



## CITY COUNCIL MEETING STAFF REPORT

<b>Meeting Date:</b> April 21, 2025		<b>Subject:</b> Climate Friendly and Equitable Communities (CFEC) Parking Compliance and Standards Reform	
		<b>Staff Member:</b> Daniel Pauly, Planning Manager	
		<b>Department:</b> Community Development	
<b>Action Required</b>		<b>Advisory Board/Commission Recommendation</b>	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input checked="" type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable	
		<b>Comments:</b> N/A	
<b>Staff Recommendation:</b> Provide requested input on draft Development Code updates and the additional information provided regarding Option 2 for “Parking B” compliance.			
<b>Recommended Language for Motion:</b> N/A			
<b>Project / Issue Relates To:</b>			
<input type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input checked="" type="checkbox"/> Not Applicable Required by State law	

### ISSUE BEFORE COMISSION

The City Council will be introduced to proposed Code amendments to comply with Climate Friendly and Equitable Communities (CFEC) “Parking A” requirements and Option 1 for “Parking B” compliance (Attachment 1). In addition, staff have provided additional details regarding “Parking B” Option 2 for Council review as requested at the prior work session on this topic.

## EXECUTIVE SUMMARY:

In the previous work session, the Council (1) received an introduction to the CFEC Parking Compliance and Standards Reform project and its purpose and (2) provided preliminary guidance to the project team on which compliance option for “Parking B” to choose.

As a refresher, the primary driver of the CFEC Parking Compliance and Standards Reform project is the State Climate Friendly and Equitable Communities (CFEC) Program. On March 10, 2022, Governor Kate Brown issued Executive Order 20-04, directing state agencies to reduce climate pollution. Executive Order 20-04 was in response to Oregon not meeting its climate pollution reduction goals, one of which was adopted in 2007 by state legislators to reduce the state’s climate pollution by 75% by 2050. In response, the Oregon Land Use Conservation and Development Commission (LCDC) developed, and the State adopted, updates to Oregon’s transportation and land use planning administrative rules (OARs). These new OARs and local government compliance with them are the core of the CFEC program.

Among the CFEC requirements is parking reform as laid out in OAR 660-012-0400 through 660-012-0450 (CFEC Parking Rules). The CFEC Parking rules aim to remove or substantially reform minimum parking requirements in local government codes based on the State’s findings that minimum parking requirements overproduce parking leading to, among other things, inefficient land use, less walkability, and more pollution from driving.

The CFEC Parking Rules are broken into two phases, referred to by the State as “**Parking A**” and “**Parking B.**” **Parking A** rules are a set of rules already in effect superseding Wilsonville’s Development Code, and the City has been applying them since the effective date and prior to the City Code being updated. As discussed in prior work sessions, the most impactful part of the Parking A rules for Wilsonville is the transit proximity rule that supersedes parking minimums in the Development Code for much of the City, including Frog Pond and Town Center. The only substantial areas of the City not covered by this transit proximity rule are Charbonneau, the western 2/3 of Villebois, and industrial areas in northwest Wilsonville. The current project will update the City’s Development Code to be congruent with Parking A rules, but no decisions are left to be made regarding these rules.

**Parking B** rules require additional reform not yet completed by the City. This reform is the focus of the current project. Parking B requires (1) the City to choose one of three options (see table below) for parking reform related to minimum parking requirements and (2) institute design regulation improvements, such as tree canopy requirements, for parking areas.

### Parking B Compliance Options

The table below summarizes how the different Parking B options would impact different areas of Wilsonville. In the prior work session, Council expressed support to move forward with Option 1. Option 1 provides uniform standards throughout the City, has the lowest implementation cost, and would not result in a significantly different amount of provided parking when compared to the more involved and more expensive Options 2 and 3.

### Parking B Parking Options Related to Different Areas of the City

Area of the City	Option 1	Option 2	Option 3
Majority of City subject to Parking A Transit Proximity rule including Town Center and Frog Pond	No parking minimums required	No parking minimums required	No parking minimums required
Charbonneau and Western 2/3 of Villebois (built-out residential areas), and Northwest Industrial Areas	No parking minimums	<ul style="list-style-type: none"> <li>• Able to enforce parking minimums</li> </ul> Implement at least two of the following: <ul style="list-style-type: none"> <li>• Parking spaces leased/sold separately from housing units or leased commercial space (enforced by City)</li> <li>• No more than ½ space per unit required for multi-family</li> <li>• Tax revenue from parking spaces</li> <li>• Flexible commute benefit for more than 50 employees</li> </ul>	<ul style="list-style-type: none"> <li>• Able to enforce parking minimums</li> </ul> Implement all of the following: <ul style="list-style-type: none"> <li>• No minimum parking required for a variety of specific uses including small sites, vacant buildings, small homes, historic buildings, etc.</li> <li>• No additional parking for changes in use</li> <li>• District management of on-street parking or lease multi-family parking and housing units separately</li> </ul>

While the Council supported moving forward with Option 1, the Council also wanted to better understand the menu of policies under Option 2. Below is more detail on the Option 2 policy menu. For each menu item, more details are provided about the requirements from the Oregon Administrative Rules (OAR) 660-012-0445 (Attachment 2) as well as the level of effort for City implementation. If the City selected Option 2, at least two of these items would need to be selected for adoption.

