

## STAFF REPORT TO THE DONALD CITY COUNCIL

REPORT DATE: June 2, 2020

MEETING DATE: June 9, 2020

FILES: Annexation #ANX 2020-01 & Zone Change #ZC 2020-01 for “Harvest Gardens”

APPLICANT: GRC Land Holdings, LLC.

REQUESTS: Two concurrent applications:  
1) Annex approximately 61.81 acres into the Donald City Limits.  
2) Zone Change to apply City R7 – Single Family Residential and RM – Multi-Family Residential Zones from County UT-Urban Transition Zone.

NOTE: Along with these Annexation and Zone Change applications, the applicant also submitted concurrent applications for a Subdivision and a Planned Unit Development (PUD). Those two applications are reviewed in a separate staff report and public hearing agenda item to keep the criteria and procedures separate and as clear as possible for decision makers and the public alike.

CRITERIA: Oregon Revised Statutes (ORS) Chapter 222 City Boundary Changes, Oregon Statewide Planning Goals, 1986 City-County UGB IGA, Donald Comprehensive Plan Goals & Policies, Donald Development Ordinance (DDO): 2.103 R7 Zone, 2.104 RM Zone, 3.111 Zone Changes.

PROCEDURES: Zone Changes are Type III Actions. Annexation procedures are detailed in ORS 222. The DDO grants the applicant the opportunity to combine concurrent applications for public hearings. Type III Actions require public notice and public hearings before both the Planning Commission and City Council. The Planning Commission makes a recommendation to the City Council for a final decision. Appeals are to the Oregon Land Use Board of Appeals (LUBA).

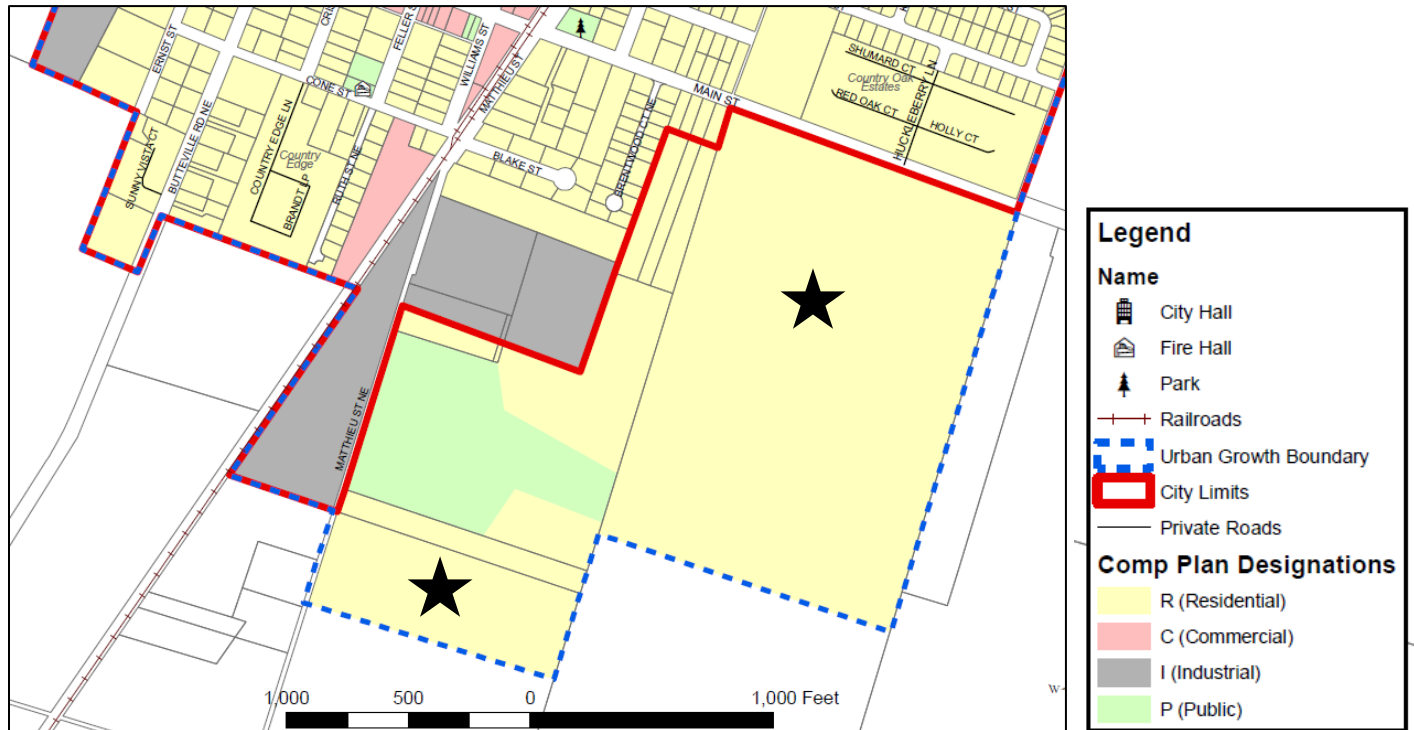
LOCATION:

ADDRESS	TAX LOT	SIZE ACRES	COMP. PLAN DESIGNATION	ZONE CURRENT	ZONE PROPOSED
Main St/ Donald Rd	041W1702600	52 ±	R-Residential	Marion Co. UT- Urban Transition	R7-Single Family Res. & RM-Multi- Family Residential
Matthieu Street	041W2000300	9 ±	R-Residential	Marion Co. UT- Urban Transition	R7- Single Family Residential

