



ALBANY CITY COUNCIL AGENDA

Wednesday, November 8, 2023
6:00 p.m.

Council Chambers, City Hall
333 Broadalbin Street SW
Watch on YouTube: <https://www.youtube.com/user/cityofalbany>

Please help us get Albany's work done.
Be respectful and refer to the rules of conduct posted by the main door to the Chambers and on the website.

1. Call to order and pledge of allegiance
 2. Roll call
 3. Proclamation
 - a. Native American Heritage Month [Page 3]
 4. Special presentations
 - a. Veteran's parade update – Christine Ferguson [Verbal]
 - b. Curt Sorte access/easement modification request – Curt Sorte [Pages 4-5]
 5. Public hearing

Persons wanting to provide testimony during public hearings at city council meetings may:

 - 1- *Email written comments to the staff contact, listed below, including your name and subject of the public hearing, before **noon on the day of the meeting.***
 - 2- *To testify virtually during the public hearing, register by emailing the staff contact, listed below, before **noon on the day of the meeting,** with your name; phone number; and if you are speaking for, against, or neutral on the project/subject. The mayor will call upon those who have registered to speak.*
 - 3- *Appear in person at the meeting and register to speak using the sign-up sheet on the table.*
 - a. Adopt storm drainage system development charges (SDCs) methodology and fees – Rob Emmons [Pages 6-26]
 - 1) Adopt methodology for storm drainage SDCs RES NO. _____ p. 7
 - 2) Create a storm drainage SDC and establish an appeal fee RES NO. _____ p. 25

The staff contact for this public hearing is: rob.emmons@cityofalbany.net
6. Business from the public
7. Adoption of resolutions
 - a. Potential climate friendly areas report – Anne Catlin [Pages 27-71] RES NO. _____ p. 30



8. Adoption of consent agenda
 - a. Appointments [Pages 72-75]
 - 1) Accepting Wes Jones' resignation from the Airport Advisory Commission
 - 2) Accepting Chris Hanson's resignation from the Budget Committee
 - 3) Accepting Kim McAloney's resignation from the Tourism Advisory Committee
 - b. Recommendations to OLCC [Pages 76-78]
 - 1) Approve change of ownership off-premises liquor license applications for Foxy's Deli #6 LLC, dba The Fox Den Eatery #4, The Fox Den Eatery #5, and The Fox Den Eatery #7.
 - c. Adoption of resolutions
 - 1) Risk management policy – Jeanna Yeager [Pages 79-86] RES NO. _____ p. 80
 - 2) Investment policy - Jeanna Yeager [Pages 87-102] RES NO. _____ p. 88

MOTION: _____

9. Staff reports
 - a. Request to reclassify 1.0 FTE Park Maintenance II to Park Maintenance III – Rick Barnett [Page 103] MOTION _____

10. Business from the council

11. City manager report

12. Next meeting dates

Wednesday, November 15, 2023; 5:15 p.m. Albany Revitalization Agency meeting

Monday, November 27, 2023; 4:00 p.m. work session

Wednesday, November 29, 2023; 6:00 p.m. meeting

13. Adjournment

This meeting is accessible to the public via video connection. The location for in-person attendance is accessible to people with disabilities. If you have a disability that requires accommodation, please notify city staff at least 48 hours in advance of the meeting at: cityclerk@cityofalbany.net.

Testimony provided at the meeting is part of the public record. Meetings are recorded, capturing both in-person and virtual participation, and are posted on the City website.

PROCLAMATION

Native American Heritage Month November 2023

WHEREAS, the City of Albany exists on the lands of Kalapuya people who have called this region home since time immemorial and are now primarily part of the Confederated Tribes of the Grand Ronde Community of Oregon and the Confederated Tribes of Siletz Indians; and

WHEREAS, the history and culture of our nation have been significantly influenced by Native Americans and Indigenous peoples; and

WHEREAS, their customs and traditions should be respected and celebrated as part of a rich legacy throughout the United States; and

WHEREAS, Native Americans have survived genocide and have powerful stories of triumph and perseverance that need to be shared with future generations; and

WHEREAS, Native American Awareness Week began in 1976, and recognition was expanded by Congress in August 1990, designating the month of November as National Native American Heritage Month; and

WHEREAS, in honor of National Native American Heritage Month, community celebrations as well as numerous cultural, artistic, educational, and historical activities are planned annually across our nation.

NOW, THEREFORE, I, Alexander D. Johnson II, Mayor of the City of Albany, Oregon, do hereby proclaim November 2023 as

Native American Heritage Month

in the city of Albany and urge all residents to observe this month with appropriate programs, ceremonies, and activities.



IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Albany to be affixed this 8th day of November 2023.

Alexander D. Johnson II, Mayor



COMMUNITY DEVELOPMENT

333 Broadalbin Street SW, PO Box 490, Albany, Oregon 97321-0144 | BUILDING & PLANNING 541-917-7550

October 6, 2023

VOID OF APPLICATION

Curt Sorte
35465 Oakville Road SW
Albany, OR 97321

Dear Curt Sorte,

**City of Albany File SP-19-23; NR-01-23; FP-06-23
Application for Tree Felling with Natural Resource and Floodplain Review
Linn County Assessor's Map No. 11S-04W-24, Tax Lots 200, 301, & 1000**

The City received the subject Land Use Application package on July 3, 2023, with fees paid in full on July 6, 2023. Subsequently, staff routed, reviewed, and determined the application to be incomplete as of August 1, 2023. City staff received requested information on August 15, 2023. Following a preliminary review of the additional materials, staff determined that the application was complete on August 15, 2023.

Upon commencing the formal review of the submitted materials, it was noted the project description proposes "*Relocate Access Easement. Clear vegetation to allow for dry weather access*". Relocation of the existing easement granted and authorized by the City Council in 2021 under Linn County document number 2021-15687 is outside of the decision-making authority of the development code and city staff. Authorization to relocate or amend the original easement is a decision that can only be made by the city council.

The access shown in the application traverses approximately 1,500 feet across city owned lands zoned Open Space, it is noted to require the removal of several trees, clearing of existing vegetation, and impacts to habitat within the proposed 16-foot-wide swath. It is also noted in the review the presence of and proximity to known cultural resources and the existence of the thin-leaved pea vine, which is a listed plant species requiring protection. Being lands of the city, staff are not able to continue the review of this application or issue a decision which may ultimately authorize this activity without explicit direction from the city council.

In summary, when considering the prior direction by the city council and existing easement granted under their authority/direction, which was approximately 360 feet in length, the proposal presented in the application represents a significant change in scale, location, and level of impact, which requires additional direction/authorization from the city council.

At this time, the City will be voiding the submitted application and refunding the associated application fees. Staff refers the applicant to the city council for consideration of this proposal based on the expanded impacts to city-owned lands and relocation of the existing easement. Should the city council agree with the proposal and authorize staff to proceed with the application process, the application can be re-submitted for review.

For assistance with arranging an opportunity to present this request to the city council, please contact the City Manager's Office at (541) 704-2307.

If you have any comments or questions, please contact me by phone at 541-917-7555 or by email at david.martineau@cityofalbany.net.

Sincerely,

A handwritten signature in black ink, appearing to read "David Martineau". The signature is fluid and cursive, with a long, sweeping underline.

David Martineau, AICP
Project Planner

DM:km

CC: Matthew Ruetters, Community Development Director
Mary Dibble, Central Administrative Officer/PIO



MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager
Chris Bailey, Public Works Director *CB*

FROM: Robert Emmons, P.E., Assistant City Engineer *RE*

DATE: October 25, 2023, for the November 8, 2023, City Council Meeting

SUBJECT: Public Hearing to Adopt Storm Drainage System Development Charge Methodology and Fees

Action Requested:

Staff recommends Council hold a public hearing to receive testimony on the proposed Storm Drainage System Development Charge (SDC) methodology and fees to be effective January 1, 2024. Following deliberation, staff recommends council consider passing the attached resolutions.

Discussion:

During the last several months, staff have developed a new proposed storm drainage SDC to help fund storm drainage projects needed to accommodate growth. Council considered the SDC methodology and fees to charge development during two separate council work sessions. The attached storm drainage SDC methodology and fee resolutions (Attachments A and B, respectively) reflect the results of those discussions.

To manage economic impacts, council recommended phasing in the SDC fee over a five-year period. The attached fee resolution (Attachment B) is consistent with that approach and would implement fees at the first phase-in level, effective January 1, 2024. The attached resolution does not obligate council to future increases; passage of new resolutions are required in order to implement subsequent phases of fee increases.

The required 90-day notice to adopt the new SDC methodology has been sent to interested parties as well as posted to the City's website. In addition, the methodology report is posted to the City's website for the required 60-day public review period. To date, we have not received any comments.

Budget Impact:

The revenue received through the new storm drainage SDC fee will vary based upon the level of development activity.

RE:kc
Attachments (2)
c: Deb Galardi (via email)



RESOLUTION NO. _____

A RESOLUTION ADOPTING A METHODOLOGY FOR THE DEVELOPMENT OF SYSTEM DEVELOPMENT CHARGES FOR THE STORM DRAINAGE SYSTEM

WHEREAS, through the previous adoption of ordinances establishing and amending Albany Municipal Code 15.16 regarding system development charges, the Albany City Council has declared its intent to comply with the provisions of Oregon Revised Statutes (ORS) 223.297 through 223.316; and

WHEREAS, the methodology for calculation of system development charges (SDC) for the storm drainage system is specifically described in the attached *Methodology Report – Stormwater System Development Charges*; and

WHEREAS, the proposed methodology establishes a combined reimbursement and improvement fee and defines a maximum allowable SDC; and

WHEREAS, a notification of a new methodology was sent to interested parties 90 days prior to the November 8, 2023, adoption hearing, with the methodology available for review 60 days prior as required in ORS 223.304(7)(a).

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that the attached Storm Drainage System Development Charge methodology is hereby adopted as of the effective date of this resolution; and

BE IT FURTHER RESOLVED that the Storm Drainage System Development Charge methodology established by this resolution shall be effective January 1, 2024.

DATED THIS 8TH DAY OF NOVEMBER 2023.