1. Parking spaces leased/sold separately from housing units or leased commercial space. Also referred to as “unbundled parking,” this represents two separate menu items in the OARs: (A) residential and (B) commercial. If Option 2 was pursued, the City could select either residential or commercial unbundling, or both. Cities are responsible for implementing unbundled parking and would enforce this in new leases or renewals. Existing leases would not be subject to the requirement until they are renewed. Currently, the City is not party to and does not review commercial or residential leases. A mechanism does not currently exist to review these documents. While unbundling parking is a relatively easy to understand and a straightforward requirement, it would take substantial City effort to implement and enforce. The vast majority of current residential and commercial leases in the City include bundled parking, meaning they provide ample parking as an amenity with no specific lease discussion and no specific parking designated for each tenant. Substantial City staff effort would be needed to educate property owners and leasing agents about the requirements, set up a compliance monitoring and reporting system, set up a process to participate in the creation and renewal of leases, and enforce non-compliance. It is unknown how the City could ensure it reviewed all new leases for compliance. Such a program for residential or commercial, or both, is likely to require a substantial amount of a full-time-equivalent (FTE) staff position, which would be a significant cost.
2. Flexible commute benefits for more than 50 employees. This menu item from the OARs would be a requirement for employers with 50 or more employees who provide free or subsidized parking to their employees, which is assumed to be the vast majority, if not all, of the large employers in Wilsonville. These employers would be required to have a specific, State-defined, flexible commute benefit: providing to employees who regularly commute via modes that do not require the use of parking, the greater of either \$50 per month or the fair market value of the provided parking. The City would be responsible for ensuring employer participation. The City currently has a flexible commute program through SMART, but it is a voluntary program focused on outreach and incentives, rather than a mandatory program. While a new mandatory program could potentially be wrapped in with the current voluntary program, the effort to educate all covered employers and ensure compliance would be a substantial new task for program staff. Also, the City would be an employer subject to the requirement and would need to ensure its current transit pass partial reimbursement program meets the requirement.
3. No more than ½ space per unit required for multi-family development. In the limited areas outside the transit-proximity areas, this menu item would change the required per unit multi-family parking space to one space for every two units. The City’s current code requirements range from 1 to 1.75 per unit, dependent on the size of the unit and total number of units. While the ½ space per unit is greater than the no space requirement in Parking B Option 1, neither requirement is anticipated to change much what is built in the limited area of applicability. This menu item would be easy to implement by writing it into the Development Code as part of the current update. It would then have no additional administrative costs as it would be implemented during the existing development review process.

4. Tax revenue from parking spaces. This menu item involves a ten percent or more tax levied by the City on revenue from commercial parking lots. OAR defines “commercial parking lot” as a site where the primary use is renting or leasing vehicle parking spaces. It does not include shared parking. No current commercial parking lots meeting this definition exist in the City or are anticipated in the foreseeable future. The City would have administrative costs to set up and administer the tax program; if taxable parking businesses existed, the administrative costs could be covered by the revenue. The City could set up a program in Code, subject to implementation when future commercial parking lots are developed.

A nuance of the Option 2 menu is that one of the selected menu items must be either unbundled parking for residential, unbundled parking for commercial, or the flexible commute benefit. The City could not just select reduced multi-family parking and tax revenue on commercial parking spaces. Based on Council feedback to date, coupled with the additional analysis, City staff and Planning Commission continue to recommend Option 1. However, at the work session, staff welcomes discussion from the Council regarding Option 2 and these menu items.

#### Parking B Parking Design Reforms

In addition to code edits to integrate Parking A requirements and the selected Parking B option, Parking B requires reforms related to parking lot design. The project team has drafted relevant Development Code amendments and provided an explanation of compliance with all applicable OARs (Attachment 1). Highlights of the draft parking design reform amendments include:

- New policies for redevelopment of underutilized parking;
- Updated standards around shared parking;
- Added and modified standards to comply with State rules related to tree canopy cover and solar panel development in larger parking areas; and
- Addition of more parking maximums.

The Planning Commission reviewed the draft Code amendments at their April 9 work session. While the results of the discussion were not available prior to publication of this report, their feedback will be shared during the work session. The project team requests the Council review the materials and come prepared with questions and any suggested edits or policy direction.

#### ***Discussion Question:***

- What additional thoughts does the Council have on Parking B Option2? Does the recommendation of pursuing Parking B Option 1 remain?
- What questions and guidance does the Council have on the compliance analysis and draft Development Code updates?

#### **EXPECTED RESULTS:**

Feedback and guidance on the CFEC Parking Compliance and Standards Reform project, including on draft Development Code amendments.

**TIMELINE:**

The Planning Commission and City Council will consider adoption of Development Code standards over the coming months with final action required by June 30, 2025.

**CURRENT YEAR BUDGET IMPACTS:**

The consultant work on the project is funded by a \$20,000 grant from the Oregon Department of Land Conservation and Development (DLCD) with the City covering City staff time.

**COMMUNITY INVOLVEMENT PROCESS:**

Public work sessions are being held by the Planning Commission and City Council in addition to the required public hearings. A public event was held on March 20 to inform the public of the project and seek input on the Code updates.

**POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:**

More efficient use of land and reduction of impacts on the climate. Compliance will enable clearer standards for development and avoids the confusion of City Code that is superseded by conflicting State Rules.

**ALTERNATIVES:**

While alternatives are limited for compliance with some of the State Rules, the City continues to explore available alternatives to best tailor the Development Code updates to Wilsonville's context.

**ATTACHMENTS:**

1. Memo: CFEC Parking Code Updates (April 2, 2025)
2. Oregon Administrative Rules Parking B Option 2 policy menu (March 20, 2025)