



MEMORANDUM

TO: Deschutes County Board of Commissioners

FROM: Will Groves, Planning Manager
Peter Gutowsky, AICP, Director

DATE: July 16, 2025

SUBJECT: Planning Division Work Plan Update & Direction / Long Range Planning / FY 2025-2026

I. SUMMARY

The Community Development Department (CDD) requests the Board of County Commissioners (Board) prioritize long-range projects for the fiscal year. Three have been introduced for consideration. If they are chosen, the Newberry Country Plan update would be postponed for at least a year.

II. WORK PLAN UPDATE

Each spring, CDD prepares an annual work plan describing projects for the coming fiscal year. CDD's FY 2025-26 Work Plan contains several discretionary long range planning projects varying in complexity.¹ Six were recently initiated as shown in Table 1.

Table 1 - Initiated Long Range Planning Projects

Project	Status
Dark Skies Text Amendment	Planning Commission hearing on 7/10
10% Minor Variance Text Amendment	Planning Commission hearing on 7/24
Senate Bill (SB) 75 & SB 83 Wildfire Hazard Map Repeal / Rural Accessory Dwelling Unit Amendments	Planning Commission work session on 7/24 Board public hearing on 8/13
Farm and Forest Housekeeping Amendments	Board public hearing on 8/20
Comprehensive Plan 2040 / Reconsideration	Board decision due no later than 9/8

III. EMERGING OPPORTUNITIES

Based on recent events, there are three projects worthy of the Board's attention. They are summarized in Table 2.

¹ https://www.deschutes.org/sites/default/files/fileattachments/community_development/page/18781/2025-2026_work_plan_and_2024_annual_report.pdf. Pages 32-35.

Table 2 – Emerging Projects for Consideration

Project	Background	Deliverable(s)
Wildfire Mitigation / Mapping / Fire Hardening	<p>Since 2001, Deschutes County has applied a countywide prohibition on untreated wood shake or shingle roofing.</p> <p>In 2019, CDD convened a Wildfire Mitigation Advisory Committee (WMAC) to review a locally developed wildfire hazard map, consistent with Oregon Administrative Rule (OAR) 660, Division 44, and fire hardening (R327) and defensible space options.</p> <p>This project was paused in 2021 due to the Legislature’s adoption of SB 762 and the creation of a statewide wildfire hazard map and fire hardening and defensible space regulations. The map and subsequent refinements to it in 2023 (SB 80), were ultimately repealed in 2025 (SB 83).</p> <p><u>Opportunity</u></p> <p>SB 83 allows local governments to establish their own fire hardening requirements.²</p>	<p>Develop a scope of work with a public involvement component for the Board’s consideration that includes:</p> <ul style="list-style-type: none"> • Creating local wildfire hazard mapping in the rural county. • Reassessing the applicability of R327 construction standards (locations TBD) for new (TBD) rural development. • Drafting amendments to Deschutes County’s Comprehensive Plan and County Code for public hearings. <p><u>Timeline:</u> If initiated, the project could start in the fall and span approximately 6 to 12 months.</p>
Terrebonne Community Plan	<p>The Terrebonne Community Plan (TCP) was last updated in 2010. It is predicated on septic infrastructure and policies supporting modest growth.</p> <p>The Terrebonne Sanitary District (TSD), formed in 2023, has advanced significantly. Sewer mains have been installed along Highway 97, 11th Street, and Smith Rock Way, and lateral connections are scheduled for later this summer. More than 100 properties have been annexed into the district,. The sanitary district has an intergovernmental agreement with the City of Redmond for treatment of effluent and has secured capacity for up to 800 future units.</p> <p><u>Opportunity</u></p> <p>While some state and federal funds did not materialize, the project remains on track for operation by 2028, supported by a mix of grants, loans, and other investments. Community interest in annexation and participation in local planning discussions has increased. Sewer infrastructure is expected to reshape development potential in Terrebonne. Previously septic-limited lots will become viable for increased residential and commercial development. At the same time, there are unresolved questions about zoning flexibility, development standards, and lot area requirements.</p>	<p>Develop a scope of work with a community engagement plan that includes:</p> <ul style="list-style-type: none"> • Aligning County policy with forthcoming sewer infrastructure; • Providing clearer development expectations for residents and applicants; • Ensuring that community character, stormwater, transportation, and public improvements are considered in tandem with growth. <p>An updated plan could inform future actions: re-evaluation of land use designations and zoning standards, updated development standards for sidewalks, stormwater, and housing types, and coordination with TSD, the City of Redmond, and ODOT to align land use policy with sewer phasing.</p> <p><u>Timeline:</u> If initiated, the project could start in the fall and span approximately 12 to 18 months. Amendments to the Terrebonne rural zone could follow.</p>