Mayor

ATTEST:

City Clerk

Draft Methodology Report

Stormwater System Development Charges

Prepared for City of Albany

September 8, 2023



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Section 1 Introduction

Oregon legislation establishes guidelines for the calculation of system development charges (SDCs). Within these guidelines, local governments have some latitude in selecting technical approaches and establishing policies related to the development and administration of SDCs. A discussion of this legislation follows, along with the recommended methodology for calculating stormwater SDCs for the City of Albany (“City”), in accordance with state law and industry standard practices.

SDC Legislation in Oregon

In the 1989 Oregon state legislative session, a bill was passed that created a uniform framework for the imposition of SDCs statewide. This legislation (Oregon Revised Statute [ORS] 223.297-223.316), which became effective on July 1, 1991, (with subsequent amendments), authorizes local governments to assess SDCs for the following types of capital improvements:

- Drainage and flood control
- Water supply, treatment, and distribution
- Wastewater collection, transmission, treatment, and disposal
- Transportation
- Parks and recreation

The legislation provides guidelines on the calculation and modification of SDCs, accounting requirements to track SDC revenues and expenditures, and the adoption of administrative review procedures.

SDC Structure

SDCs can be developed around two concepts: (1) a reimbursement fee, and (2) an improvement fee, or a combination of the two. The **reimbursement fee** is based on the costs of capital improvements *already constructed or under construction*. The legislation requires the reimbursement fee to be established or modified by an ordinance or resolution setting forth the methodology used to calculate the charge. This methodology must consider the cost of existing facilities, prior contributions by existing users, gifts or grants from federal or state government or private persons, the value of unused capacity available for future system users, rate-making principles employed to finance the capital improvements, and other relevant factors. The objective of the methodology must be that future system users contribute no more than an equitable share of the capital costs of *existing* facilities. Use of reimbursement fee revenues are restricted only to capital expenditures for the specific system which they are assessed, including debt service.

The methodology for establishing or modifying an **improvement fee** must be specified in an ordinance or resolution that demonstrates consideration of the *projected costs of capital improvements identified in an adopted plan and list*, that are needed to increase capacity in the

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system to meet the demands of new or expanded development. Use of revenues generated through improvement fees are dedicated to capacity-increasing capital improvements or the repayment of debt on such improvements. An increase in capacity is established if an improvement increases the level of service provided by existing facilities or provides new facilities.

In many systems, growth needs will be met through a combination of existing available capacity and future capacity-enhancing improvements. Therefore, the law provides for a **combined fee** (reimbursement plus improvement component).

Credits

The legislation requires that a credit be provided against the improvement fee for the construction of “qualified public improvements” by a developer or other private party. Qualified public improvements are improvements that are required as a condition of development approval, identified in the system’s capital improvement program, and either (1) not located on or contiguous to the property being developed, or (2) located in whole or in part, on or contiguous to, property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.

Update and Review

The methodology for establishing or modifying improvement or reimbursement fees shall be available for public inspection. The local government must maintain a list of persons who have made a written request for notification prior to the adoption or amendment of such fees. The legislation includes provisions regarding notification of hearings and filing for reviews. “Periodic application of an adopted specific cost index or... modification to any of the factors related to the rate that are incorporated in the established methodology” are not considered “modifications” to the SDC methodology. As such, the local government is not required to adhere to the notification provisions under these circumstances. The criteria for making adjustments to the SDC rate, which do not constitute a change in the methodology, are further defined as follows:

- “Factors related to the rate” are limited to changes to costs in materials, labor, or real property as applied to projects in the required project list.
- The cost index must consider average change in costs in materials, labor, or real property and must be an index published for purposes other than SDC rate setting.

The notification requirements for changes to the fees that *do* represent a modification to the methodology are 90-day written notice prior to first public hearing, with the SDC methodology available for review 60 days prior to public hearing.

Other Provisions

Other provisions of the legislation require:

- Preparation of a capital improvement program or comparable plan (prior to the establishment of an SDC), that includes a list of the improvements that the jurisdiction

intends to fund in whole or in part with SDC revenues and the estimated timing, cost, and eligible portion of each improvement.

- Deposit of SDC revenues into dedicated accounts and annual accounting of revenues and expenditures, including a list of the amount spent on each project funded, in whole or in part, by SDC revenues.
- Posting of information related to SDCs on the local government's website.
- Creation of an administrative appeals procedure, in accordance with the legislation, whereby a citizen or other interested party may challenge the expenditure of SDC revenues.

The methodology presented in the following section has been prepared in accordance with Oregon SDC requirements.

Section 2 Stormwater SDC Methodology

The general methodology for developing stormwater system development charges (“SDCs”) begins with an analysis of system planning and design criteria to determine growth’s capacity needs, and how they will be met through existing system available capacity and future capacity expansion. Then, the existing and future facilities needed to serve growth over the planning period are valued to determine the “cost basis” for the SDCs. The cost basis is then spread over the total growth capacity needs to determine the system wide unit costs of capacity. The final step is to determine the SDC schedule, which identifies how different developments will be charged, based on their estimated capacity requirements.

Determine Capacity Needs

The amount of impervious surface area is the most common method of measuring the volume of runoff, or demand, placed on a stormwater system by its users. Impervious areas are hard surfaces including (but not limited to) rooftops, driveways, walkways, parking lots, and concrete surface, asphalt paving, or compacted gravel that cause more runoff from an area than existed prior to the development. The greater the amount of impervious area on a lot, the greater the amount of runoff generated from that lot.

While several other factors can influence the amount of runoff, the amount of impervious surface area is generally considered the primary determinant of the volume of runoff and the primary cause of any increase in the rate of runoff. For this reason, impervious area is the most common billing method used in communities around the country for charging for stormwater service and SDCs.

System-wide capacity required by growth is measured by the additional impervious surface area anticipated in the service area through buildout based on the Stormwater Infrastructure Assessment & Preliminary CIP Recommendations report (September 30, 2019), prepared by Cardno. Existing and projected future system impervious area is presented in **Table 2-1**.

Table 2-1 Current and Projected Impervious Area

Capacity Parameter	Current	Buildout ¹	Growth	Growth Share of Future
Impervious Area (SQ FT)	180,338,400	311,889,600	131,551,200	42%

¹Source: Assessment & Preliminary CIP Recommendations (September 30, 2019), Table 2-4.

Develop Cost Basis

The stormwater SDC methodology is based on a combined reimbursement and improvement fee structure. As discussed in Section 1, the reimbursement fee is intended to recover the costs associated with available capacity in the existing system; the improvement fee is based on the costs of future capacity-increasing improvements needed to address the impacts of growth.

Reimbursement Fee

The reimbursement fee is based on the inflation-adjusted acquisition cost of capital improvements previously constructed or under construction. **Table 2-2** shows the total acquisition cost and inflated cost for the existing stormwater system. Of the total \$68.5 million inflation-adjusted cost, approximately \$26.6 million was funded by the City and the remaining \$41.9 million was funded by developers and local assessments.

Table 2-2 Reimbursement Fee Cost Basis

Description	Acquisition Cost	Inflated Cost ¹	CIP Adjustments ²	Net Value	Growth Share	
					%	\$
Storm Drains						
City-Funded	\$7,322,454	\$26,598,240	\$2,084,009	\$24,514,231	42%	\$10,339,801
Developer/ Assessments	\$16,349,511	\$41,871,391	na	\$41,871,391	0%	--
Total	\$23,671,965	\$68,469,631	\$2,084,009	\$66,385,622	16%	\$10,339,801

¹Reflects Engineering News Record Construction Cost Index for Seattle April 2023 (15,031).

²Assets replaced by capital improvement plan (CIP) projects.

The City-funded cost is reduced by \$2.1 million, for assets to be replaced by capital improvement plan (CIP) projects. The remaining City-funded system asset value (estimated to be \$24.5 million) will serve both existing and future development through buildout, of which growth is estimated to represent 42 percent of future system impact. The reimbursement fee cost basis is \$10.3 million.

Improvement Fee Cost Basis

Table A-1 in the appendix shows the capital project list that forms the basis of improvement fee cost basis. For purposes of the SDC analysis, costs from the 2021 Stormwater Master Plan have been escalated to April 2023 values based on the Engineering News Record (ENR) Construction Cost Index (CCI) for Seattle (index = 15,031).

The cost basis includes stand-alone stormwater projects in each of the City's drainage basins, as well as projects to be constructed as part of road improvements identified in the Transportation System Plan (TSP). Each improvement was reviewed to determine the portion of costs that expand capacity for growth versus remedy an existing deficiency. An increase in system capacity may be established if a capital improvement increases the level of performance or service provided by existing facilities or provides new facilities.

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Many improvements provide capacity for growth and for existing customers (through upgraded or replaced facilities). New system facilities needed to expand capacity or extend the system to new growth areas are allocated 100 percent to growth. A portion of the TSP project costs are anticipated to be funded directly by developers as part of individual development projects. The SDC eligible cost for those projects is net of the developer funding.

As shown in Table A-1, the total project costs (based on April 2023 costs) are projected to be \$170 million, of which the total growth share is \$91.4 million (54 percent). Direct developer contributions are estimated to be \$34.8 million, so the net improvement fee cost basis is \$57.5 million.

Unit Costs

System-wide unit costs of capacity are determined by dividing the reimbursement fee and improvement fee cost bases by the aggregate growth-related capacity requirements from Table 2-1. **Table 2-3** shows these calculations.

Table 2-3 Unit Cost Calculations

Item	Value
Cost Basis	
Reimbursement	\$10,339,801
Improvement	\$57,511,863
Growth Capacity (SQ FT IA)	131,551,200
Unit cost (\$/SQ FT IA)	
Reimbursement	\$0.0786
Improvement	\$0.4372
SDC for Typical Residential Unit (3,200 SQ FT IA)	
Reimbursement Fee per EDU	\$251.52
Improvement Fee per EDU	\$1,398.98
Total SDC for Typical Residential Unit	\$1,650.50

SQ FT IA = Square feet impervious area

Table 2-3 also shows the calculated stormwater SDCs per for a typical single family residential unit (with 3,200 square feet of impervious area) based on the updated unit costs. The total SDC for a typical residential unit is \$1,650. The SDCs for all development types will be based on the unit costs and the measured impervious are for the development.

Future Project List and SDC Schedule Adjustments

In accordance with Oregon statutes (223.304(8)), the SDC unit costs shown in Table 2-3 and adopted by resolution may be adjusted periodically based on a published inflationary index. Specifically, the City intends to use the Engineering News Record Construction Cost Index for Seattle as the basis for adjusting the SDCs. The SDCs shown in this report are based on the April 2023 index of 15,031.

