



## CITY COUNCIL MEETING STAFF REPORT

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| <b>Meeting Date:</b> August 4, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                  | <b>Subject: Ordinance No. 899 – 2<sup>nd</sup> Reading</b><br>Climate Friendly and Equitable Communities (CFEC)<br>Parking Development Code Amendments<br><br><b>Staff Member:</b> Daniel Pauly, Planning Manager<br><br><b>Department:</b> Community Development |  |
| <b>Action Required</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                  | <b>Advisory Board/Commission Recommendation</b>                                                                                                                                                                                                                   |  |
| <input checked="" type="checkbox"/> Motion<br><input type="checkbox"/> Public Hearing Date:<br>July 21, 2025<br><input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date:<br>July 21, 2025<br><input checked="" type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date:<br>August 4, 2025<br><input type="checkbox"/> Resolution<br><input type="checkbox"/> Information or Direction<br><input type="checkbox"/> Information Only<br><input type="checkbox"/> Council Direction<br><input type="checkbox"/> Consent Agenda |                                                  | <input checked="" type="checkbox"/> Approval<br><input type="checkbox"/> Denial<br><br><input type="checkbox"/> None Forwarded<br><br><input type="checkbox"/> Not Applicable                                                                                     |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                  | <b>Comments:</b> During a public hearing on June 11, 2025, Planning Commission unanimously recommended adoption of the proposed Development Code amendments.                                                                                                      |  |
| <b>Staff Recommendation:</b> Adopt the proposed Development Code amendments consistent with the Planning Commission recommendation.                                                                                                                                                                                                                                                                                                                                                                                                  |                                                  |                                                                                                                                                                                                                                                                   |  |
| <b>Recommended Language for Motion:</b> I move to adopt Ordinance No. 899 on second reading.                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                  |                                                                                                                                                                                                                                                                   |  |
| <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<br>Required by State law                                                                                                                                                                                       |  |

### ISSUE BEFORE COUNCIL

Consideration of approval of the Climate Friendly and Equitable Communities (CFEC) Parking Development Code Amendments.

## EXECUTIVE SUMMARY:

The Climate Friendly and Equitable Communities (CFEC) Parking Compliance and Standards Reform Project is primarily driven by the State's CFEC Program. On March 10, 2022, Governor Kate Brown issued Executive Order 20-04, directing state agencies to take action to reduce climate pollution. This order was issued in response to Oregon's failure to meet its climate pollution reduction targets, including a 2007 legislative goal to cut statewide emissions by 75% by 2050. In alignment with this directive, the Oregon Land Conservation and Development Commission (LCDC) developed and adopted updates to the state's transportation and land use planning administrative rules (OARs). These updated OARs—and the requirement for local governments to comply with them—form the foundation of the CFEC Program.

Among the key requirements of CFEC is parking reform, as outlined in OAR 660-012-0400 through 660-012-0450. These CFEC Parking Rules are designed to eliminate or significantly reduce minimum parking requirements in local development codes. The State of Oregon found that such requirements often lead to an oversupply of parking, which contributes to inefficient land use, reduced walkability, and increased greenhouse gas emissions from vehicle use.

The CFEC Parking Rules are being implemented in two phases, referred to by the State as "**Parking A**" and "**Parking B**." The **Parking A** rules are already in effect and currently override Wilsonville's existing Development Code. The City has been applying these rules in practice, even before formally updating its code. The most significant impact of the **Parking A** rules in Wilsonville is the transit proximity provision, which eliminates minimum parking requirements in areas well-served by transit—defined as within ¼ mile of the most frequent bus service or within ½ mile of a rail transit stop. This provision applies to much of the city, including key areas such as Frog Pond and Town Center. The primary areas not covered include Charbonneau, the western two-thirds of Villebois, and the industrial zones in northwest Wilsonville.

The **Parking B** rules require additional policy decisions and Development Code amendments that the City has not yet completed. Addressing these requirements has been the focus of the current project. While the original State deadline for compliance was June 30, 2023, the City requested and received an extension to June 30, 2025. Although the extension was granted due to staffing constraints, it has also allowed the City to observe how neighboring jurisdictions are implementing the rules and to monitor the outcome of legal challenges. The courts have upheld the rules, and no further appeals are possible.

**Parking B** requires the City to (1) select one of three options for reforming minimum parking requirements, and (2) implement enhanced design standards for parking areas, such as tree canopy requirements. The chosen option for minimum parking reform will apply only to areas not already exempt under the Parking A transit proximity rule—specifically Charbonneau, the western two-thirds of Villebois, and the industrial zones in northwest Wilsonville. In contrast, the design regulation improvements will apply citywide.

The table below summarizes how each of the **Parking B** options would affect different areas of Wilsonville.