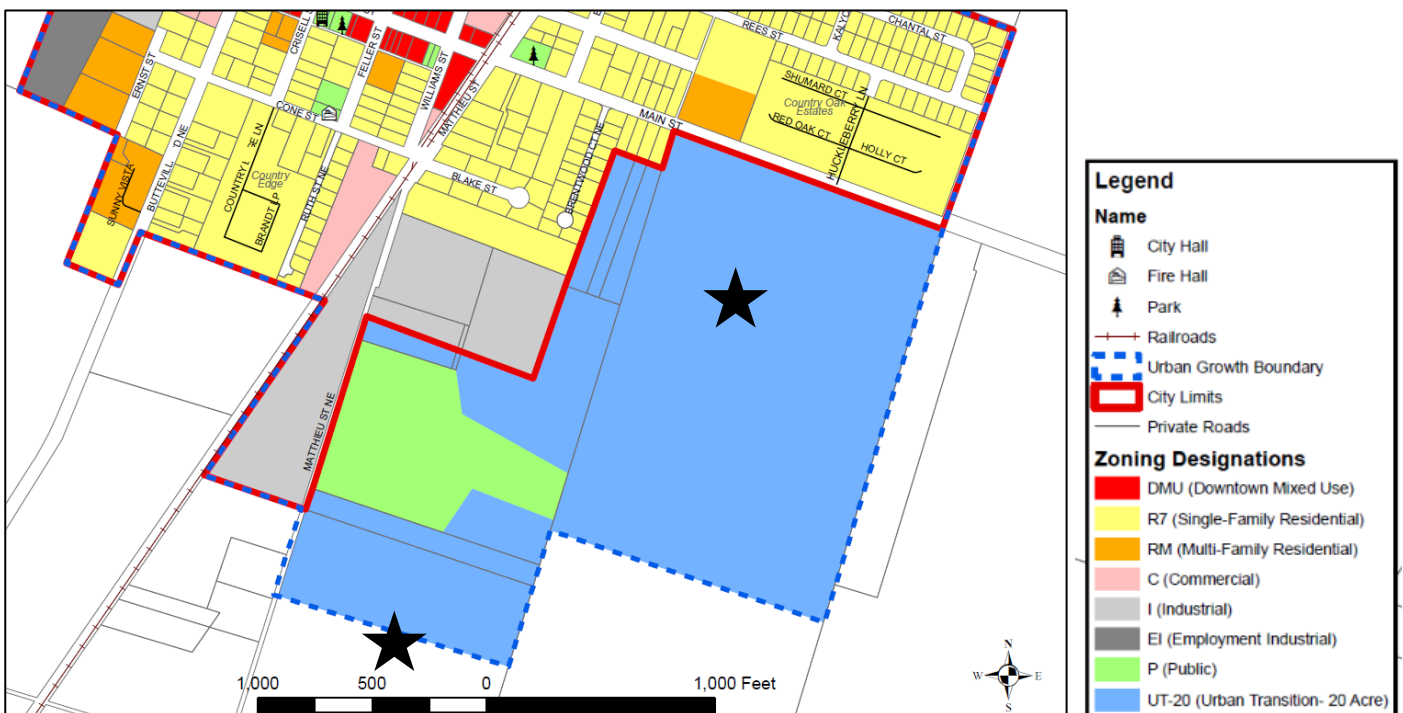
## I. BACKGROUND:

### A. MAPS

MAP 1: DONALD COMPREHENSIVE PLAN LAND USE DESIGNATION MAP (2019) SCREENSHOT



MAP 2: DONALD ZONE MAP (2019) SCREENSHOT

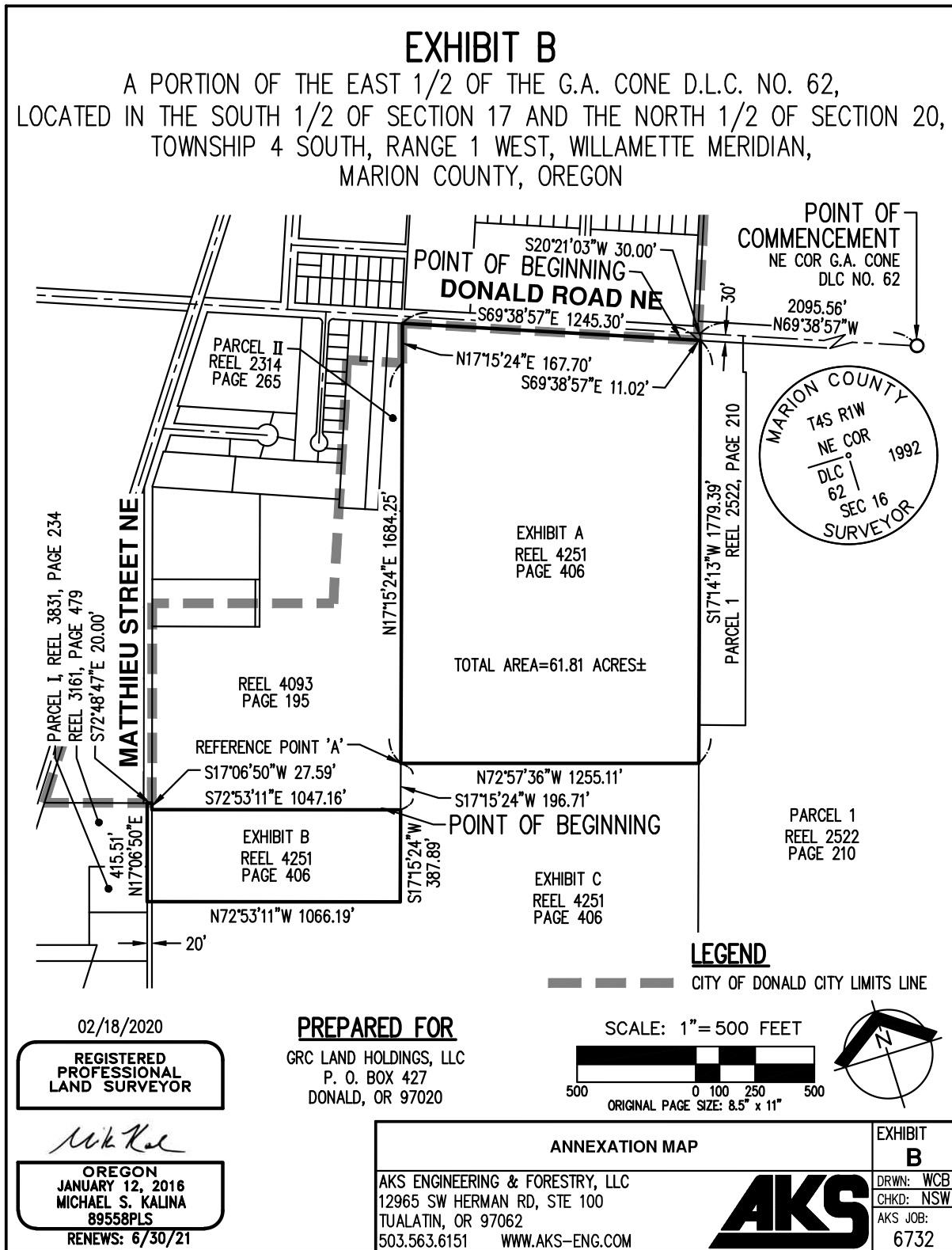




## 2018 DONALD UGB EXPANSION

### Zone Designations: Interim Marion County & Future City of Donald

MAP 4: PROPOSED ANNEXATION, EXHIBIT MAP SUBMITTED BY APPLICANT:



## **B. OREGON LAND USE REFRESHER:**

The Oregon Revised Statutes (ORS) require Oregon Cities to maintain a 20-year land supply for projected residential and employment (commercial and industrial) growth. Population projections are produced by the Population Research Center (PRC) at Portland State University for all cities and counties in the state of Oregon. The tools by which cities calculate and adopt their 20-year land need are called a Buildable Land Inventory (BLI), a Housing Needs Analysis (HNA), and an Employment Opportunities Analysis (EOA). The Oregon land use system is based on a two-map system which includes a Comprehensive Plan Map to document general land use categories (i.e. “Residential” broadly) as a foundation, as well as a Zone Map to document detailed zone districts (i.e. “R7-Single Family Residential”). The two maps are required to be consistent with each other, and acknowledged by the State. Changes to the Zone or Designation of a property must be approved by the local jurisdiction as well as by the Oregon Department of Land Conservation and Development (DLCD). Oregon cities function on a two-boundary system where the City Limits boundary represents the extent of the incorporated service districts of the local government, and the Urban Growth Boundary (UGB) identifies areas designated for future growth, known as the Urban Growth Area (UGA). Properties in the UGA are designated as the next place the City will grow outward.