² SB 83 directs the State Fire Marshall to develop an optional defensible space model code for local governments.

Project	Background	Deliverable(s)
<p>High Desert Lands</p>	<p>Applicant-initiated nonresource land amendments (zoning out of the Exclusive Farm (EFU) Use zone) continue to generate controversy and litigation. Quite often, Board decisions are appealed to the Land Use Board of Appeals and the Oregon Court of Appeals</p> <p>In the 2025 Legislative session, two bills which were ultimately unsuccessful (SB 73 and SB 79), attempted to limit a property owner's ability to rezone out of EFU. Testimony before legislative subcommittees in support of the bills cited recent zone changes in Deschutes County.</p> <p><u>Opportunity</u></p> <p>There is an opportunity to draft a scope of work for a "High Desert Lands" program that could be brought in the fall for Board consideration.</p> <p>If initiated, it could allow planners to facilitate community conversations. Topics of discussion could include discussing the concept of a new High Desert Zone, specific development standards in Rural Residential Exception Areas, and/or state enabling legislation that would apply exclusively to future applicant-initiated nonresource land amendments.</p> <p>For further context, a High Desert Zone adopted first into the Comprehensive Plan and then later in Zoning Code, would apply to future applicant-initiated plan and zone change applications. Applicants that successfully demonstrated their subject property had a predominance of Class 7 and 8 soils AND were not suitable for other farm uses, would be required to zone into a High Desert Zone, subject to specific permitted and conditional rural uses and customized development standards.</p>	<p>Develop a scope of work for the Board's consideration in the fall that includes:</p> <ul style="list-style-type: none"> • Community conversations in Sisters, Redmond, Bend, and Alfalfa. • Stakeholder meetings with agencies, organizations, property owners, land use attorneys, etc. • Discussions of the origins of EFU zoning in Deschutes County in the 70s and 80s. • Citations of state law and local code that permit property owners on a case-by-case basis to zone out of EFU. • Locations of acknowledged nonresource land amendments. • Discussions centering around: <ul style="list-style-type: none"> ○ High Desert Land rural uses. What are they? What should be permitted or allowed conditionally? ○ High Desert development standards (ex. minimum lot/parcel sizes, cluster and open space requirements, fire hardening, shared wells requirements, setbacks, additional standards if properties are proximate to UGBs, hours of operation for non-residential uses, etc.). • A white paper summarizing the results of the community conversation with recommendations for next steps. <p><u>Timeline:</u> If the scope of work is approved, the project would start in the fall and span approximately 8 to 12 months.</p>

IV. DEFERRED PROJECT

Newberry Country Plan Update

Last year, the Board expressed a preference for updating the Newberry Country Plan ahead of the Terrebonne Community Plan. Since then, certain circumstances listed below warrant deferring the project for at least a year. Timing the Newberry Country Plan update with one or more catalytic events is important for maximizing community engagement. SB 1154, and the opportunity for an area-wide Goal 11 Exception, and Newberry Neighborhood Land Sales are two examples that can galvanize residents around prominent issues facing the region: groundwater protection, municipal water, and sewerage.³

- U.S. Environmental Protection Agency (EPA) Grant Not Awarded

CDD's application for an EPA Community Change Grant, proposed for Southern Deschutes County, was not selected for funding. Last year, in coordination with NeighborImpact, Central Oregon Intergovernmental Council, and Oregon Department of Environmental Quality (DEQ), CDD requested approximately 20 million for septic system improvements, home weatherization and rehabilitation, air curtain burners, defensible space, and domestic well repairs.

