



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: February 3, 2025		Subject: Climate Friendly and Equitable Communities (CFEC) Parking Compliance and Standards Reform	
		Staff Member: Daniel Pauly, Planning Manager	
		Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd 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 Comments: Planning Commission has held two work sessions on the topic and their input is reflected in this report.	
Staff Recommendation: Provide requested input on upcoming CFEC Parking Compliance and Standards Reform.			
Recommended Language for Motion: N/A			
Project / Issue Relates To:			
<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 COUNCIL:

This work session will introduce the Climate Friendly and Equitable Communities (CFEC) Parking Compliance and Standards Reform project to the Council. The work session will cover (1) the drivers of the project and (2) the scope. The work session will also seek the Council’s guidance on certain compliance options to inform upcoming Development Code amendments.

EXECUTIVE SUMMARY:

The primary driver of the Climate Friendly and Equitable Communities (CFEC) Parking Compliance and Standards Reform project is the State Climate Friendly and Equitable Communities 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 Conservation and Development Commission (LCDDC) 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). Attachment 1 is a State handout summarizing the CFEC Parking Rules. Other CFEC requirements, such as those around transportation planning, will be the focus of additional City projects in the coming years.

As explained in Attachment 1, 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 over produce parking leading to, among other things, inefficient land use, less walkability, and more pollution from driving.

The CFEC Parking Rules have been challenged in court by various local governments. The City of Wilsonville was aware of the litigation but did not participate. In March 2024 the Oregon Court of Appeals largely rejected local governments' challenges to the rules (Court of Appeals Case Number A180037, *CITY of CORNELIUS et. al. vs DLCD*, decision issued March 6, 2024). On August 8, 2024, the Oregon Supreme Court denied a petition to review, leaving the March Court of Appeals decision in place.

As has been the practice for State requirements with which the City must comply, the project will look at ways to best tailor the parking reforms to the Wilsonville context and community input, and to leverage positive outcomes while complying with State law. This commitment to tailor to Wilsonville's context and find opportunities to continue to encourage quality and functional development is a second primary driver of the project. This is a similar approach as used in other State requirement projects such as the Middle Housing in Wilsonville project.

As shown in Attachment 1, the CFEC Parking Rules are broken into two phases, referred to by the State as "**Parking A**" and "**Parking B**".

Parking A is a set of rules already in effect superseding Wilsonville's Development Code, and the City has been applying them prior to the City Code being updated. Attachment 2 is a handout the City produced to help applicants, staff, decision makers, and other interested parties understand how the Parking A rules impact Wilsonville. Parking A rules limit minimum parking requirements for certain uses, particularly residential uses, and disallow requiring a minimum amount of parking within $\frac{3}{4}$ miles of transit rail stations (like the WES Station on Barber Street) and within

½ mile of the most frequent bus routes in the community (SMART Routes 4 and 2X). This latter transit proximity rule 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 the transit proximity rule are Charbonneau, the western 2/3 of Villebois, and industrial areas in northwest Wilsonville (see map in Attachment 2).

For Parking A rules, the current project seeks to update the City’s Development Code to be congruent with the rules already being applied. Staff notes that while the City does not require a minimum amount of parking in the areas subject to the transit proximity rules, it is also not discouraging parking. Developments submitted under the rules have been considering market demand and the requirements of financing institutions lending on projects to determine how much parking to build.

Parking A rules also include a requirement for a certain amount of electric “EV Ready” parking spaces in new multi-family or mixed-use developments. These requirements are summarized in Attachment 3. Similar to other Parking A rules, this project will update the Development Code to be congruent with the rules already being applied.

Parking B rules require additional reform not yet completed by the City. This reform is the focus of the current project. The original deadline for compliance with Parking B was June 30, 2023, but the City previously requested and was granted an alternative date of June 30, 2025 for compliance. The granting of the alternative date took into account City staff capacity and alignment with the City’s broader long-range work program. As described on Page 2 of Attachment 1, Parking B requires the City to (1) choose one of three options for parking reform related to minimum parking requirements and (2) institute design regulation improvements for parking areas such as tree canopy requirements citywide.

Additional Details and Options For Parking B Compliance

To help the Council understand the different Parking B minimum parking reform compliance options prior to directing staff on which option to pursue, the table below summarizes how the different options would impact different areas of Wilsonville.