An annexation is the formal process by which a property is brought from the UGB into the City Limits, in this case, often by petition of the property owner. It is necessary at the time of annexation to also conduct a zone change in order to change the property from Marion County zoning to City of Donald zoning.

## **C. SUMMARY OF DONALD’S PLAN FOR GROWTH:**

In 2015, the City of Donald produced an updated HNA, BLI, and EOA. Those results were adopted into the City’s Comprehensive Plan. Together, they documented that the City of Donald was lacking sufficient residential land supply to support the community’s projected 20-year residential growth. The 2034 population projection for Donald is 2,085 persons. This population projection was adopted by Marion County and the City of Donald through a coordinated process required under state law (ORS 195.036). The City’s UGB expansion study was initiated prior to July of 2017, which was the effective date of the new certified population forecasts produced by the Population Research Center (PRC). The forecasted housing need includes a 25% assumption of land for public facilities such as streets, schools, parks and open space over the 20-year planning period. The HNA determined that 76.7 acres of additional land was needed within the City’s UGB to meet the community’s need for residential development over the next 20 years. The 76.7 acres figure was the resulting balance after taking into account all buildable and redevelopable properties already within city limits.

In 2017-2018, the City of Donald underwent a UGB study and resulting UGB expansion which identified the preferred expansion area adjacent to the City Limits, based upon a number of factors including soil type, ability to serve with City utilities, barriers to development, etc.

The subject properties for these concurrent annexation and zone change applications were both included in the 2018 UGB expansion area, which was formally adopted in City Ordinance #171-2018 and Marion County Ordinance #1392. The total UGB expansion in 2018 was 87.6 acres because an additional 10.9

acres of public designated property containing the stormwater detention area on Matthieu Road was also brought into the UGB.

#### **D. SUMMARY OF PLANNING COMMISSION MEETING:**

On Thursday, May 28, 2020, the Donald Planning Commission held a public hearing for the subject Annexation and Zone Change files. On that evening the Planning Commission received written testimony from three parties and verbal testimony from two individuals. Comments and questions received from members of the public pertained to infrastructure capacity, the alignment of the Huckleberry Road intersection, the density of the proposed development, the loss of valuable farmland, the UGB expansion area selection process, impacts to neighbors, rates, water supply, traffic impacts, traffic connections, and drainage patterns. Questions were addressed by the City Planner, City Public Works, the City Manager, the applicant's engineers, and the City Attorney. Following the closure of public testimony, the Planning Commission deliberated and voted 5-0-0 to recommend approval of the concurrent Annexation and Zone Change applications as presented with the amendments of 1) adopting revised Goal 10 findings to satisfy the FHLO/HLA letter about Donald's adopted housing need by type, and 2) adopting revised condition of approval #5 wording to address a request by the applicant to allow the applicant to begin to build houses prior to the completion of all infrastructure projects, if the bonding/financial assurances section of the DDO are satisfied. This staff report incorporates the requested revisions to Goal 10 findings and Condition of Approval #5.

#### **II. ANALYSIS OF APPLICABLE DECISION CRITERIA: ANNEXATION**

The following sets of criteria should be considered in the review of concurrent annexation and zone change applications:

- Oregon Revised Statutes (ORS) Chapter 222
- City-County UGB IGA, 1986
- Statewide Planning Goals
- Donald Comprehensive Plan
- Donald Development Ordinance (DDO)

#### **A. OREGON REVISED STATUTES (ORS), 2017:**

The Oregon Revised Statutes (ORS) 222.005 through 222.180 govern annexation requirements. The Donald Development Ordinance and Donald Charter are silent on procedure and criteria for processing annexation applications. While the provisions of ORS Chapter 222 regulate annexations, these statutes do not provide any specific decision criteria. Annexations need to be consistent with applicable Comprehensive Plan policies, and the policies or requirements of any other applicable planning documents, such as the Urban Growth Boundary and Policy Agreement Between Marion County and the City of Donald. City policy has been to have the Planning Commission hold a public hearing in regard to annexations and associated land use actions, and to make a recommendation to the City Council for approval or denial.

*ORS Chapter 222 — City Boundary Changes; Mergers; Consolidations; Withdrawals  
ORS 222.111 Authority and procedure for annexation.*



*(1) When a proposal containing the terms of annexation is approved in the manner provided by the charter of the annexing city or by ORS 222.111 to 222.180 or 222.840 to 222.915, the boundaries of any city may be extended by the annexation of territory that is not within a city and that is contiguous to the city or separated from it only by a public right of way or a stream, bay, lake or other body of water. Such territory may lie either wholly or partially within or without the same county in which the city lies.*

APPLICANT RESPONSE: This application is initiated by the property owner of the subject site planned for annexation. The property is currently within unincorporated Marion County and is contiguous to the Donald City Limits. The criterion is met.

STAFF FINDINGS: Staff concurs with the applicant response.

*(2) A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed. ORS 222.120 Procedure for annexation without election; hearing; ordinance subject to referendum.*

APPLICANT RESPONSE: This application is initiated by the property owner of the subject site planned for annexation. The Written Consent Form for annexation to City of Donald is included in Exhibit C. The criterion is met.

STAFF FINDINGS: Staff concurs with the applicant. While the original application included annexation petitions signed by two of the four members of GRC Land Holdings, LLC., the applicant shortly thereafter submitted the other two. This criterion is met.

*ORS 222.120 Procedure for annexation without election; hearing; ordinance subject to referendum.*

*(1) Except when expressly required to do so by the city charter, the legislative body of a city is not required to submit a proposal for annexation of territory to the electors of the city for their approval or rejection.*

*(2) When the legislative body of the city elects to dispense with submitting the question of the proposed annexation to the electors of the city, the legislative body of the city shall fix a day for a public hearing before the legislative body at which time the electors of the city may appear and be heard on the question of annexation.*

APPLICANT RESPONSE: Pursuant to ORS 222.120(1), the legislative body of the City of Donald is not required by charter to submit a proposal for annexation of territory to the electors of the city for their approval or rejection. The property owners of the subject site consent in writing to the annexation and upon submittal of this application a public hearing will be scheduled. The above criterion is met.

STAFF FINDINGS: The City of Donald Charter does not expressly require a proposed annexation of territory to be submitted to the electors of the City for approval or rejection. The Donald Development Ordinance allows an applicant to request to have applications heard concurrently. The applicant has

requested that the Annexation and Zone Change applications should be processed concurrently, consistent the procedures of a Type III Action, which requires public hearings before both the Planning Commission and City Council. Those public hearings have been scheduled for May 28<sup>th</sup> and June 9<sup>th</sup> respectively, and public notice provided as detailed below. This procedure has been satisfied.