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Furthermore, as provided in ORS 223.309, after the City adopts the project list shown in Table A-1 by resolution, modifications to the list may be made at any time. However, if a change in the project list results in an increase to the SDCs, the City must provide notification to interested parties and if requested, provide additional review opportunities for the updated SDCs.

Future updates to the SDCs for inflation do not require revision to this Methodology Report (dated September 8, 2023).

Appendix

Table A-1 Stormwater Capital Project List (Improvement Fee Cost Basis)

Project No.	Project Type	Priority High (1-10 YR) Low (11-Buildout)	Project Cost	Inflated Cost	Est. Developer \$	% Growth	\$ SDC (Growth – Developer)
BT-001	Burkhart Creek Bridges - Clover Ridge Road & Knox Butte Apartments	Low	\$2,032,700	\$2,378,606	\$0	22%	\$533,481
BT-002	Burkhart Creek New Pipes - Earl Ave, Century Drive, & Eleanor Dr	Low	\$289,963	\$339,306	\$0	0%	\$0
BT-003	Edgewater Dr & Breezy Way - Dunlap Ave to Clover Ridge Rd	High	\$329,085	\$385,086	\$0	0%	\$0
BT-004	Hummingbird Street, Windy Avenue, & Clover Ridge Road	High	\$195,642	\$228,935	\$0	0%	\$0
BT-005	Somerset Drive - Cameron Street to Fairmont Drive	Low	\$250,870	\$293,561	\$0	0%	\$0
BT-006	Truax Creek New Pipes - Bernard Ave, Century Dr, Dian Ave, & David Ave	Low	\$1,769,557	\$2,070,684	\$0	0%	\$0
BT-007	Truax Creek New Pipes - Santa Maria Ave and Charlotte St	Low	\$554,029	\$648,309	\$0	0%	\$0
BT-008	Willamette Avenue - Empire Court to Timber Street	High	\$327,068	\$382,725	\$0	0%	\$0
BT-009	Windy Avenue - Stormy Street to Breezy Way	High	\$432,662	\$506,288	\$0	0%	\$0
BT-010	Burkhart Creek Bridge - Bob Barker Trucking	High	\$759,900	\$889,213	\$0	0%	\$0
CC-001	Airport Road	High	\$283,493	\$331,735	\$0	0%	\$0
CC-002	Columbus Street - 4th Avenue to Salem Avenue	High	\$498,486	\$583,314	\$0	69%	\$403,445
CC-003	Cox Creek New Pipes - Center Street	High	\$383,783	\$449,092	\$0	5%	\$23,158
CC-004	Heatherdale Mobile Home Park	High	\$1,492,921	\$1,746,973	\$0	43%	\$759,528
CC-005	South Shore Drive - Locust Place to Bain Street	High	\$421,986	\$493,796	\$0	67%	\$331,205
CC-006	Waverly Drive - 9th Avenue to Highway 20	Low	\$58,778	\$68,780	\$0	0%	\$0
CC-007	Albany Municipal Airport	High	\$421,389	\$493,097	\$0	0%	\$0
CC-008	Cox Creek - Albany Airport Bypass	High	\$4,672,960	\$5,468,162	\$0	0%	\$0

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Table A-1 Stormwater Capital Project List (Improvement Fee Cost Basis)

Project No.	Project Type	Priority High (1-10 YR) Low (11- Buildout)	Project Cost	Inflated Cost	Est. Developer \$	% Growth	\$ SDC (Growth – Developer)
CC-009	Highway 99E - Burkhart Street to Cox Creek	High	\$320,775	\$375,362	\$0	100%	\$375,362
CC-010	Fescue Street SE	High	\$203,957	\$238,665	\$0	100%	\$238,665
CC-011	S Commercial Way SE	Low	\$92,460	\$108,194	\$0	100%	\$108,194
CC-012	Goldfish Farm Road - Mackinaw Ave to Maple Leaf Ave	Low	\$391,267	\$457,849	\$0	100%	\$457,849
NA-001	23rd Street & Broadway Street	High	\$934,897	\$1,093,989	\$0	0%	\$0
NA-002	Cluster Oak Avenue - East of Oak Glen Street	High	\$319,735	\$374,145	\$0	0%	\$0
NA-003	Dover Lane, Grandview Dr, 19th Avenue, & Whitmore Ave	High	\$1,063,026	\$1,243,922	\$0	5%	\$60,060
NA-005	North Albany New Pipes - 13th Ave, Cloverdale Drive, Springwood Ave, & Dogwood Ln	High	\$2,576,936	\$3,015,456	\$0	0%	\$0
NA-006	North Albany New Pipes - Fairway Drive & Cloverdale Dr	Low	\$732,517	\$857,170	\$0	0%	\$0
NA-007	North Albany New Pipes - South Nebergall Loop	Low	\$1,231,957	\$1,441,600	\$0	0%	\$0
NA-008	Penny Lane - South of Gibson Hill Road	Low	\$106,578	\$124,714	\$0	0%	\$0
NA-009	Ravenwood Drive - South of Dover Lane	High	\$299,150	\$350,057	\$0	55%	\$193,071
NA-010	Riverview Heights Park	High	\$274,013	\$320,642	\$0	62%	\$198,226
NA-012	Violet Avenue - Broadway Street to 21st Street	High	\$631,577	\$739,053	\$0	0%	\$0
NA-013	White Oak Avenue & Brianna Street	High	\$279,568	\$327,142	\$0	0%	\$0
NA-016	Gibson Hill Road - Pulver Lane to Thorn Drive	High	\$125,756	\$147,156	\$0	0%	\$0
NA-018	Hickory Street - North Albany Road to Highway 20	High	\$398,661	\$466,502	\$0	100%	\$466,502
NA-020	Red Oak Street - San Pedro Avenue to White Oak Ave	High	\$68,522	\$80,182	\$0	100%	\$80,182
NA-021	Scenic Drive - 23rd Avenue to Dover Lane	Low	\$213,696	\$250,061	\$0	0%	\$0
NA-024	Thorn Drive	High	\$55,568	\$65,024	\$0	100%	\$65,024
NA-025	West Thornton Lake Drive to Thornton Lake	High	\$550,234	\$643,868	\$0	100%	\$643,868
NA-026	North Albany Local Street System Plan	Low	\$1,081,788	\$1,265,877	\$953,789	100%	\$312,088
OC-001	36th Avenue - Highway 99E to Oak Creek	Low	\$505,474	\$591,491	\$0	0%	\$0
OC-002	37th Avenue - Highway 99E to Oak Creek	Low	\$419,766	\$491,198	\$0	6%	\$30,139

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Table A-1 Stormwater Capital Project List (Improvement Fee Cost Basis)

Project No.	Project Type	Priority High (1-10 YR) Low (11-Buildout)	Project Cost	Inflated Cost	Est. Developer \$	% Growth	\$ SDC (Growth – Developer)
OC-003	39th Avenue - 37th Ave to Oak Creek	High	\$225,575	\$263,961	\$0	1%	\$2,162
OC-004	Drew Place - Bethel Loop to Oak Creek	High	\$220,529	\$258,057	\$0	21%	\$53,190
OC-005	Elm St & Umatilla Street Bridge - 22nd Avenue to Cathey Crk	High	\$1,208,030	\$1,413,602	\$0	0%	\$0
OC-006	Ferry Street - 30th Avenue to 34th Ave	High	\$729,344	\$853,457	\$0	61%	\$520,244
OC-007	Highway 99E - 29th Avenue to Cathey Creek	High	\$501,347	\$586,662	\$0	0%	\$0
OC-008	Liberty Street - Lakewood Drive to Park Place	High	\$151,998	\$177,864	\$0	0%	\$0
OC-009	Liberty Street & 24th Avenue - 24th Avenue to Cathey Creek	High	\$543,067	\$635,481	\$0	0%	\$15
OC-010	Marion Street - 38th Avenue to 34th Avenue	High	\$204,072	\$238,799	\$0	0%	\$0
OC-011	Takena Street & Liberty St - Lakewood Drive to Cathey Crk	High	\$1,516,541	\$1,774,612	\$0	13%	\$226,377
OC-012	Columbus Street Detention - 48th Avenue to Oak Creek	High	\$998,136	\$1,167,990	\$0	23%	\$272,107
OC-019	Oak Creek New Pipes - 40th Avenue to Oak Creek	Low	\$2,468,646	\$2,888,738	\$0	100%	\$2,888,738
CAI-PC-A	Central Albany Imp - Periwinkle Crk Basin: A - Geary St Trunk	High	\$12,661,919	\$14,816,609	\$0	74%	\$10,971,394
CAI-PC-B	Central Albany Imp. - Periwinkle Crk Basin: B - 19th Ave & Hill St	High	\$1,670,976	\$1,955,328	\$0	0%	\$0
CAI-PC-C	Central Albany Imp. - Periwinkle Crk Basin: C - Oak St, 38th Ave to 28th Ave	High	\$1,777,386	\$2,079,845	\$0	0%	\$0
CAI-PC-D	Central Albany Imp - Periwinkle Crk Basin: D - 28th Ave, Thurston St to Oak St	High	\$1,346,367	\$1,575,479	\$0	0%	\$0
CAI-PC-E	Central Albany Imp - Periwinkle Crk Basin: E - 38th Ave, Hill St, & Tudor Way	High	\$2,204,154	\$2,579,237	\$0	22%	\$575,834
CAI-PC-F	Central Albany Imp - Periwinkle Crk Basin: F - Madison St, 36th Ave to 28th Ave	High	\$1,400,120	\$1,638,380	\$0	8%	\$136,285
PC-001	12th Ave SE Neighborhood	Low	\$363,146	\$424,943	\$0	0%	\$0
PC-002	20th Avenue	Low	\$236,862	\$277,169	\$0	0%	\$0
PC-003	21st Avenue & Periwinkle Creek	High	\$148,416	\$173,672	\$0	0%	\$0
PC-004	22nd Avenue & 21st Place	High	\$296,279	\$346,697	\$0	0%	\$0

CITY OF ALBANY

Stormwater System Development Charges

Table A-1 Stormwater Capital Project List (Improvement Fee Cost Basis)