As time and budget allows, the project team will also bring forward concepts for parking management strategies beyond the scope of the Development Code. However, certain parking management strategies will require work outside the scope of the current project. Notably, for a majority of the City subject to the transit-proximity rules under Parking A, there is no difference between the three options. The different areas of the City can be seen on page 3 of Attachment 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 minimum parking required	No minimum parking required	No minimum parking required
Charbonneau and Western 2/3 of Villebois (built-out residential areas) Northwest Industrial Areas	No parking minimums	<ul style="list-style-type: none"> • Able to enforce parking minimums (as modified by Parking A requirements) Implement at least two of the following: <ul style="list-style-type: none"> • Parking spaces leased/sold separately from housing units or leased commercial space (enforced by City) • No more than ½ space per unit required for multi-family • City Tax on revenue from parking spaces • Flexible commute benefit provided by employers with more than 50 employees 	<ul style="list-style-type: none"> • Able to enforce parking minimums (as modified by Parking A requirements) Implement all of the following: <ul style="list-style-type: none"> • No minimum parking required for a variety of specific uses including small sites, vacant buildings, small homes, historic buildings, etc. • No additional parking for changes in use • District management of on-street parking or lease multi-family parking and housing units separately

The Planning Commission recommends pursuing Option 1 for Parking B compliance for the reasons listed below, with which City staff concurs. Option 1 is also consistent with the compliance options chosen by nearby jurisdictions with similar circumstances (see Attachment 4).

- Option 1 would provide for consistent regulations Citywide rather than having different standards for a small subset of the City.

- Option 2 or 3 are not likely to have a substantially different outcome than Option 1 in terms of the amount of parking built for the following reasons:
 - Villebois and Charbonneau are built out or close to built out and not anticipated to significantly change in the next couple decades.
 - In no case can the City require substantially more residential parking than would be allowed under Option 1. The Parking A rules require, regardless of Parking B option, that residential development not require more than 1 space per unit. Also, affordable housing and small units (smaller than 750 square feet) are exempt regardless of the option chosen.
 - Industrial development historically provides ample parking due to market and underwriting requirements. For example, the recent approval of an additional industrial building for the Parkworks Campus was in an area subject to the transit proximity exemption. The application proposed 262 parking spaces. Even without the transit proximity exemption, Parkworks would have only required 191 parking spaces. As another example, the new Precision Countertops headquarters in the Coffee Creek industrial area required 61 parking spaces and proposed 71 parking spaces.
- Options 2 and 3 involve additional regulations and administrative costs with, as explained above, very limited impact. The administrative cost would both be for the City, property owners, and the business community. Implementing unbundling of the sale or lease of parking from the associated residential or commercial use would require substantial staff time to both educate the community and equitably enforce. It would require active management by the property owners to lease them separately. Any new tax, such as the optional tax on parking revenue, would require City staff to administer and enforce, and businesses to provide resources to track and pay. A parking management district as required under Option 3 would also require City staff to administer, patrol, and enforce in cooperation with property owners and businesses.

At this work session Staff seeks to understand if the Council concurs with the recommendation to pursue Option 1, or if the Council sees merit to further explore Option 2 and/or 3.

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. Attachment 5 provides a high-level overview of the expected Development Code edits regarding these design reforms. Highlights include:

- Add new policies for redevelopment of underutilized parking;
- Update standards around shared parking;
- Add and modify standards to comply with State rules related to tree canopy cover and solar panel development in larger parking areas; and
- Review and potentially update parking maximums.

Based on the feedback previously received from the Planning Commission and tonight's feedback from City Council, the project team will move forward with drafting code edits and seeking public comment on specific elements of the Development Code amendments. As the project progresses the project team will look at ways to best tailor the parking reforms to the Wilsonville context and community input while complying with State law.

Discussion Question:

- What questions does the City Council have about the reasons (drivers), purpose, and scope of the CFEC Parking Compliance and Standards Reform project?
- Does the City Council concur with the recommendation of pursuing Option 1, remove parking minimums, for the Parking B compliance option, or does the Council see merit in further exploration of Options 2 and/or 3?
- What questions and guidance does the City Council have on the likely needed Development Code updates described in Attachment 3?

EXPECTED RESULTS:

Feedback and guidance on the CFEC Parking Compliance and Standards Reform project, including which parking minimum compliance option to pursue under Parking B reform requirements.

TIMELINE:

The Planning Commission and City Council will consider this 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 will be held by the Planning Commission and City Council in addition to public hearings. A public event is planned within the next couple months 2025 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 avoid 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 will explore available alternatives to best tailor the Development Code updates to Wilsonville's context.

CITY MANAGER COMMENTS:

N/A

ATTACHMENTS:

1. DLCD Parking Reform Summary (August 9, 2023)
2. City of Wilsonville Guide to Oregon Administrative Rules Superseding Parking Requirements in Wilsonville's Development Code (January 19, 2023)
3. City of Wilsonville Guide to Oregon Statute and Administrative Rules Requiring "Electric Vehicle Ready" Development (May 30, 2023)
4. List of Parking B minimum parking compliance options by nearby cities.
5. Other Parking Reform Analysis (December 27, 2024, updated January 23, 2025)