*(3) The city legislative body shall cause notice of the hearing to be published once each week for two successive weeks prior to the day of hearing, in a newspaper of general circulation in the city, and shall cause notices of the hearing to be posted in four public places in the city for a like period.*

**STAFF FINDINGS:** A notice of public hearings before both the Donald Planning Commission and City Council was published in the Woodburn Independent on May 13 and May 20, 2020. These were the two weeks prior to the first public hearing. The City provided notice of the public hearing on their website, in their monthly newsletter, on the message board in front of City Hall, and in posted paper notices. Public notice is addressed again in Goal 1 findings below. This procedure has been satisfied.

**ORS 222 CONCLUSIONS:** Staff finds that the pertinent authority and procedure sections of the ORS Chapter 222 have been satisfied through the subject annexation application procedures to date.

## **B. CITY – COUNTY URBAN GROWTH BOUNDARY AND POLICY AGREEMENT, 1986**

The UGB Intergovernmental Agreement from 1986 details how the City and County will coordinate on the management of lands within Donald’s UGB. The document is consistent with the policy of Goal 14 Urbanization, for the County and City to work cooperatively when establishing and changing the UGB.

The Urbanization Policies contained within the 1986 IGA shall be consistent with the Oregon State Laws, the Marion County Comprehensive Plan, and the Donald Comprehensive Plan. Applicable urbanization policies of the IGA state:

- 1) The County shall retain responsibility for regulating land use on lands within the UGB until such lands are annexed by the City. The urban growth area has been identified by the City as urbanizable and is considered to be available, over time, for urban development.
- 3) Upon receipt of an annexation request or the initiation of annexation proceedings by the City, the City shall forward information regarding the request (including any proposed zone change) to the County for comments and recommendations. The County shall have twenty days to respond...

**STAFF FINDINGS:** Consistent with the Urbanization policies included in the 1986 IGA, Marion County has retained responsibility for regulating land uses on lands within the UGA. The City expanded the UGB in 2018 (City Ord. 171-2018) with Marion County concurrence (County Ord. 1392). The expansion of the UGB acknowledges that the lands within the UGA are urbanizable and considered to be available, over time for urban development. Once the concurrent applications were deemed complete, staff routed a request for comments (RFC) to city departments and partner agencies and utility providers. Marion County Planning, Public Works, Assessor, and Surveyor Departments received the RFC.



CITY-COUNTY UGB IGA CONCLUSIONS: Staff finds the concurrent annexation and zone change requests to be conducted consistent with the procedures outlined in the IGA with Marion County.

### **C. STATEWIDE PLANNING GOALS**

*GOAL 1: CITIZEN INVOLVEMENT OAR 660-015-0000(1) “To develop a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.”*

GOAL 1 STAFF FINDINGS: There are several public notices required in order to satisfy the procedures of both the Donald Development Ordinance Type III Action procedures under DDO 3.204.02, as well as ORS Chapter 222. Notice was provided to the Oregon Department of Land Conservation and Development (DLCD) on April 22, 2020, which was at least 35 days prior to the first public hearing. A notice of the public hearing was mailed to property owners within 200 feet of the subject property on Friday, May 8, 2020, which was at least 20 days prior to the first public hearing. Oregon Revised Statutes (ORS) Chapter 222 requires a public notice printed in a newspaper of general circulation for the two weeks preceding the first public hearing. That notice was printed in the Woodburn Independent on May 13 and May 20, 2020, which were the two weeks preceding the public hearing before the Donald Planning Commission. Public notice is also required to be posted in four community locations. A notice of this public hearing was mailed to residents in the May 2020 Donald Monthly Record Newsletter. Notice of the public hearing is posted on the City’s website, in paper at the exterior City Hall bulletin board, and on the City’s message board out front of City Hall. The public hearings before the Planning Commission and City Council provide opportunities for public participation, consistent with the procedures of DDO 3.205 and 3.206. Staff finds Goal 1 is satisfied by the public notice and participation procedures.

*GOAL 2: LAND USE PLANNING OAR 660-015-0000(2) “To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.”*

GOAL 2 STAFF FINDINGS: Consistent with the applicant’s response, staff finds that Goal 2 is satisfied through the adherence of the City of Donald to the adopted criteria and procedures included in the DDO, the adopted goals and policies included in the Comprehensive Plan, the coordination procedures of the City-County intergovernmental agreement for the management of the UGB, and through coordination with the Department of Land Conservation and Development (DLCD). This proposal does not involve exceptions to other goals. Staff finds Goal 2 Land Use Planning is satisfied.

*GOAL 3: AGRICULTURAL LANDS OAR 660-015-0000(3) “To preserve and maintain agricultural lands.”*

GOAL 3 STAFF FINDINGS: The lands proposed to be annexed and rezoned are designated UT – Urban Transition by Marion County. The UT zone is a holding category for lands identified for future annexation into the UGB, while allowing the continuation of agricultural activities. The potential impact to agricultural lands was analyzed with the 2017-2018 UGB expansion study, through which staff performed an analysis of the agricultural capability (soil classifications) of all possible expansion areas. The study area containing the subject properties had the lowest productivity agricultural lands as

measured by its soil capability relative to the alternative study areas. Staff finds Goal 3 Agricultural Lands is satisfied.

*GOAL 4: FOREST LANDS OAR 660-015-0000(4) “To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture.”*

GOAL 4 STAFF FINDINGS: The lands proposed to be annexed and rezoned with this application do not contain designated forest lands. Goal 4 does not apply.

*GOAL 5: NATURAL RESOURCES, SCENIC AND HISTORIC AREAS, AND OPEN SPACES OAR 660- 0150000(5) “To protect natural resources and conserve scenic and historic areas and open spaces.”*

GOAL 5 STAFF FINDINGS: The Oregon State Historic Preservation Office (SHPO) provides an online map of all the eligible, contributing, and significant resources (historic buildings) in the area. No “Oregon Historic Sites” were identified within the Preliminary Study Area during the UGB expansion study.

Staff submitted a Wetlands Land Use Notification (WLUN) to the Department of State Lands (DSL) on April 23, 2020. Comments are due back from the DSL within 30 days. Those comments were not received by the date of this staff report. Regardless, comments received by DSL will pertain to development activities, which will be reviewed in the concurrent subdivision and PUD applications at a later date.

As no resources were inventoried on the subject properties, and the development applications are reviewed in a separate staff report and hearing, staff finds that there are no anticipated impacts to historic resources, scenic resources, or open spaces through the Annexation and Zone Change applications. Staff finds Goal 5 is satisfied.

*GOAL 6: AIR, WATER AND LAND RESOURCES QUALITY OAR 660-015-0000(6) “To maintain and improve the quality of the air, water and land resources of the state.”*

GOAL 6 STAFF FINDINGS: As previously addressed, when developed, the residential uses will be required to connect to city public water, sewer, and storm water systems consistent with City of Donald Public Works standards, thereby minimizing impact on air, water, and land resource quality. Staff finds Goal 6 is satisfied.

*GOAL 7: AREAS SUBJECT TO NATURAL HAZARDS “To protect people and property from natural hazards.”*

GOAL 7 STAFF FINDINGS: Staff referenced the FEMA Federal Insurance Rate Maps (FIRM) online in May of 2020 and confirmed that the subject properties were not located in a special flood hazard

areas. No steep slopes exist on the subject properties. The applicant submitted a Geotech report which will be discussed further in the concurrent subdivision/PUD applications. Staff finds Goal 7 is satisfied.