Project No.	Project Type	Priority High (1-10 YR) Low (11- Buildout)	Project Cost	Inflated Cost	Est. Developer \$	% Growth	\$ SDC (Growth – Developer)
PC-005	7th Avenue - Main Street SE to Periwinkle Creek	Low	\$544,761	\$637,463	\$0	0%	\$0
PC-006	Bain Street - 28th Avenue to Westcott Avenue	Low	\$177,724	\$207,967	\$0	0%	\$0
PC-007	Columbus Street & Grand Prairie Road	Low	\$1,801,666	\$2,108,257	\$0	0%	\$0
PC-008	East Mountain View Drive	High	\$215,662	\$252,361	\$0	55%	\$137,755
PC-009	Geary Street - South of Queen Avenue	High	\$159,280	\$186,385	\$0	0%	\$0
PC-011	Lexington Street & Collingwood St - 29th Ave to 24th Ave	High	\$842,876	\$986,309	\$0	0%	\$0
PC-012	Main St SE - 6th Ave SE to 7th Ave SE	High	\$99,979	\$116,993	\$0	0%	\$0
PC-013	Oxford Ave	High	\$241,035	\$282,052	\$0	0%	\$0
PC-014	Periwinkle Creek - I5 Drainage through Edgewood Mobile Home Park	High	\$628,753	\$735,748	\$0	0%	\$0
PC-015	Periwinkle Creek New Pipes - Lehigh Way	Low	\$346,783	\$405,795	\$0	0%	\$0
PC-016	Queen Avenue & Tudor Way - Hill Street to Periwinkle Creek	High	\$912,628	\$1,067,931	\$0	0%	\$0
PC-017	SE Geary Street & Grand Prairie Road	High	\$1,041,979	\$1,219,294	\$0	0%	\$0
PC-018	Tudor Way SE & 27th Ave SE	High	\$119,566	\$139,913	\$0	0%	\$0
PC-019	20th Avenue - Lockwood Place to Breakwood Circuit	High	\$99,193	\$116,073	\$0	0%	\$0
PC-021	32nd Avenue East of Ermine Street	Low	\$104,343	\$122,099	\$0	0%	\$0
PC-023	Periwinkle Creek - Three Lakes Road SE	High	\$1,605,400	\$1,878,592	\$0	35%	\$666,880
PC-024	Highway 99E & Highway 20	Low	\$88,354	\$103,389	\$0	0%	\$0
PC-026	Waverly Drive - 14th Avenue to Queen Avenue	Low	\$366,734	\$429,141	\$0	79%	\$336,948
PC-027	Grand Prairie Rd ODOT Pond Outfall	Low	\$20,821	\$24,364	\$0	100%	\$24,364
PC-028	Chicago Street - 31st Avenue to 34th Avenue	Low	\$229,635	\$268,712	\$0	0%	\$0
CAI-WR-A	Central Albany Imp - Willamette River Basin: A - Trunk Line Ext. & Imp.	High	\$11,157,129	\$13,055,748	\$0	61%	\$7,923,042
CAI-WR-B	Central Albany Imp - Willamette River Basin: B - Industrial Way, Thurston Street, Jackson Street, & 13th Avenue	High	\$1,692,879	\$1,980,958	\$0	2%	\$45,366

CITY OF ALBANY

Stormwater System Development Charges

Table A-1 Stormwater Capital Project List (Improvement Fee Cost Basis)

Project No.	Project Type	Priority High (1-10 YR) Low (11-Buildout)	Project Cost	Inflated Cost	Est. Developer \$	% Growth	\$ SDC (Growth – Developer)
CAI-WR-C	Central Albany Improvements - Willamette River Basin: C - Howard Drive, 15th Avenue, & 14th Avenue	High	\$385,719	\$451,357	\$0	0%	\$0
CAI-WR-D	Central Albany Improvements - Willamette River Basin: D - Industrial Way, Southwest of Howard Drive	High	\$203,403	\$238,016	\$0	0%	\$0
CAI-WR-E	Central Albany Improvements - Willamette River Basin: E - Jackson Street, 35th Avenue to 28th Avenue	High	\$971,291	\$1,136,576	\$0	2%	\$22,087
CAI-WR-F	Central Albany Improvements - Willamette River Basin: F - 29th Avenue & Thurston Street	High	\$329,936	\$386,082	\$0	0%	\$0
CAI-WR-G	Central Albany Improvements - Willamette River Basin: G - Thurston Street, 22nd Avenue to 28th Avenue	High	\$900,453	\$1,053,684	\$0	0%	\$0
WR-001	12th Avenue - Tadena Street to Broadway Street	High	\$832,708	\$974,411	\$0	51%	\$494,072
WR-002	3rd Street & 1st Street - Madison Street to Thurston Street	High	\$540,600	\$632,594	\$0	0%	\$0
WR-003	9th Avenue - West of Madison Street	High	\$79,616	\$93,164	\$0	0%	\$0
WR-004	Broadway Street New Pipe - North of 25th Avenue	High	\$281,714	\$329,654	\$0	42%	\$138,926
WR-005	Ferry Street - Trunk Line Pipe Connection	High	\$332,114	\$388,630	\$0	12%	\$47,897
WR-006	Front Avenue - Alco Street to Geary Street	High	\$230,285	\$269,473	\$0	8%	\$20,810
WR-007	Hill Street - 4th Avenue to Willamette River	High	\$1,080,005	\$1,263,790	\$0	0%	\$0
WR-008	Lyon Street & 19th Avenue	Low	\$290,053	\$339,412	\$0	74%	\$250,266
WR-009	Queen Ave & Elm St. - Maple St & Lawnridge St to 14th Ave	Low	\$1,442,860	\$1,688,393	\$0	0%	\$0
WR-010	Queen Avenue & Jackson St. - Jefferson St. to Industrial Way	High	\$1,349,578	\$1,579,237	\$0	22%	\$352,209
WR-011	Washington Street - 22nd Avenue to 9th Avenue	High	\$3,300,780	\$3,862,477	\$0	4%	\$166,423
WR-012	Willamette River New Pipes - Columbus Street & Front Ave	Low	\$260,066	\$304,322	\$0	0%	\$0
WR-013	Baker Street	Low	\$84,107	\$98,420	\$0	0%	\$0
TSP-L1	TSP Project L1 - 53rd Avenue Extension	Low	\$1,813,084	\$2,121,618	\$1,923,228	100%	\$198,390
TSP-L4	TSP Project L4 - Timber Street Extension	Low	\$553,587	\$647,791	\$496,569	100%	\$151,223
TSP-L8	TSP Project L8 - Lochner-Columbus Connector	Low	\$1,175,027	\$1,374,982	\$1,124,548	100%	\$250,435

CITY OF ALBANY

Stormwater System Development Charges

Table A-1 Stormwater Capital Project List (Improvement Fee Cost Basis)

Project No.	Project Type	Priority High (1-10 YR) Low (11-Buildout)	Project Cost	Inflated Cost	Est. Developer \$	% Growth	\$ SDC (Growth – Developer)
TSP-L10	TSP Project L10 - New North Albany Connector	Low	\$620,684	\$726,306	\$643,835	100%	\$82,472
TSP-L13	TSP Project L13 - Goldfish Farm Road Extension	Low	\$220,068	\$257,517	\$226,347	100%	\$31,170
TSP-L14	TSP Project L14 - Dogwood Avenue Extension	Low	\$5,788,997	\$6,774,116	\$1,023,952	100%	\$5,750,164
TSP-L15	TSP Project L15 - New North/South Collector	Low	\$6,736,756	\$7,883,156	\$864,239	100%	\$7,018,917
TSP-L16	TSP Project L16 - New East/West Collector	Low	\$3,740,723	\$4,377,285	\$1,141,623	100%	\$3,235,662
TSP-L18	TSP Project L18 - Timber Street Extension to Somerset Ave	Low	\$2,184,870	\$2,556,671	\$937,546	100%	\$1,619,125
TSP-L19	TSP Project L19 - Somerset Avenue Extension	Low	\$2,059,641	\$2,410,132	\$361,863	100%	\$2,048,269
TSP-L20	TSP Project L20 - Santa Maria Avenue Extension	Low	\$368,096	\$430,735	\$374,747	100%	\$55,988
TSP-L22	TSP Project L22 - Knox Butte Road Widening	Low	\$504,140	\$589,930	\$464,919	100%	\$125,011
TSP-L23	TSP Project L23 - Knox Butte Road Widening	Low	\$172,841	\$202,254	\$177,773	100%	\$24,481
TSP-L24	TSP Project L24 - Knox Butte Road Widening	Low	\$3,173,647	\$3,713,709	\$2,369,330	100%	\$1,344,379
TSP-L25	TSP Project L25 - Dunlap Avenue Extension	Low	\$334,118	\$390,975	\$387,167	100%	\$3,808
TSP-L28	TSP Project L28 - Ellingson Road Extension	Low	\$1,085,264	\$1,269,944	\$1,249,621	100%	\$20,323
TSP-L31	TSP Project L31 - Fescue St to Three Lakes Road Connector	Low	\$277,016	\$324,156	\$225,430	100%	\$98,726
TSP-L32	TSP Project L32 - Fescue Street Extension	Low	\$1,509,654	\$1,766,553	\$1,144,657	100%	\$621,897
TSP-L34	TSP Project L34 - Looney Lane Extension	Low	\$246,593	\$288,556	\$288,556	100%	\$0
TSP-L37	TSP Project L37 - Springhill Drive	Low	\$1,517,087	\$1,775,251	\$1,707,265	100%	\$67,986
TSP-L38	TSP Project L38 - Scenic Drive	High	\$1,970,639	\$2,305,984	\$1,942,968	100%	\$363,016
TSP-L41	TSP Project L41 - Skyline Drive	Low	\$493,321	\$577,270	\$549,201	100%	\$28,069
TSP-L42	TSP Project L42 - Crocker Lane	Low	\$1,580,176	\$1,849,076	\$1,695,642	39%	\$0
TSP-L43	TSP Project L43 - Valley View Drive	Low	\$1,042,125	\$1,219,464	\$1,219,464	100%	\$0
TSP-L44	TSP Project L44 - West Thornton Lake Drive	Low	\$1,652,575	\$1,933,795	\$1,571,940	100%	\$361,855
TSP-L45	TSP Project L45 - Allen Lane	Low	\$1,093,897	\$1,280,046	\$785,542	100%	\$494,505
TSP-L46	TSP Project L46 - Columbus Street	Low	\$816,851	\$955,855	\$864,721	100%	\$91,135
TSP-L47	TSP Project L47 - Grand Prairie Road	Low	\$724,986	\$848,358	\$848,358	100%	\$0