- SB 1154, Ground Water Quality Concern Areas

The Legislature adopted SB 1154 on June 27, 2025. The bill awaits the Governor's signature. It modifies existing state law concerning Ground Water Quality Concern Areas. The new law streamlines Ground Water Concern Area declarations once contaminants like nitrates are found in groundwater, allowing the state to provide a quicker response. Once a declaration is made, likely by DEQ and its Environmental Quality Commission, Goal 11 Exceptions are waived, allowing a county to enter into an agreement with a city, water, or wastewater district to provide water or wastewater services for residential dwellings.

- Newberry Neighborhood Land Sales

In November 2024, Deschutes County's Property Manager listed Quadrants 2a and 2d with NAI Cascades for sale. Quadrant 2a's list price for 19.57-acres is \$1,467,750 (\$75,000/acre). For Quadrant 2d, which consists of 17.66-acres, the list price is \$1,324,500 (\$75,000/acre). The County has received no offers to date.

V. OTHER PROJECTS NOT YET INITIATED

Table 3 lists long range planning projects for consideration that have not been initiated. It recognizes staffing resource requirements for each project. They range from "minor" (2 to 6 months) to "significant" (6 to 12 months).

³ When Quadrants 2a and/or 2d are eventually sold, proceeds will be reinvested in groundwater protection for the La Pine subbasin.

Table 3 – Non-initiated Long Range Planning Projects

Project	Summary	County Resources
<i>Clear & Objective Housing Standards</i>	Amendments to Deschutes County Code related to multi-family development, site plan review, conditional use permits, and the airport safety combining zone.	Moderate
<i>Urbanization Coordination for Land Divisions near UGBs</i>	Numerous land use applications for plan amendment/zone changes have resulted in significant areas being rezoned from EFU to rural residential (either RR-10 or MUA-10). For properties closer to the Bend UGB, it is important to anticipate future urbanization to ensure orderly development once those properties are annexed into the City of Bend. This project would explore code amendments that require land divisions to be completed as cluster developments within a certain distance-likely two miles-of a UGB. This change could allow some rural development now while retaining the greater proportion of a site for future urban development. \$25,000 in DLCD grant support is available.	Moderate
<i>Zoning Text Amendments</i>	<ul style="list-style-type: none"> • Allow “self-serve” farm stands in Rural residential Exception Areas 	Minor
	<ul style="list-style-type: none"> • Childcare facilities in Industrial Zones 	Moderate
	<ul style="list-style-type: none"> • Define family for unrelated persons HB 2538, Non-familial Individuals 	Minor
	<ul style="list-style-type: none"> • Forest Zone Code – Review for compliance with OAR 	Moderate
	<ul style="list-style-type: none"> • Lot Line Adjustments and Re-platting 	Moderate
	<ul style="list-style-type: none"> • Outdoor Mass Gatherings update 	Moderate
	<ul style="list-style-type: none"> • Section 6409(a) of the Spectrum Act 	Minor
	<ul style="list-style-type: none"> • Sign code to become consistent with federal law 	Moderate
	<ul style="list-style-type: none"> • Title 19, 20, 21—Language related to Class I, II, and III road projects as allowed uses 	Minor
	<ul style="list-style-type: none"> • Title 22—Procedures Ordinance for consistency with state law and planning department interpretations 	Minor
	<ul style="list-style-type: none"> • Wetland Regulation Clarification for Irrigation or Artificially Created Wetlands 	Significant

VI. DIRECTION

Staff requests the Board prioritize long range planning projects for FY 2025-26. Given the level of interest in the work plan, the Board may choose to provide direction to CDD at a subsequent meeting in August.