*GOAL 8: RECREATIONAL NEEDS OAR 660-015-0000(8) “To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.”*

**GOAL 8 STAFF FINDINGS:** While this staff report does not analyze the details of the applicant’s concurrent PUD, staff finds that the PUD Code section of the DDO requires the developer to provide a minimum of 15% open space, 75% of which must be open to the public. The applicant’s concurrent Subdivision and Planned Unit Development (PUD) applications describe a mixed use “agrihood” development which provides public access to walking paths, a playground, community gardens, and community center. It is reasonable to conclude that the annexation and rezoning of the subject property will support the future development of recreational facilities for the residents of Donald and the public overall. Staff finds the proposed Annexation and Zone Change can support Goal 8 recreational resources.

*GOAL 9: ECONOMIC DEVELOPMENT OAR 660-015-0000(9) “To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.”*

**GOAL 9 STAFF FINDINGS:** While the application does not propose annexation or zoning of employment land, the availability of residential land for the development of workforce housing at a range of income levels is important to local employers in support of employee retention. Additionally, future development of the subject property would result in the short-term availability of construction jobs. The impact of community investment from a development of this scale is not yet calculated from a variety of factors related to economic development, including property tax revenues, System Development Charges (SDCs), utility networks, school district resources, park maintenance staffing, and law enforcement patrols. The concurrent Zone Change application proposes to rezone the annexed portions of the subject property to R7-Single Family Residential and RM-Multi-Family Residential zoning, as described in greater detail below. The DDO PUD code allows a developer to receive approval for up to 2 acres or 5% of the site area (whichever is less) of commercial development. The mixed-use component of a future PUD could support local business development activities within the annexation area. Overall, staff finds that the applications support Goal 9.

*GOAL 10: HOUSING OAR 660-015-0000(10) “To provide for the housing needs of citizens of the state.”*

**GOAL 10 STAFF FINDINGS:**

The 2015 Donald Comprehensive Plan states:

*The mix of residential housing units within the city limits is determined from 2010 Census data. Of the 391 total residential units, 245 units, or 62.6 percent, are single-family residential units. Approximately 7 units, or 1.8 percent, are multi-family residences and the remaining 139 units, or 35.5 percent, are manufactured homes within manufactured housing parks... The 2034 population projection for Donald is 2,085 persons. This projection has been adopted by Marion County for the City of Donald through a coordinated process required under state law (ORS195.036). As shown in*

**Table 8**, a total of 856 dwelling units will be needed to accommodate this population. This represents 465 additional housing units that will be needed for the period through 2034.

**Table 8**  
**Projected Housing Needs**  
**Donald, 2034**

2034 Population (Projected) <sup>1</sup>	Persons Per House- hold	Total Housing Units <sup>2</sup>	Occupied Dwelling Units <sup>3</sup>	Projected Multi- Family Units	Projected Single Family Units	Vacant Units <sup>4</sup>	Multi- Family Units (Percent)	Single Family Units (Percent)
2,085	2.55	856	818	85	771	38	90.1%	9.9%

Source: MWVCOG, Memorandum to Donald Technical Advisory Committee, January 2015

<sup>1</sup> The 2034 population projection has been coordinated with the projections for Marion County as required by Oregon Revised Statutes 195.036.

<sup>2</sup> Total dwelling units do not include group quarters dwelling units.

<sup>3</sup> Occupied dwelling units do not include group quarters dwelling units.

<sup>4</sup> Based on an assumed vacancy rate of 4.6 percent

The 2015 Donald Comprehensive Plan states:

*As shown in **Table [12]**, the housing needs analysis identified 465 new residential units that will be needed to accommodate the projected 2034 population of 2,085 persons. Of the 465 new residential units, 16.8 percent, or about 78 units, are needed to meet projected need for multi-family units. With an assumed density of 11 units per acres for multi-family, 7.1 acres is required to meet the need for the new units. At a density of 5.07 single family units per acre, the additional 387 single family units require 76.3 acres. In total, the 465 new units can be built on 83.4 acres of land.*

**Table 12**  
**Projected Housing Mix and Residential Land Needs 2034**

Housing Type	Existing Units	Additional Units Needed 2034	Percent of New Units	Net Density (units/acre)	Acres Needed 2034
Single Family	384	387	83.2	6.22	62.2
Multi-Family	7	78	16.8	11	7.1
<b>Total</b>	391	465	100.0	-	69.3

Source: 2009-2013 American Community Survey

*Looking back at the Buildable Lands Inventory, there is inadequate vacant, partially vacant, or redevelopable land available to accommodate future housing needs within the existing urban growth boundary. The buildable lands analysis found that approximately 9.93 acres are available for residential development within the entire urban area. It is estimated that 76.7 acres will be needed to accommodate future residential growth. Oregon Administrative Rules (OAR) 660-024-0040(9) allow for a local government to estimate that the 20-year land need for streets and roads, parks, and school facilities will together require an additional amount of land equal to 25 percent of the net buildable acres determined for residential land needs.*

When the UGB was expanded in 2018 through Ordinance No. 171-2018, the City satisfied the 20-year land need. The 76.7 acres of residential land were assigned the future City of Donald zoning designations of 7.59 acres of RM-Multiple Family Residential and 69.11 acres of R7-Single Family

Residential Zone, effective upon annexation into the city. The UGB expansion assumed that there would be a total of 414 new units in the UGB expansion area because 51 units of the total 465 needed units would be accommodated within the existing city limits. The applicant states that Harvest Gardens will provide 297 detached units in the R7 district, and 49-133 multi-family units in the RM district, a total range of 346-430 units, demonstrating compliance within the required minimum and allowed maximum density.

There are only two residential zones in the City of Donald. They are the R7- Single Family Residential Zone and RM – Multi-Family Residential Zone. Pursuant to DDC 2.103.106.F, land divisions in the R7 district shall achieve a minimum density of 4 units per gross acre and in the Donald South Expansion Area, 5 units per gross acre. Similarly, DDC 2.104.06.F requires land divisions in the RM district achieve 8 units per gross acre and in the Donald South Expansion Area, 10 units per gross acre. The increase in required density for the UGB expansion area is higher than land currently within the City limits to specifically address the housing supply in the near future.

The Donald Comprehensive Plan states: “It is the purpose of the housing plan to provide opportunities for the development of a wide variety of housing types to meet the needs of the citizens of Donald. Adequate safe and sanitary housing should be available at varying prices and rent ranges to existing and future residents of the City.”