CITY OF ALBANY

Stormwater System Development Charges

Table A-1 Stormwater Capital Project List (Improvement Fee Cost Basis)

Project No.	Project Type	Priority High (1-10 YR) Low (11-Buildout)	Project Cost	Inflated Cost	Est. Developer \$	% Growth	\$ SDC (Growth – Developer)
TSP-L49	TSP Project L49 - Scrael Hill Road	Low	\$1,446,735	\$1,692,927	\$1,609,894	100%	\$83,033
TSP-L50	TSP Project L50 - Quarry Road	Low	\$588,340	\$688,458	\$560,258	100%	\$128,201
TSP-L52	TSP Project L52 - Goldfish Farm Road	Low	\$844,104	\$987,746	\$981,766	100%	\$5,980
TSP-L53	TSP Project L53 - Ellingson Lane	Low	\$838,144	\$980,772	\$855,923	100%	\$124,849
TSP-L54	TSP Project L54 - Lochner Road	Low	\$2,286,952	\$2,676,125	\$1,707,034	100%	\$969,090
TSP-L55	TSP Project L55 - Three Lakes Road	Low	\$1,044,878	\$1,222,686	\$938,331	100%	\$284,354
TSP-L57	TSP Project L57 - Santa Maria Avenue	Low	\$534,641	\$625,621	\$357,330	100%	\$268,291
TSP-L61	TSP Project L61 - Three Lakes Road	Low	\$201,804	\$236,145	\$228,524	100%	\$7,621
TOTAL			\$145,461,396	\$170,214,694	\$34,803,899	54%	\$57,511,863

CITY OF ALBANY
Stormwater System Development Charges

Table A-2 SDC Schedule

	Reimbursement SDC	Improvement SDC	Total SDC
\$/SQ FT Impervious Area	\$0.0786	\$0.4372	\$0.5158



RESOLUTION NO. _____

A RESOLUTION CREATING A STORM DRAINAGE SYSTEM DEVELOPMENT CHARGE AND ESTABLISHING AN APPEAL FEE

WHEREAS, through the previous adoption of ordinances establishing and amending Albany Municipal Code 15.16 regarding system development charges (SDC), the Albany City Council has declared its intent to comply with the provisions of ORS 223.297 through 223.316; and

WHEREAS, a methodology for the calculation of an improvement and reimbursement fee for the storm drainage SDC in Albany has been developed as specifically described in the Stormwater SDC methodology report dated September 8, 2023, and adopted via resolution on November 8, 2023; and

WHEREAS, the adopted methodology resulted in a maximum allowable fee of \$0.5158 per square foot of impervious area when indexed to the Engineering News Record (ENR) Seattle Construction Cost Index (CCI) for April 2023 (15,031.28); and

WHEREAS, the storm drainage SDC is a new SDC and represents an increase to the overall SDC charges for development and, therefore, is proposed to be phased in by five equal steps; and

WHEREAS, the council deems it desirable to establish the first phase-in step this year; and

WHEREAS, each year, the council will be given the opportunity to vote on whether or not to implement the remaining phase-in steps.

NOW, THEREFORE, BE IT RESOLVED; that an improvement fee and a reimbursement fee storm drainage SDC for Albany hereby be established to include the first phase-in step as shown in Exhibit A; and

BE IT FURTHER RESOLVED that the effective date of these charges shall be **January 1, 2024**.

DATED THIS 8TH DAY OF NOVEMBER 2023.

Mayor

ATTEST:

City Clerk

EXHIBIT A

STORM DRAINAGE SYSTEM DEVELOPMENT CHARGE

The storm drainage system development charge (SDC) is assessed to development for the creation of additional impervious area.

Storm Drainage SDC by square foot of impervious area (\$/SF of Imp. Area):

Storm Drainage SDC	SDC Reimbursement* \$/SF or Imp. Area	SDC Improvement* \$/SF or Imp. Area	SDC Total* \$/SF or Imp. Area
First of Five Phase-In Steps	\$0.0157	\$0.0874	\$0.1032

* Indexed to April 2023 ENR CCI Seattle (15,031.28)

SDC IMPROVEMENT FEE CREDIT

Pursuant to Albany Municipal Code (AMC) Section 15.16.090 (2), a credit against the storm drainage SDC-I fee shall be given for the cost of a qualified public water improvement required as a condition of development approval and identified in the Stormwater SDC Methodology (Adopted November 2023) as a project to be wholly or partially funded with storm drainage SDC-I fees.

APPEAL FEE

Pursuant to AMC Section 15.16.100(5), an appeal fee of \$100 per appeal is hereby established. Appeal submittal by parties appealing their calculated fee (AMC Section 15.16.100(3)) shall conform to AMC Section 15.16.100 procedure.



MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager
Matthew Ruetters, Community Development Director *MR*

FROM: Anne Catlin, Comprehensive Planning Manager *alc*

DATE: October 27, 2023, for the November 8, 2023, City Council Meeting

SUBJECT: Potential Climate Friendly Areas Report

Action Requested:

Staff requests that the City Council review the revised Study of Potential Climate Friendly Areas (CFAs) report and authorize staff to submit the report to the Department of Land Conservation and Development (DLCD) by passing the attached resolution.

Background:

In September 2020, the Land Conservation and Development Commission (LCDC) launched the Climate-Friendly and Equitable Communities (CFEC) rulemaking in response to Governor Brown issued Executive Order 20-04, which directed state agencies to take urgent action to meet Oregon's climate pollution reduction targets while ensuring equitable outcomes for underserved populations. The CFEC rulemaking is an effort to reduce pollution from the transportation system by helping cities plan for a future that reduces the need to drive while improving access to jobs, housing, and services. After two years of community engagement, LCDC adopted initial CFEC rules on July 21, 2022, which amended the rules governing Oregon's land use planning system for Oregon's larger cities.

A component of the CFEC rules requires cities over 25,000 in population to establish Climate Friendly Areas (CFAs) that have the capacity to accommodate 30 percent of Albany's current and future housing needs until 2040 as determined by Albany's 2020 Housing and Residential Land Needs Assessment, which totals 8,861 units in 2040. CFAs are urban mixed-use areas where residents, workers and visitors can meet most of their daily needs without having to drive a vehicle.

The first step of the CFA process was to identify and evaluate potential candidate CFAs that could accommodate Albany's needed housing to year 2040 and submit the study to DLCD by December 31, 2023. The report also includes an evaluation of existing code standards. Submitting the report does not commit the City to designating all candidate areas as CFAs.

Discussion:

The candidate CFAs were identified and evaluated over the last year with support from Oregon Cascades West Council of Governments (maps and technical analysis), and 3J Consulting (community engagement). The CFA rules (OAR 660-012-0320) require cities with populations over 50,000 to create one primary CFA, and additional secondary CFAs as needed to meet the minimum capacity calculations, with the following minimum densities and allowed building heights.

	Minimum Residential Density	Allowed Building Height
Secondary CFA	15 dwellings/net acre	No less than 50 ft
Primary CFA	25 dwellings/net acre	No less than 85 ft

City staff first identified areas in the city zoned for a mix of uses, near transit lines with some vacant and/or underdeveloped land, and comparable building height allowances so they could meet the CFA requirements with little to no modifications to existing standards. Efforts were also made to identify a CFA in all areas of the city – north, downtown, south/west, east, and in the middle.

The initial list of candidate areas was modified after considering public input gathered through three community events and two surveys. Two candidate areas were removed from the report following input provided by the City Council and Planning Commission at the October 16, 2023, work session.

Calculating Residential Unit Capacity in Potential CFAs. The study provides a low and high estimate of the number of dwelling units each candidate CFA could provide, following formulas provided in the state rules with additional assumptions described in the report to determine **net developable area** (OAR 660-012-0315). The following areas were excluded from both the low and high estimates:

- Existing or anticipated rights-of-way for undeveloped properties,
- Land in public use or planned for public uses (parks, open spaces, infrastructure facilities),
- Floodplains were mostly avoided, significant wetlands were excluded, and non-significant wetlands were assumed to be 50 percent buildable, and
- Public buildings and historic buildings and property within the historic overlay district were assumed to have no capacity.

The difference in the low and high estimates is due to assumed building footprints. The low estimates provide a larger assumption for on-site parking, setbacks, and landscaping, where the high estimates assume more building coverage and smaller setbacks (more urban level development).

After determining the net buildable area, the number of units is based on the number of floors that could be built by zone heights, and an average unit size of 900 square feet. The table below provides the low and high estimates.

Site	Site Name	Total Acres	Net Acres	Low Estimate	High Estimate
Site A	Downtown Area	79.4	26.2	1,447	1,861
Site B	East Albany Area	144.1	69.9	2,876	3,834
Site C	North Albany Area	72.4	36.2	1,865	2,487
Site D	Heritage Mall Area	146.4	78.4	4,622	6,162
Site E	Queen/Geary Area	34.4	16.4	573	764
Site F	South Albany Area	69.9	25.9	1,356	1,809
Estimated Capacity Numbers				12,739	16,917

While the low estimate far exceeds the 8,861 units threshold requirement, only a portion of these areas will experience residential development by 2040, and they may not be developed to the maximum allowable potential. The extra capacity also allows room for boundaries to be adjusted through the adoption process. It is estimated that almost 1,100 units exist within the candidate CFAs today.

Next Steps:

CFA Study: Following submittal of the Study of Potential CFAs, DLCD will post a copy of the report on the department's website, invite written comments for a period of 21 days, and provide notice to persons described under ORS 197.615(3)(a). Within 60 days of posting the report to the department's website, DLCD will provide written comments on the report to the city and include any written comments received by the public.

CFA Adoption: The second phase of the CFA process is to identify the final CFAs on the comprehensive plan map zoning map, by land use designations or overlay zones, and adopt any land use requirements that may be necessary to comply with the CFA rules by December 31, 2024, per OAR 660-012-0315(6). Public participation and notice will be included in the process. Staff anticipates starting this process in January of 2024.

