

**MEMORANDUM**

**DATE:** November 30, 2021

**TO:** Deschutes County Planning Commission

**FROM:** Peter Russell, Senior Transportation Planner

**RE:** December 9, 2021, Small-Scale Rural Economic Development Opportunities Panel Discussion with Practicing Farmers and Ranchers

The Planning Commission (PC) will hear from a panel selected by the High Desert Food and Farm Alliance (HFFA) to discuss their preferences for potential changes in how Deschutes County approaches certain ancillary and subordinate land uses on Exclusive Farm Use (EFU) lands. The PC held an October 14 panel discussion on Rural Economic Development Opportunities with representatives from state agencies, Oregon Farm Bureau, High Desert Food and Farm Alliance (HDFAA), and County staff.<sup>1</sup> The PC on October 28 discussed a matrix prepared by staff that identified issues and possible remedies, based on the Oct. 14 panel discussion.<sup>2</sup> The intent of the October 28 meeting was that the PC would ultimately forward recommendations to the Board of County Commissioners.

**I. BACKGROUND**

At the October 28 PC meeting, staff briefly recapped the June 28, 2021, white paper on Rural Economic Development Opportunities in Deschutes County. Staff presented it to the Board on June 28, 2021, and to the Planning Commission on July 8. The white paper formed the foundation of the October 14 panel discussion and the matrix then presented at the October 28 meeting. Besides citing Oregon Revised Statutes (ORS), Oregon Administrative Rules (OAR), and zoning, the white paper identified other contributing factors such as septic issues, building codes, and rural demographics.

**II. MATRIX MAIN THEMES**

Staff organized the matrix by three themes: changes the Planning Division can do without outside approval; changes that would require Board approval; and changes that would require changes to state law or administrative rule. The options are presented in Table 1 below. These all relate to land

<sup>1</sup> <https://www.deschutes.org/bc-pc/page/planning-commission-4>

<sup>2</sup> <https://www.deschutes.org/bc-pc/page/planning-commission-5>

use; other factors are septic requirements, state building code, commercial kitchens, traffic, demographics, and potential transportation system development charges (SDCs).

**Table 1 POTENTIAL OPTIONS AND AUTHORITY**

<b>Option</b>	<b>Planning Division</b>	<b>Board of County Commissioners</b>	<b>State</b>
Prioritize agriculture or agricultural-related land use applications	Internal decision, but would check with Board beforehand	Provide input to Planning Division	No formal role
Outreach to Realtors to educate about living near a working farm or ranch	Internal decision	No formal role	No formal role
Accept private party text amendment to change commercial activities in conjunction with farm use from conditional to outright permitted use	Process text amendment, but recommendation to Board would come from Hearings Officer	Approve text amendment changing commercial activity in conjunction with a farm use from a conditional use to an outright permitted use	DLCD can participate in hearing process; Land Use Board of Appeals (LUBA) hears any appeal of Board decision
Accept private party text amendment to prohibit nonfarm dwellings	Process text amendment, but recommendation to Board would come from Hearings Officer	Approve text amendment prohibiting nonfarm dwellings	DLCD can participate in hearing process; Land Use Board of Appeals (LUBA) hears any appeal of Board decision
Lower land use fees or subsidize selected agriculture or agricultural-related land use applications	CDD Director and/or Planning Manager could comment on +/- of proposal	Board has authority to set fees, but requires public hearing; Board can also choose to subsidize	No formal role
Re-examine "incidental and subordinate" income test, currently set at 40% for agri-tourism and commercial activity. Other aspects are frequency, duration, intensity, spatial area, etc. of the use	Requires a land use application in which the "incidental and subordinate income" issue is a key aspect. Other factors are nature, intensity, and value of the proposed use. Needs Hearings Officer recommendation.	Board reviews the HO's recommendation on the land use application and, if approved, can make findings regarding the income test for agri-tourism and commercial activity in conjunction with a farm use.	DLCD can participate in hearing process; Land Use Board of Appeals (LUBA) hears any appeal of Board decision

**Table 1 POTENTIAL OPTIONS AND AUTHORITY (con't)**

Option	Planning Division	Board of County Commissioners	State
Change administrative rules for activities allowed on EFU-zoned lands	No formal role	Can provide comment to DLCD	Revise OAR Chapter 660 Division 033
Change state law for farm labor housing allowed on EFU lands	No formal role	Can provide comment on proposed bill(s)	Revise ORS 215.213 and/or 215.283
Change 25% cap on income from sales on incidental items and promotional events for farm stands and wineries	No formal role	Can provide comment on proposed bill(s)	Revise OR 215.283(1)(o)(A)
Change state law to add meaderies to allowed uses	No formal role	Can provide comment on proposed bill(s)	Revise ORS 215.283

### **III. PURPOSE OF TONIGHT'S MEETING**

The PC will hear from a panel selected by the HDFFA. Panelists can relay their preferences for potential changes identified by staff as well as suggestions from the panelists themselves. The panelists all have experience with the challenges of small-scale entrepreneurial enterprises related to agriculture as well as farming and/or ranching in Deschutes County.

### **IV. NEXT STEPS**

At the conclusion of the HDFFA panel, staff seeks a recommendation from the PC to the Board on which, if any, revisions for the Board to consider. These can include changes to County development code or processes, fees, Board subsidies, or Board lobbying for State statutes and/or State laws or other concepts which may have emerged from the HDFFA's panel discussion with the PC. Staff will provide a summary to the Board of the PC's discussion and recommendations. The Board meeting will occur December 20.