The applicant states:

*“This project and associated Zone Map Amendment (from UT to R7 and RM) will encourage housing diversity and provide affordable housing options to the local community. As noted by staff, high-density multi-family apartments are needed to help accommodate expected housing demand over the next 20 years and are permitted in the RM zone. Although single-family homes continue to be the preferred housing type for many households, to some extent this preference can be met with affordable ground-related units (e.g. townhouses, duplexes, ground-level apartments, etc.). This application provides for these types of housing opportunities.*

*As part of this application, the planned Annexation and Zone Map Amendments provide approximately ±61 acres for single-family detached, attached, and multi-family homes, needed housing elements the City’s buildable land inventory currently lacks. As shown on the Preliminary Plans, the Annexation and Zone Map Amendments will increase the supply of land available for various housing types at the R7 and RM densities at the location preferred by the City, as recommended by Donald City Council in Ordinance No. 171-2018. Therefore, this application is consistent with Goal 10.”*

In May of 2020, City of Donald reported that five (5) new homes have been constructed since 2015. The City has few tools available to incentivize infill development on private properties, one at a time. While there remain opportunities for infill development within the existing city limits, no vacant or redevelopable parcels are available to support the scale of residential development made possible through the annexation of the subject property by a property owner proposing to develop significant workforce housing for the community and greater region. As discussed below, the applicant’s concurrent Zone Change application is consistent with (matches) the boundaries of the adopted future zones for the UGB expansion area, a portion of which is proposed for annexation with these applications. Those future zone boundaries were based upon the cities 2015 adopted BLI and HNA. Staff finds the applications support Goal 10.

*GOAL 11: PUBLIC FACILITIES AND SERVICES OAR 660-015-0000(11) “To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.”*

Water, wastewater, and stormwater services are provided by the City of Donald to incorporated properties. The Donald City Council adopted updated Wastewater and Water Master Plans in July and August of 2019 respectively. The plans were funded in part by Business Oregon IFA Grants. The plans identify system limitations and potential phased improvements to improve redundancy, looping, and expanded capacity. The City has contracted with a new engineering firm since that time. The City Engineer is currently drafting proposed amendments to the Master Plans. The City and the applicant have had multiple discussions about the limitations of the current systems. Both parties are committed to cooperating to identify and share in the incremental system improvements necessary to support phased development of the subject properties.

Police and fire/emergency services are provided by Marion County and the Aurora Rural Fire District. No comments were received from Marion County Sheriff. The Aurora Rural Fire provided their full code book to staff, but those comments pertain to the development of the subdivision and PUD, which is addressed in a separate public hearing.

Staff reached out to North Marion School District. Superintendent Ginger Redlinger responded with generally supportive comments for the development package, but emphasized the importance of an extended timeline for development phasing, allowing the district sufficient time to absorb the anticipated increase of school age children.

Staff reached out to PGE for comments. The utility responded with comments applicable to the Subdivision and PUD application. Those comments will be discussed during the public hearing for those concurrent files.

There is a pressurized natural gas pipeline which runs north-south within the railroad corridor through Donald. Staff reached out to Kinder Morgan corporation, the pipeline owner and manager, for comments. None had been received by the date of this staff report. When previous comments were received from Kinder Morgan during the UGB expansion, their concerns were about construction activities along Matthieu Street.

No comments had been received from NW Natural by the date of this staff report.

Staff finds Goal 11 is supported through ongoing outreach and coordination by the applicant with utility providers and facility managers to ensure that development is appropriately timed to the capacity of available infrastructure.

*GOAL 12: TRANSPORTATION OAR 660-015-0000(12) “To provide and encourage a safe, convenient and economic transportation system.”*

**GOAL 12 STAFF FINDINGS:** The applicant contracted with Lancaster Mobley Engineering to produce a Traffic Impact Study (TIS), which includes a Transportation Planning Rule (TPR) Analysis. Following

the review of the first submittal, staff from the City and County provided comments requesting the applicant to generate an addendum to the initial report. The full TIS is on file with the City. The TPR statement is included below.

### ***Transportation Planning Rule***

The Transportation Planning Rule (TPR) is in place to ensure that the transportation system is capable of supporting possible increases in traffic intensity that could result from changes to adopted plans and land-use regulations. It should be noted the TPR was not addressed during the initial urban growth boundary expansion for the project site. The applicable elements of the TPR are each quoted directly in italics below, with responses following.

660-012-0060

*(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:*

*(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);*

*(b) Change standards implementing a functional classification system; or*

*(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.*

*(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;*

*(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or*

*(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.*

Based on the analysis findings in the report, subsections (a) and (b) are not triggered since the proposed subdivision will not impact or alter the functional classification of any existing or planned facility and the proposal does not include a change to any functional classification standards.

Regarding subsection (c), three of the study intersections are currently or projected to operate in excess of acceptable levels of operation per their respective jurisdictional standards. However, these intersections may be reasonably mitigated via planned City/County/ODOT transportation projects or through those suggested within the *Mitigation Analysis* section of this report.

With mitigative measures in place, the proposed development will not degrade the performance of any existing or planned transportation facility below acceptable City, County, or ODOT standards. Accordingly, the Transportation Planning Rule may be satisfied if mitigations are addressed upon development of the site.

Staff finds that the applicant's submitted TPR analysis meets the requirements of Goal 12.

***GOAL 13: ENERGY CONSERVATION OAR 660-015-0000(13) "To conserve energy. Land and uses developed on the land shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles."***



**GOAL 13 STAFF FINDINGS:** Goal 13 does not apply to the Annexation or Zone Change applications.

*GOAL 14: URBANIZATION OAR 660-015-0000(14) “The purpose of Goal 14 is to provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.”*

**GOAL 14 STAFF FINDINGS:** Consistent with the applicant’s statements above, The UGB expansion study conducted in 2017-2018 was a thorough look at properties adjacent to the city limits. The subject property was selected for UGB expansion due to a variety of factors. The City’s Urbanization factors are included below in the Comprehensive Plan analysis. Staff finds Goal 14 is satisfied.

*GOAL 15: WILLAMETTE RIVER GREENWAY OAR 660-015-0005;  
GOAL 16: ESTUARINE RESOURCES OAR 660-015-0010(1);  
GOAL 17: COASTAL SHORELANDS OAR 660-015-0010(2);  
GOAL 18: BEACHES AND DUNES OAR 660-015-0010(3);  
GOAL 19: OCEAN RESOURCES OAR 660-015-0010(4)*

**GOALS 15 – 19 STAFF FINDINGS:** The proposed Annexation and Zone Change do not involve land within the Willamette Greenway, identified estuarine, coastal shorelands, beach, or ocean areas. Staff finds that Statewide Goals 15 through 19 do not apply.

**OVERALL STATEWIDE PLANNING GOALS CONCLUSIONS:** Staff finds the concurrent Annexation and Zone Change applications to be consistent or supportive of Goals 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, and 14. Goals 3, 4, 13, 15, 16, 17, 18, and 19 do not apply. No exceptions are proposed.

## **D. DONALD COMPREHENSIVE PLAN GOALS & POLICIES**

When a city’s Comprehensive Plan is acknowledged (approved) by the Oregon Department of Land Conservation and Development (DLCD), it is determined to be generally consistent with the 19 statewide planning goals listed above. Each city and county has an adopted Comprehensive Plan which addresses the unique opportunities, constraints, and values of the community. The Donald Comprehensive Plan plans contain “Elements” (chapters), Objectives, Goals, and supporting Policies. Applicable sections are discussed below as they relate to the applications received.