AC:km

Attachments (2):

1. Resolution
2. Phase 1: Study of Potential Climate Friendly Areas
 - a. Anti-displacement Analysis



RESOLUTION NO. _____

A RESOLUTION ENDORSING THE SUBMITTAL OF THE STUDY OF POTENTIAL CLIMATE FRIENDLY AREAS TO THE DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT (DLCD) TO COMPLY WITH THE CLIMATE FRIENDLY AND EQUITABLE COMMUNITY RULES IN OREGON ADMINISTRATIVE RULES IN CHAPTER 660 DIVISION 12

WHEREAS, On July 21, 2022, the Land Conservation and Development Commission adopted Climate-Friendly and Equitable Communities (CFEC) administrative rules in response to Governor Brown's Executive Order 20-04 directing state agencies to take urgent action to meet Oregon's climate pollution reduction targets while ensuring equitable outcomes for underserved populations; and

WHEREAS, a component of the CFEC rules requires cities with populations over 25,000 to establish Climate Friendly Areas (CFAs), which are urban mixed-use areas that provide access to more housing and transportation choices, services and jobs; and

WHEREAS, the Oregon Administrative Rules in 660-012-0310 require cities to first identify and evaluate potential CFAs and submit the study to DLCD by December 31, 2023; and

WHEREAS, the City of Albany hosted three meetings between November 2022 and May 2023 to inform the public about the CFEC rules and get feedback on potential CFAs and conducted two surveys for specific input on the candidate CFAs; and

WHEREAS, the candidate CFAs were modified based on public input; and

WHEREAS, the Albany City Council and Albany Planning Commission reviewed the draft study of potential CFAs at a work session on October 16, 2023, and recommended additional revisions to the CFAs to include in the study; and

WHEREAS, staff updated Albany's Study of Potential Climate Friendly Areas report; and

WHEREAS, submitting the CFA study is not a land use action and does not commit the city to adopting land use requirements to implement all of the candidate CFAs.

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that the council endorses the submittal of the Study of Potential Climate Friendly Areas to DLCD by December 31, 2023.

DATED THIS 8TH DAY OF NOVEMBER 2023.

Mayor

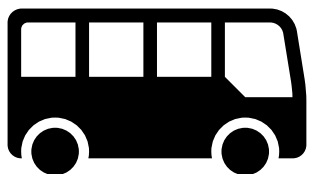
ATTEST:

City Clerk



CLIMATE-FRIENDLY AREAS

Phase 1: Study of Potential Climate Friendly Areas



City of Albany Climate Friendly Areas

Acknowledgements

This report was prepared to meet the requirements of OAR 660-012-0315(4), which requires local governments to submit a study to identify potential CFAs by December 31, 2023.

Oregon's Department of Land Conservation and Development (DLCD) provided funding to the Oregon Cascades West Council of Governments (OCWCOG) to provide technical assistance to the cities of Corvallis, Albany and Philomath in this effort.

Project Staff

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Attachment – Anti-displacement Analysis	

Climate-Friendly and Equitable Communities Rulemaking

In September 2020, the Land Conservation and Development Commission (LCDC) launched the Climate-Friendly and Equitable Communities (CFEC) rulemaking in response to Governor Brown’s Executive Order 20-04 directing state agencies to take urgent action to meet Oregon’s climate pollution reduction targets while ensuring equitable outcomes for underserved populations. Executive Order 20-04 directed state agencies to reduce climate pollution. In response, the Land Conservation and Development Commission (LCDC) directed the Department of Land Conservation and Development (DLCD) to draft updates to Oregon’s transportation and housing planning rules and convene a rulemaking advisory committee. The adopted rules include amendments to the rules governing Oregon’s planning system for communities in Oregon’s eight most populated areas.

What is a Climate-Friendly Area?

A Climate-Friendly Area (CFA) is an area where residents, workers, and visitors can meet most of their daily needs without having to drive. They are urban mixed-use areas that contain, or are planned to contain, a greater mix and supply of housing, jobs, businesses, and services. These areas are served, or planned to be served, by high quality pedestrian, bicycle, and transit infrastructure to provide frequent, comfortable, and convenient connections to key destinations within the city and region.

Oregon cities with a population greater than 25,000 must adopt at least one CFA, the “Primary CFA”, by December 31, 2024. The designated primary CFA must have a minimum size of 25 acres which includes the most stringent development standards required per local government size. Additional CFAs, referred to as “Secondary CFAs”, may be designated with less intensive standards as provided in the rule to achieve the required housing capacity. The CFA(s) must have the capacity to accommodate 30 percent of current and future housing needs as determined by the city’s 2020 Housing and Residential Land Needs Assessment (HNA).

CFA Study Process

The first phase of the CFA study is to identify, study, and designate potential CFAs (Phase 1: Study of Potential Climate Friendly Areas), for which DLCD partnered with Oregon Cascades West Council of Governments (OCWCOG) to provide technical assistance to cities. Adopting land use requirements and identifying climate-friendly area(s) on the comprehensive plan map is Phase 2: Adoption. While local governments are required to use the CFA study process to identify the most promising area or areas, they are *not required* to adopt and zone areas studied as CFAs. In summary, the CFA Candidate areas discussed in this study are not the final CFAs for Albany and the city will finalize the CFA locations in Phase 2.

Implementation Timeline

The CFA Implementation is one part of the broader CFEC rulemaking. Exhibit 1 outlines the full scope of the CFEC implementation efforts in Albany. As discussed above, COG’s role is assisting Albany with the CFA study (Phase 1).

- June 30, 2023 – CFA Study Submitted to cities by OCWCOG
- December 31, 2023 – Phase 1: CFA Studies Due to DLCD from Cities
- December 31, 2024 – Phase 2: Cities adopt CFA Land Use Standards and any map changes

Exhibit 1: CFEC Implementation Timeline

Compliance date for tasks in italics can be modified per OAR 660-012-0012(3)

	2022	2023	2024	2025	2026-2028	2029
Albany Area			TPR major report (5/31) ²	TPR minor report (5/31)	TPR minor report (5/31) (major in 2028)	TPR minor report (5/31)
Albany	Parking A	CFA Study EV Conduit Parking B	CFA Codes Transportation Modeling	Performance Standards	2028 HNA Additional CFA for UGB expansions after June 2027	TSP TPR Dev. Regs.

Roles and Responsibilities

The CFA Candidate Study was a joint effort of 3J Consulting, OCWCOG, the City of Albany and DLCD. The project partners each had a defined role and coordination was key throughout the project.

- 3J Consulting – Public engagement support, implementing community engagement plans, interviews, focus groups, and community engagement expertise.
- OCWCOG – Maps, technical analysis, anti-displacement spatial analysis, and the Climate-Friendly Study Report.
- City of Albany – Provide local knowledge and expertise, public notices, anti-displacement planning analysis.
- DLCD – Technical assistance about the rules (Oregon Administrative Rules – “OARs”, Chapter 660, Divisions 8, 12, and 14).

Public Engagement

The City of Albany developed a community engagement plan for the designation of CFAs that included a process to study potential CFA areas and to later adopt associated amendments to the comprehensive plan and development code. The city worked closely with 3J consulting to complete the engagement tasks outlined in the community engagement plan. More information is available in the engagement summary (Provided by 3J).

The city hosted three public meetings to discuss CFAs. The meetings were designed to inform the public about the rules and get feedback on candidate areas. The goal of each meeting is listed below:

- Meeting 1 (November 2022): Focused on education and awareness.
- Meeting 2 (February 2023): Candidate Area Presentation and Open House.
- Meeting 3 (May 2023): Anti-Displacement Analysis and final CFA candidates.

Local Context and Candidate Area Approach

COG and City Staff identified existing areas that could meet the basic requirements of CFAs based on existing zoning. The City of Albany has existing mixed use and other zones that meet most of the CFA requirements for either the primary CFA or secondary CFAs.

A first pass at identifying candidate CFAs was focused on finding vacant and underdeveloped land in some of the mixed-use zoned areas. In addition, candidate areas are served or are planned to be served by pedestrian, bike, and transit infrastructure. Each of the CFA candidates is located along or near a transit line. Boundaries were then adjusted based on existing on the ground development. The candidate CFAs are a starting point, and the areas may change throughout the public engagement and adoption process.

Required Capacity

The City of Albany has an adopted and acknowledged housing needs analysis from 2020 that projects housing needs to 2040. According to the analysis, there were 22,805 dwelling units in the City of Albany in 2019. The City's population is expected to grow by an average annual rate of 1.27 percent to 71,985 in 2040 from 53,791 in 2019. There is an anticipated need for an additional 6,730 dwelling units for a total of 29,535 in 2040. Albany must provide zoned residential building capacity sufficient to contain **8,861 dwelling units** in one or more CFA(s), equal to 30 percent of the existing and projected needed dwelling units in 2040.

CFA Initial Candidates

Seven areas were identified throughout the city as draft candidate areas to evaluate. The candidate areas were presented at Public Meeting #2 in February 2023, and community members had the opportunity to provide feedback on the areas at the meeting and through a survey. Based on public input, the candidate areas were updated as described below. In addition, staff recommends the primary CFA is the Heritage Mall Area (Site D). The changes to the candidate CFA boundaries made after Public Meeting #2 are described below.

- A. Downtown - No Changes
- B. East Albany - Remove portion of undeveloped RM south and east of Burkhart Creek due to concerns over too much land requiring a minimum density of 15/units an acre, and removed land in the urban growth boundary (*formerly site G*)
- C. North Albany - RM land was removed from Site C due to sewer infrastructure capacity concerns.
- D. Heritage Mall Area (Proposed Primary CFA)* - This area was expanded to include the entire Heritage Mall and surrounding area. The area is centrally located with access to bus services, groceries, the library, vacant land, and large underutilized parking lots.
- E. Queen/Geary Street - No Changes
- F. South Albany/99 E - No Changes

East of Downtown (*initial site B*)– Initially, this area was reduced following public input to contain the WF and MS zones. After further discussion by the Planning Commission and City Council at an October 2023 work session, it was decided to remove this area from the study completely due to safety concerns, small lot sizes, and potential displacement concerns from the equity spatial analysis (summarized later in this report).

Cumulatively, the six remaining candidate areas have a projected capacity of between 12,739 and 16,917 dwelling units – sufficient to accommodate more than 30 percent of total current and future housing needs.