### 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)<br>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> |

Following staff analysis, a public open house, and discussions at Planning Commission and City Council work sessions, the City has chosen Option 1 to comply with **Parking B** minimum parking standards. This decision is based on several key considerations:

- **Citywide Consistency:** Option 1 ensures uniform regulations across Wilsonville, avoiding the complexity of applying different standards to a small subset of the city.
- **Comparable Outcomes:** Options 2 and 3 are unlikely to result in significantly different parking outcomes for a couple of primary reasons. First, the residential areas that would be subject to Options 2 or 3, particularly Villebois and Charbonneau, are largely built out and not expected to undergo major redevelopment in the foreseeable future. Additionally, for residential areas, all options are subject to the same Parking A rule limiting residential parking requirements to no more than one space per unit and affordable housing and small units (under 750 square feet) are exempt from minimum parking requirements. Second, while the industrial areas on the northeast edge of the City have substantial development capacity, industrial developments tend to exceed minimum parking requirements due to market and financing expectations, limiting any impact of City minimum parking requirements. For example:

- The recently approved Parkworks Campus expansion, located within a transit proximity exemption area, proposed 262 parking spaces—well above the 191 that would have been required without the exemption.
- The new Precision Countertops headquarters in the Coffee Creek industrial area required 61 spaces and proposed 71.
- **Administrative Efficiency:** Options 2 and 3 also introduce additional regulatory and administrative burdens. Implementing unbundled parking would require significant staff time for community education and enforcement. A parking revenue tax would necessitate new administrative systems. Option 3's requirement for a parking management district would further increase staffing needs for oversight, enforcement, and operations.

In addition to amending the Development Code to incorporate the Parking A requirements and the City's selected Parking B option, CFEC also requires citywide climate-friendly parking lot design standards. Key components of these design standards include:

- Removing barriers to the redevelopment of underutilized parking areas;
- Implementing "EV Ready" infrastructure requirements;
- Reducing parking maximums for certain land uses;
- Updating bicycle parking standards; and
- Revising tree canopy requirements, including provisions that allow solar panels as a partial alternative to tree coverage.

#### **Conclusion:**

The project team has prepared Development Code amendments that reflect the input received to date, including policy direction from City Council at the most recent work session on this topic, and the necessary policy changes to comply with State law (Exhibit A to Attachment 1). The project team has also prepared a Findings Report supporting the adoption of the Development Code amendments by City Council, including findings regarding compliance with the CFEC Rules (Exhibit B to Attachment 1). The Planning Commission duly considered the proposed amendments and unanimously recommend approval to City Council (Exhibit C to Attachment 1).

#### **EXPECTED RESULTS:**

Adoption of the CFEC Parking Development Code amendments.

#### **TIMELINE:**

Following the City Council's hearing and first reading on July 21, a second reading is scheduled for August 4. If adopted, the Development Code amendments will take effect on September 3, 2025.

Due to scheduling constraints, the City Council will adopt the Parking B reforms after the June 30, 2025, State deadline. While the Planning Commission took final action on June 11, the Council's calendar and the required 30-day effective period mean the reforms will not take effect until September 3, 2025.

The Department of Land Conservation and Development (DLCD) has advised that the most

restrictive state rules will apply during this interim period extending from July 1, 2025 to September 2, 2025. However, staff anticipates minimal risk, as no development applications are expected that would be significantly impacted by the differences between the current City Code and the State Rules.

Staff anticipate most, if not all, applications during this time would fall under Parking A no-minimums provisions due to transit proximity meaning applications can be processed the same as they have been since Parking A rules came into effect. Even if an application not subject to Parking A is submitted, the risk remains low. The proposed City Code closely aligns with the State Rules, with the primary difference being clarity and ease of use. During the interim developers would need to provide findings responding to the applicable administrative rules rather than the more streamlined City Code.

**CURRENT YEAR BUDGET IMPACTS:**

Consultant work and a vast majority of City staff time was during fiscal year 2024-2025. There is minimal staff time for final adoption during the current fiscal year which is covered by the Planning Division budget.

**COMMUNITY INVOLVEMENT PROCESS:**

In addition to public hearings, the Planning Commission and City Council held public work sessions. A public open house was also held on March 20, 2025, to inform the community about the project and gather input on the proposed code updates. An Outreach Report can be found in the Record that includes more information on the input received during the public survey and public open house (Exhibit C to Attachment 1).

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

Promotes more efficient land use and helps reduce climate impacts, improving the health and resiliency of the community. Compliance also ensures clearer development standards and eliminates confusion caused by City Code provisions that are currently superseded by conflicting State regulations.

**ALTERNATIVES:**

While options for complying with certain State rules are limited, the City has carefully explored available alternatives to ensure the Development Code updates are thoughtfully tailored to Wilsonville's unique context.

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

1. Ordinance No. 899
  - A. Proposed Development Code Amendments – June 2025
  - B. Findings Report
  - C. [Planning Commission No. LP25-0002 and Record](#)