*URBANIZATION ELEMENT:  
Urban Growth Program Policies:*

- 1. Annexations of the City should be discouraged until a major portion of the City's buildable vacant land is developed.*

**APPLICANT RESPONSE:** The City has encouraged this annexation proposal as the existing City Limits do not encompass available land for residential development. The policy is met.

STAFF FINDINGS: The adopted 2015 HNA determined that the City would need an additional 465 dwelling units over the 20-year planning horizon. The total number of units is expected to be a mix of single-family and multi-family units, to accommodate a variety of housing types, affordable to a range of income levels. The adopted 2015 Buildable Land Inventory (BLI) found that there were approximately 9.93 acres available for residential infill or redevelopment within the existing City limits, which would support roughly 51 dwelling units. Since that time, the City, in partnership with Marion County Building Division, has issued approximately five (5) structural permits for new dwelling units, one at a time. The City has few tools or incentives available to it with which to drive infill development of dwelling units on private lots within incorporated City limits. Anecdotally, there are few other available housing options available locally. Staff finds there is otherwise insufficient land inventory within the existing City limits to meet the scale of the City's 20-year need for dwelling units. For this reason, staff supports the annexation of properties from the UGB to address the City's adopted 20-year residential land need, subject to applicable development standards and infrastructure capacity phasing. The City's Urbanization policies are discussed further in the Comprehensive Plan findings below.

*2. – 4. Do not apply.*

*5. Lands within the Urban Growth Boundary shall be available for urban development concurrent with the provision of key urban facilities.*

APPLICANT RESPONSE: There are a variety of factors which affect public services to the project site. Donald's wastewater treatment facility must be upgraded to accommodate the needed residential development dictated by the 2018 UGB expansion. Through a variety of finance means— including project investment funds, grants from the Pilot Project Fund, Business Oregon, etc., and SDC credits—the sanitary sewer infrastructure is planned to be updated to provide for needed housing. At the time of this application submittal, the City is in the process of amending the Wastewater Facilities Plan and is investigating options for increasing the wastewater treatment plant facility. In addition, the Applicant will work with the City in the future to develop a new sanitary lagoon and/or provide a potential irrigation site to supplement planned capacity. A sanitary sewer force main is planned to be extended from Donald Road NE and provided to the PUD concurrently, per the scheduled phasing plan. Offsite sanitary improvements are planned to occur in Matthieu Street NE to extend and connect to existing sanitary sewer mains. The sanitary force mains in Donald Road NE and Matthieu Street NE will be constructed by the Applicant. The City currently operates on a Septic Tank Effluent Pump (STEP) design, providing individual septic tank service on separate lots. Sanitary sewage is planned to be conveyed to a public sanitary sewer with adequate capacity. System development charge (SDC) credits from the City of Donald will be the financial catalyst for the City to expand the needed facilities. The required improvement criteria can be provided.

STAFF FINDINGS: Water, wastewater, and stormwater services are provided by the City of Donald to incorporated properties. The City does not have the water or wastewater capacity to serve the entire acreage proposed for annexation today, however, the City Engineer has determined that it is possible to serve the project area over time, following the completion of phased projects to expand the current system capacities.

The City received Infrastructure Finance Authority (IFA) funding to prepare revised Wastewater and Water master plans which were adopted in July and August of 2019 respectively. The plans identify system limitations and alternatives to upgrade existing facilities in order to accommodate future development on the subject properties and elsewhere throughout the city. As of May 2020, the City is amending both the Water and Wastewater Master Plans to include additional alternatives aimed at presenting more effective and/or cost-efficient methods for providing these utility services. The City expects that both plans will be ready for inspection by the appropriate State agencies by mid-summer. Following approval from OHA and DEQ, the City Council will vote to adopt the amended plans.

The DDO generally requires some public improvements to be performed by the developer. The City collects System Development Charges (SDCs) and Marion County collects proportional shares for larger projects which are shown to have significant impacts upon county transportation facilities. These requirements are each based upon the type and scale of the proposed development, with triggers at various thresholds, to ensure that key urban facilities continue to serve the community.

Staff finds this criterion can be met through the ongoing efforts of the applicant team cooperating with the City of Donald to complete infrastructure system capacity phasing projects.

*6. The city shall review methods to increase residential development densities allowed in the R-7 and RM zoning districts to partially accommodate housing needs that are projected through 2034.*

APPLICANT RESPONSE: This application for Harvest Gardens is associated with a State of Oregon Workforce Housing Initiative. To provide workforce housing and address an overall lack of housing availability, the City and the Applicant have demonstrated a public/private partnership to expand the UGB in 2018 and provide additional residential land to meet the existing and future needs. The subject site is currently within the UGB and is planned for annexation into the City limits. Pursuant to the PUD provisions of the DDO, Harvest Gardens is planned to exercise flexibility in design to provide residential densities allowed in the underlying zoning districts and accommodate housing needs. The above policy is met.

STAFF FINDINGS: Staff concurs with the applicant statement. Additionally, the City of Donald was awarded a 2018 grant through the Oregon Transportation and Growth Management (TGM) program for technical assistance on a package of code amendments which included a new downtown mixed-use zone which allows residential above ground floor commercial uses, new Accessory Dwelling Unit (ADU) code provisions, and new Planned Unit Development (PUD) code provisions. The new PUD language enables future residential development of the UGB expansion area to acquire density bonuses in exchange for the provision of public amenities. The PUD code density bonuses could result in the development of housing units exceeding the residential need determined in the HNA. Staff finds this criterion is met.

*7. The city shall amend the Donald Urban Growth Boundary to incorporate additional residential land needed to accommodate projected housing need through 2034.*

**STAFF FINDINGS:** As previously discussed, the UGB expansion completed in 2018 with the City Council enactment of Ordinance 171-2018 expanded the UGB by 87.6 acres. The UGB expansion included both of the subject properties proposed for annexation, and was determined to satisfy the projected residential land need through the year 2034. This criterion is met.

**COMPREHENSIVE PLAN CONCLUSIONS:** The applicant's narrative included responses to several other Comprehensive Plan Elements, however, much of the narrative described components of the concurrent subdivision and/or PUD applications, which are not reviewed with this staff report or public hearing. For that reason, staff has not included them in the Annexation findings. When local Comprehensive Plans are acknowledged by the DLCD, they are deemed to be consistent with the statewide planning goals. Findings corresponding with each of the 19 Statewide Planning Goals are discussed above. Staff finds that the proposed Annexation is consistent with the Donald Comprehensive Plan Urbanization Element and Urban Growth Program Policies.

### **III. ANALYSIS OF APPLICABLE CRITERIA: ZONE CHANGE**

*Donald Development Ordinance (DDO)*

#### ***3.111 ZONE CHANGE***

*3.111.01 Process. Zone changes shall be reviewed in accordance with the Type III review procedures specified in § 3.201. Type III reviews shall be limited to Zone changes affecting five or fewer adjacent parcels ownerships. Zone changes affecting more than five parcels ownerships shall be considered legislative actions and subject to a Type IV review process.*

**APPLICANT RESPONSE:** The application involves a zoning designation change and should be reviewed through a Type III process. The map amendments affect two parcels and therefore are not considered legislative actions subject to a Type IV review process.