Zoning and Development Standards Summary

CFAs are subject to land use requirements established in OAR 660-012-0320. Cities and counties must incorporate all requirements into policies and development regulations that apply in all CFAs. All CFAs are subject to the following land use requirements:

- Development regulations for a CFA shall allow single-use and mixed-use development within individual buildings or on development sites, including the following outright permitted uses:

- Multifamily (multi dwelling-unit) residential and attached single-family (single dwelling-unit) residential. Note: Other residential building types may be allowed, subject to compliance with applicable minimum density requirements or performance standards.
- Office-type uses
- Non-Auto dependent retail, services, and other commercial uses
- Childcare, schools, and other public uses, including public-serving government facilities
- Local governments shall prioritize locating government facilities that provide direct service to the public within CFAs and shall prioritize locating parks, open space, plazas, and similar public amenities in or near CFAs without sufficient access to these amenities.
- Streetscape requirements in CFAs shall also include street trees and other landscaping, where feasible.
- Local governments shall establish maximum block length standards.
- Development regulations may not include a maximum residential density limitation.

The City of Albany is following the prescriptive path in the rules (OAR 660-012-0320(8)). Local governments opting to follow the prescriptive path must adopt the following standards into their development code:

Exhibit 2: Prescriptive Path Rules

	Minimum Residential Density	Allowed Building Height
Secondary CFA	15 dwelling units/net acre	No less than 50 ft
Primary CFA	25 dwelling units/net acre	No less than 85 ft

*Note that not all development will be built to the maximum allowed. Cities are required to allow development up to the allowed height and not all development will be built to the maximum allowed. Many zones in Albany already meet the primary or the secondary building height standard.

The City of Albany has mixed use, commercial, and residential zones that are within the candidate CFAs. Some of the land within candidate CFAs may require modifications to uses allowed, development standards, rezoning, or a zoning overlay. The zoning analysis table in Exhibit 11 describes the code updates that will be required as part of Phase 2.

Dimensional Standards

CFAs are subject to the following dimensional standards.

Minimum Size (OAR 660-012-0320(8)(b))

Local governments with a population greater than 25,000 must adopt at least one CFA with a minimum size of 25 acres which includes the most intensive development standards required per local government size. These areas are called “Primary CFAs.” For these larger local governments, additional CFAs may be designated with less intensive standards as provided in the rule to achieve the required housing capacity.

The proposed primary area in Albany is the Heritage Mall Area (Site D) which is 146.4 acres and well above the minimum of 25 acres.

Minimum Width (OAR 660-012-310(2)(f))

OAR 660-012-0310(2)(f) requires CFAs to have a minimum width of 750 feet, with a few exceptions. The CFA dimensional standard includes allowed exceptions to the minimum width requirement, including natural barriers, barriers in the built environment (such as freeways), and areas planned and zoned to meet industrial needs. The minimum width dimension is intended to result in a necessary concentration of uses within a proximate area to facilitate pedestrian, bicycle, and transit convenience. Another goal is to avoid over-reliance on narrow, linear corridors that would serve to sharply separate CFA areas from abutting zones. Linear corridors are less likely to foster a synergy of uses and could result in economic segregation from abutting zones.

However, these considerations may be balanced with ongoing planning efforts to support transit-served corridors. Optimally, a circle 750 feet in diameter would fit within all portions of a CFA. Parts of CFAs that cannot meet this criterion should be relatively limited, and such corridors should be provided with high-quality pedestrian, bicycle, and transit infrastructure.

The Albany candidate CFAs meet the 750-width requirement.

Urban Growth Boundary (UGB)

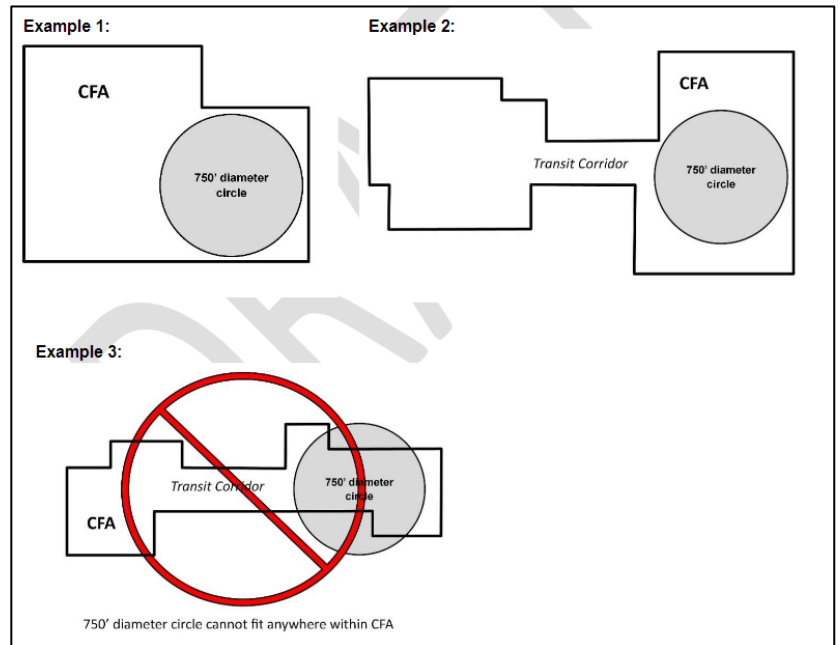
CFAs may be located outside city limits but within a UGB if ALL following requirements are met:

- The area is contiguous with the city limits boundary.
- The provision of urban services is contingent upon annexation into the city limits and the area is readily serviceable with urban water, sewer, stormwater, and transportation.

Note: "Readily serviceable" means that urban infrastructure services are nearby and could be provided to allow construction on the site within one year of an application for a building permit.
- The zoning that will be applied upon annexation is consistent with CFA requirements of OAR 660-012-0320.
- The county has adopted a comprehensive plan designation for the area consistent with the land use requirements of OAR 660-012-0320.
- The city can demonstrate that at least 70 percent of complete annexation applications within the past five years have been approved within one year of the date of submittal of a complete annexation application.

The candidate CFAs are all located within the city limits.

Exhibit 3: Minimum Width Diagrams – DLCD



CFA Capacity Estimate Methodology

DLCD provided guidance which explicitly states how to calculate the capacity for identified CFAs. This methodology is explained in detail in DLCD’s Climate-Friendly Area Methods Guide. Alternative methodologies may be used, if approved by DLCD staff. As COG initially conducted capacity calculations for CFAs in Albany, the estimates appeared high when considering: 1) the small urban character of Albany, as compared with Portland or Eugene; 2) recent mixed use development examples; and 3) broader market realities. This high-capacity estimate would be allowed under the rules. COG used this number as a “high” estimate (with some adjustments) and then developed more conservative assumptions to calculate a “low” estimate. This results in a range of estimated units within CFA candidates. Prior to implementing this low estimate, COG met with DLCD staff to review the more conservative assumptions and receive approval for the alternative methods.

The proposed alternative path follows some of the same assumptions as the prescriptive path with a few adjustments. An outline of the two approaches is below.

Prescriptive Path Description – “Zoned Building Capacity”

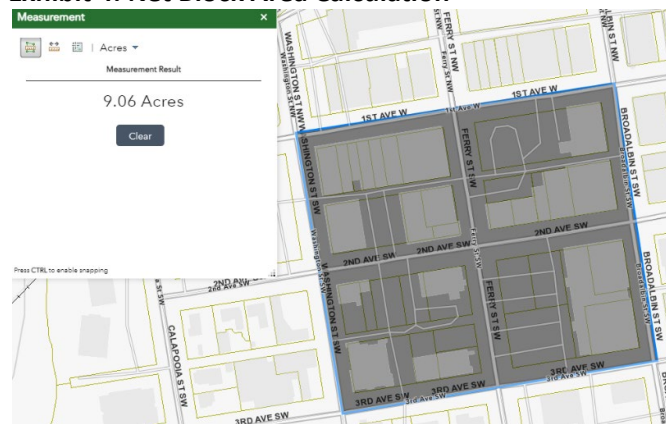
Capacity calculations are done regardless of existing development. Each parcel is calculated as if the parcel was not developed.

1. Calculate Net Developable Area (NDA)

- Net Block Calculation – remove existing Right-of-Way (ROW) area or estimate the amount of ROW for blocks over 5.5 acres.

Where blocks are 5.5 acres or larger, look at the city’s most fully developed urban center to calculate the following, as per OAR 660-012-0315(2)(a): the ratio of total land area to net land area (total land area minus rights-of-way), and the net block area, as found by taking the gross block area (the available total acres on these larger blocks) divided by the above ratio, in acres. In Albany the net block calculation was 1.62 utilizing a downtown Albany example (Washington to Broadalbin, and 1st to 3rd). Total block area (9.06 acres) divided by net block area (5.6 acres) equals 1.62. Most block areas in Albany were below 5.5 acres and this calculation was not required.

Exhibit 4: Net Block Area Calculation



- Remove land area that is used or planned for public uses (those not involving public services or employees), such as parks, open space areas, infrastructure facilities, and dedicated rights-of-way (whether improved or unimproved).
 - Estimate the amount of block area for setbacks, parking, and open space. This estimate will vary based on the zone standards.
 - Floodplain areas were avoided when possible. Lots within the floodplain are still buildable and subject to the Albany floodplain standards. Any candidate areas with floodplain areas are noted in the candidate site descriptions.
 - Significant wetland areas were assumed to not be buildable for the Albany capacity estimates. Non-significant wetlands were assumed to be 50 percent buildable. The proposed areas mostly avoid wetland areas with a few exceptions and any candidate areas with wetlands are noted in the candidate site descriptions. Site F and G are the two sites most impacted by wetland areas.
2. Maximum Number of Floors – Formula based. For example, a sixty-foot building is estimated to allow for five stories.
 3. Percentage of Buildings assumed as Residential Use. The prescriptive path requires the use of a typical or average percentage for proportion of residential use in any building. The rules set this at 30 percent (012-0315(2)).
 4. Average Unit Size. The rules require using an average unit size of 900 square feet to determine capacity (012-0315(2)(e)).

The prescriptive path may overestimate the capacity of CFA candidates and was used as an upper limit. To comply with the CFEC parking requirements Albany eliminated parking mandates city wide. Parking may still be provided by the developer; however, it is not required by the zoning code. Some zones allow for full lot coverage and do not have a setback requirement while other zones do have lot coverage maximums and setback requirements. The setback estimates are accounted for in the estimates.

