented the Council with an update on the QOL Program. The update included 41 indicators; some of the original 72 indicators were either deleted or amended and new indicators added. These can be found at (URL).

## *METRO’S 2040 GROWTH CONCEPT*

Insert information on Metro’s 2040 Design Types:

- Two Town Centers: Downtown and Lake Grove Village Center
- Main Street
- Transit Corridors

## **Emerging Issues and Trends**

If trends continue, Lake Oswego will continue to age in place. To ensure a vibrant future population, families with young children as well as elders will need to be able to make a home in Lake Oswego. [Could include more from BLI/HNA; staff to fill in as time.]

**What We’ve Heard** (LO staff to fill in)

**Sources** (LO staff to fill in)