*3.111.03 Criteria for approval. Zone change proposals shall be approved if the applicant provides evidence substantiating the following:*

*A. The proposed Zone is appropriate for the Comprehensive Plan land use designation on the property and is consistent with the description and policies for the applicable Comprehensive Plan land use classification.*

*B. The uses permitted in the proposed Zone can be accommodated on the proposed site without exceeding its physical capacity.*

**APPLICANT RESPONSE:** On June 12, 2018, the Donald City Council passed Ordinance No. 171-2018, an ordinance which amended the Donald Comprehensive Plan to expand the City's UGB. This ordinance amended the Donald Comprehensive Plan and placed Residential land use designation on 76.7 acres of property, including the 61.8-acre subject site to be annexed. Additionally, the ordinance states the City Council intends to place the future land use designation of R-7 – Single-Family Residential Zone and RM – Multi-Family Residential Zone for development within the Donald South Expansion Area once annexed into the City Limits, as depicted on Map 2.103.

The subject site is designated Residential in the Donald Comprehensive Plan and is therefore appropriately planned and consistent with applicable policies for residential land use. The site is planned to blend the zoning designation boundaries of R-7 – Single- Family and RM – Multi-family zoning within the PUD and can accommodate the uses permitted without exceeding its physical capacity. The approval criteria above met.

STAFF FINDINGS: Staff concurs with the applicant response. Concurrent and/or future proposed PUD development of the subject properties is required to comply with the provision of residential dwelling unit densities equal to the sum of the minimum and maximum densities of the R7 and RM zones by area. Any variations to the development code dimensional standards or facility design standards will/would be identified for discussion and consideration by the Planning Commission and City Council. Staff finds this criterion is met.

*C. Allowed uses in the proposed Zone can be established in compliance with the development requirements in this Development Ordinance.*

APPLICANT RESPONSE: Allowed uses in the R-7 and RM zones, as well as uses allowed within a PUD, can be established in compliance with the applicable requirements of the DDO. The criterion is met.

STAFF FINDINGS: Staff concurs with the applicant response. There are no foreseeable reasons why future development of the subject properties could not comply with the DDO. This criterion is met.

*D. Adequate Public facilities, services, and transportation networks are in place or are planned to be provided concurrently with the development of the property.*

APPLICANT RESPONSE: Public facilities, services, and transportation networks are planned to be provided concurrently with the phased development of the property. Infrastructure is discussed in detail in section §2.307.04. Please see the TIS for transportation network and TPR rule findings which demonstrate compliance with the planned zone change. The criterion is met.

STAFF FINDINGS: As previously discussed, staff concurs with the applicant response. The City is committed to working with the developer to provide infrastructure in conjunction with future development of the subject properties. The applicant's TIS satisfied the TPR requirements. Staff finds this criterion is met.

*E. For Residential Zone changes, the criteria listed in the purpose statement for the proposed Zone shall be met.*

APPLICANT RESPONSE: This application involves a residential zone change. The purpose statements for the zones are addressed within the respective Sections of this narrative. The criterion is met.

STAFF FINDINGS: The application involves a residential zone change of two different properties. The applicant has addressed them previously in this report. They are included below again for reference:

*2.103 SINGLE-FAMILY RESIDENTIAL 7,000 SQUARE FOOT (R-7).*

*2.103.01 Purpose. The purpose of the R-7 Zone is to allow development of single-family*

*dwellings on individual lots provided with urban services at low urban densities. Other uses compatible with residential development are also appropriate. These areas are designated as Residential in the Comprehensive Plan.*

**2.104 MULTIPLE FAMILY RESIDENTIAL (RM).**

*2.104.01 Purpose. The RM Zone is primarily intended for multiple family development on a parcel at medium residential densities. Other uses compatible with residential development are also appropriate. RM Zones are located in areas designated Residential in the Comprehensive Plan. They are suited to locations near commercial areas and along collector and arterial streets so that traffic is not required to travel on local streets through lower density residential areas.*

Based upon the purpose statements of the R7 and RM zones, it is feasible for the applicant to comply with the intent of these zones through concurrent development applications. Both properties are designated as Residential on the Comprehensive Plan Land Use Map. The RM zoned portion of tax lot #2600 is situated nearest to commercial areas along Main Street/Donald Rd NE which has the functional classification of an arterial street. All proposed land uses of the properties will be reviewed in a separate development application review. Staff finds this criterion is met.

**ZONE CHANGE CONCLUSIONS:** Staff finds the proposed zone change of lots #300 and #2600 meets the criteria included in DDO Section 3.111 Zone Changes.

#### **IV. CONCLUSIONS & RECOMMENDATION**

Staff and the Donald Planning Commission find that the concurrent Annexation and Zone Change applications comply with, or can be made to comply with, the procedural requirements and decision criteria included within the Oregon Revised Statutes, the Statewide Planning Goals, the 1986 City-County UGB IGA, the Donald Comprehensive Plan, and the Donald Development Ordinance. Staff and the Planning Commission recommend that the City Council approve the concurrent requests, subject to the proposed conditions of approval listed below.

## **V. RECOMMENDED CONDITIONS OF APPROVAL**

1. Zone Change approval shall be contingent upon Annexation approval.
2. The applicant shall submit a legal description and exhibit map for the Ordinance exhibit which satisfies the Oregon Department of Revenue as well as Marion County Surveyor and Assessor Offices.
3. Development applications for the annexed properties are subject to the standards and procedures of the Donald Development Ordinance and Donald Comprehensive Plan, where applicable.
4. Facility improvements serving the annexed properties shall comply with the standards and requirements of the Donald Public Works Department, and Marion County Public Works where applicable.
5. The applicant shall continue to work in good faith with the City of Donald to increase infrastructure capacities for phased development of the subject properties. Building permits shall not be issued to the annexed properties until facilities and services are available to serve the development, unless City Public Works and City Engineer find that the applicant satisfies the provisions of DDO 2.301.03 and 3.102.03.
6. Development of the annexed properties shall be subject to proportional share contributions for impacted State and County transportation projects identified in the Marion County TSP, as well as system development charges (SDCs) to the City of Donald.

## **VI. CITY COUNCIL OPTIONS**

- A. Motion to **APPROVE** concurrent files #ANX 2020-01 and #ZC 2020-01 as presented, adopt the findings and recommended conditions of approval in the staff report to the City Council dated June 2, 2020, and direct staff to present an enacting ordinance.
- B. Motion to **APPROVE** concurrent files #ANX 2020-01 and #ZC 2020-01, adopt findings and recommended conditions of approval in the staff report to the City Council dated June 2, 2020, as REVISED by the City Council (stating those revisions), and direct staff to present an enacting ordinance.
- C. Motion to **DENY** concurrent files #ANX 2020-01 and #ZC 2020-01, and ADOPT amended findings that the request does not meet the applicable approval criteria (stating those revisions).
- D. Motion to CONTINUE the hearing, to a date and time certain, if additional information is needed to determine whether applicable standards and criteria are sufficiently addressed.