Height

A 50-foot height was used for the zoning districts that do not currently have a 50-foot height allowance and would need to increase the allowed height.

The capacity estimates for the HD (outside the historic districts overlay), MUC, and RC zones were based on an 85-foot height maximum. Capacity estimates in other zones were based on the zone's existing allowed height (See the zoning table) or a 50-foot minimum height.

Height Bonus

Local governments that allow height bonuses can count 25 percent of the capacity from the additional allowed height as additional zoned building capacity. The additional allowed height must:

- Allow building heights above the minimums established in OAR 660-012-0320(8); and,
- Allow height bonuses for publicly subsidized housing serving households with an income of 80 percent or less of the area median household income or height bonuses for the construction of accessible dwelling units, as defined in OAR 660-008-0050(4)(a), more than minimum requirements.

The City of Albany does not currently have a height bonus allowance and height bonus calculation was not utilized for the capacity estimates.

Alternative Path Option

The earlier sections describe the prescriptive path to estimate residential capacity as established in OAR 660-012-0315(2). According to OAR 660-012-0320(10), a local government may use an outcome-oriented alternative methodology for zoned residential building capacity calculation that differs from the prescriptive path, but this option required higher minimum density outcomes than the prescriptive path.

Albany chose to calculate capacity using the prescriptive path as the methodology was reasonable and existing zoning districts essentially allow for the level of development.

Prescriptive Path Adjustments

While the prescriptive path potentially overestimates capacity for Albany, the assumption is that development will occur at lower levels than what the prescriptive path assumes. The city elected to apply additional adjustments to determine the net buildable area:

- **Public Buildings.** While the rules allow for public buildings to count towards capacity, public buildings including city hall, the fire station, and Linn County Buildings are not expected to have any residential capacity in the near- or long-term planning period. In the context of Albany, it was determined that public buildings should not count towards capacity and those properties were removed.
- **Historic District and Building Overlay.** Recognizing redevelopment of historic properties at the allowed building height is unlikely, historic buildings and overlays were assumed to have a zero capacity. Some historic buildings may account for a few existing units; however, substantial redevelopment of historic properties is not expected.

High Estimate (Modified Prescriptive Path)

- Follow the Prescriptive Path outlined above.
- Public buildings are assumed to have a zero capacity.
- Historic buildings and property within the historic district overlay are assumed to have zero capacity.
- A small setback assumption is accounted for in the high estimate. A 10 percent setback calculation was assumed for the HD, CB, DMU, and LE zones. For all other zones a 20 percent setback calculation was assumed (after excluding ROWs, public buildings, and historic properties) would be utilized for parking, drive aisles landscaping, sidewalks, open space, etc. The assumption is that buildings in the downtown area will utilize more lot area on average.

Low Estimate (Modified Prescriptive Path v2)

- Same public building and historic building assumption as the high estimate.
- The low estimate recognizes that full build out of every block is not likely even in the long-range planning period. The low estimate assumes 30 percent of block area in the HD, CB, DMU, and LE zones and 40 percent in all other areas (after excluding ROWs, public buildings, and historic

properties) would be utilized for parking, drive aisles landscaping, sidewalks, open space, etc. The assumption is that buildings in the downtown area will utilize more lot area on average.

Overall, the proposed high and low estimates provide a capacity estimate range. Both the low and high estimates for the CFA candidate areas are sufficient to meet Albany's required capacity of 8,861 dwellings. As Albany grows, additional CFAs may be required.

Exhibit 5: Estimated Capacity Ranges (8,861 Units Needed)

Site	Site Name	Size	Size	Low Estimate	High Estimate
		(Acres) - Total	(Acres) - Net*		
Site A	Downtown Area	79.4	26.2	1,447	1,861
Site B	East Albany Area	144.1	69.9	2,876	3,834
Site C	North Albany Area	72.4	36.2	1,865	2,487
Site D	Heritage Mall Area	146.4	78.4	4,622	6,162
Site E	Queen/Geary Area	34.4	16.4	573	764
Site F	South Albany Area	69.9	25.9	1,356	1,809
Estimated Capacity Numbers				12,739	16,917

*Size (Acres) Net – Nets out the ROWs, Historic Properties, Parks, Public Building Lots, Etc. The calculation in this table does not net out the setback area.

Ground Truthing the Capacity Estimates

Using the methods described above we estimated the capacity for each candidate area. Developments in Albany include the Eagle Pointe Apartments (East Albany) and the Spruce Apartments (Downtown). The Eagle Pointe Apartments are three-story apartment buildings with a total of 264 dwelling units on approximately 15.5 acres, and surface level parking. The Spruce Apartments are a three-story building with 18 dwelling units on 0.37 acres, and surface level parking. Assuming similar development occurred across the entire candidate area we can ground truth the capacity estimates.

- *The Eagle Pointe Apartments (225 Timber Ridge Street) calculation falls under the low and high estimate for East Albany.*
- *The Spruce Apartments (222 SE First Street) falls under the estimate for downtown. Both examples meet the secondary area minimum residential requirement (15 units/acre).*

Exhibit 6: Recent Albany Development

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
	Site Net Acreage	Dwelling Units	Units/ Net Acre (B ÷ A)	Candidate Area Net Acres	Dwelling Units Estimate (C x D)
Spruce Apartments (Site A)	0.37	18	49	26.2	1,275
Eagle Point Apartments (Site B)	15.5	264	17	69.9	1,191

A full market analysis was not completed in conjunction with the candidate CFA study. However, one will be completed prior to adoption of candidate CFAs.

Existing Development and Redevelopment

The candidate areas include a mix of downtown areas, commercial corridors, vacant areas, residential development, and commercial development. The capacity estimates are calculated as if parcels were not developed. To be clear, this does not mean the city is proposing to tear down buildings in CFAs. Redevelopment that supports a mixed-use environment may happen over time. In some CFAs this could occur in the next 5 years, for other sites redevelopment may take 20 years or longer, and some sites may never be redeveloped. Furthermore, the capacity calculations assumed a zero capacity for historic buildings recognizing the importance of historic buildings, and a zero capacity for public buildings recognizing the public services provided.

As part of Phase 1, COG staff estimated the number of existing dwelling units in each candidate area. This calculation is based on Google Street View review, apartment websites, local knowledge, and property data. The estimate provides a general idea of the number of dwelling units in the candidate areas. The CFA candidates are estimated to have 1,093 existing dwelling units.

Exhibit 7: Existing Dwelling Unit Estimate

Site	Site Name	Existing Dwellings	Low Capacity Estimate
Site A	Downtown Area	106	1,447
Site B	East Albany Area	548	2,876
Site C	North Albany Area	41	1,865
Site D	Heritage Mall Area	63	4,622
Site E	Queen/Geary Area	333	573
Site F	South Albany Area	2	1,356
Totals		1,093	12,739

Parking

The City of Albany eliminated minimum parking requirements in compliance with the CFEC rules. “Cities that lower parking mandates have seen reduced housing costs, increased business development, and more diverse developments, with creative approaches to providing parking” (DLCD Parking Guidance-More Housing, More Business, Lower Costs, and Parking Still Supplied).

Most builders in communities without parking mandates still provide some parking with new developments. Some of them provide less than previously mandated or provide it off-site. Others provide more than previously mandated, as their market analysis or lenders indicate that’s what their customers want.

Parking Estimate – in the low estimate we were able to estimate the number of surface level parking spaces based on the block area percentage above. Assuming a third of the setback area was used for parking and the remaining area was used for drive aisles, landscaping, etc. and a parking space is 162 square feet (9 feet x 18 feet). Using this estimate, on average 1.0 space will be available per dwelling unit (the parking estimate will vary). This parking estimate assumes all parking will be surface level. Some parking may be in garages or underground.

Infrastructure Analysis

OAR 660-012-0310(2)(a) states that climate-friendly areas should be “able to support development consistent with the land use requirements of OAR 660-012-0320.” No specific test is required, but the following guidance is provided:

- As local governments study CFA candidates, it is important to identify if any potential candidate areas have significant bottlenecks in terms of water, sewer, and stormwater capacity.
- The level of analysis required per the rules is not in-depth analysis but is an opportunity to flag potential problems early in the process to help avoid surprises in later phase.
- The rules do not require existing infrastructure to be sized for the maximum build-out of a CFA. Rather, we expect that local governments will continue to implement public improvement requirements, systems development charges, and capital improvement plans, as they typically do, either outside of, or in conjunction with, specific development proposals.
- It is important to note that transportation capacity in CFAs should be evaluated differently than the process provided in OAR 660-012-0060 (sometimes referred to as the “significant effect” test). Instead of the -0060 significant effect review process, local governments should follow the requirements of OAR 660-012-0325 for amendments to comprehensive plans or land use regulations pertaining to CFAs. This review is triggered in conjunction with the adoption and zoning of CFAs, not in the study phase. This process requires a multimodal gap summary, and possibly a highway impacts summary if near specified state transportation facilities, as described in Rule -0325. Although the local government must include a list of proposed projects to fill multimodal network gaps, there is no requirement for mitigation of anticipated automobile traffic.
- Understanding those impacts, if any, may help to prioritize one area over another based on the adequacy of existing infrastructure and/or cost implications.

The City of Albany Community Development Department staff engaged the Public Works department staff early in the process. For example, Candidate Area C, North Albany, was reduced in size due to concerns about sewer infrastructure capacity. Now that candidate CFA boundaries are determined, staff will consult with staff to determine if there are any issues providing city utilities to the CFAs.

Bicycle, Pedestrian, and Transit Infrastructure

CFAs must be served by (or planned to be served by) high quality pedestrian, bicycle, and transit services. Furthermore, CFAs must be located in existing or planned urban centers (including downtowns, neighborhood centers, transit-served corridors, or similar districts). The City of Albany selected CFAs that have different levels of current bicycle, pedestrian, and transit infrastructure. The areas are either urban centers or planned urban centers. The existing development on some of the sites may not have existing high-quality pedestrian, bicycle, and transit services. Moving forward the city would need to prioritize improving the bicycle, pedestrian, and transit infrastructure in the selected areas.

As part of Phase 2 a multimodal transportation gap summary will be completed. The primary requirement for CFA designation and zoning is a multimodal transportation gap summary within the CFA. The multimodal transportation gap summary must be completed as part of a Transportation System Plan

update or as a separate adopted document in coordination with impacted transportation facility and service providers. The multimodal transportation gap summary must include:

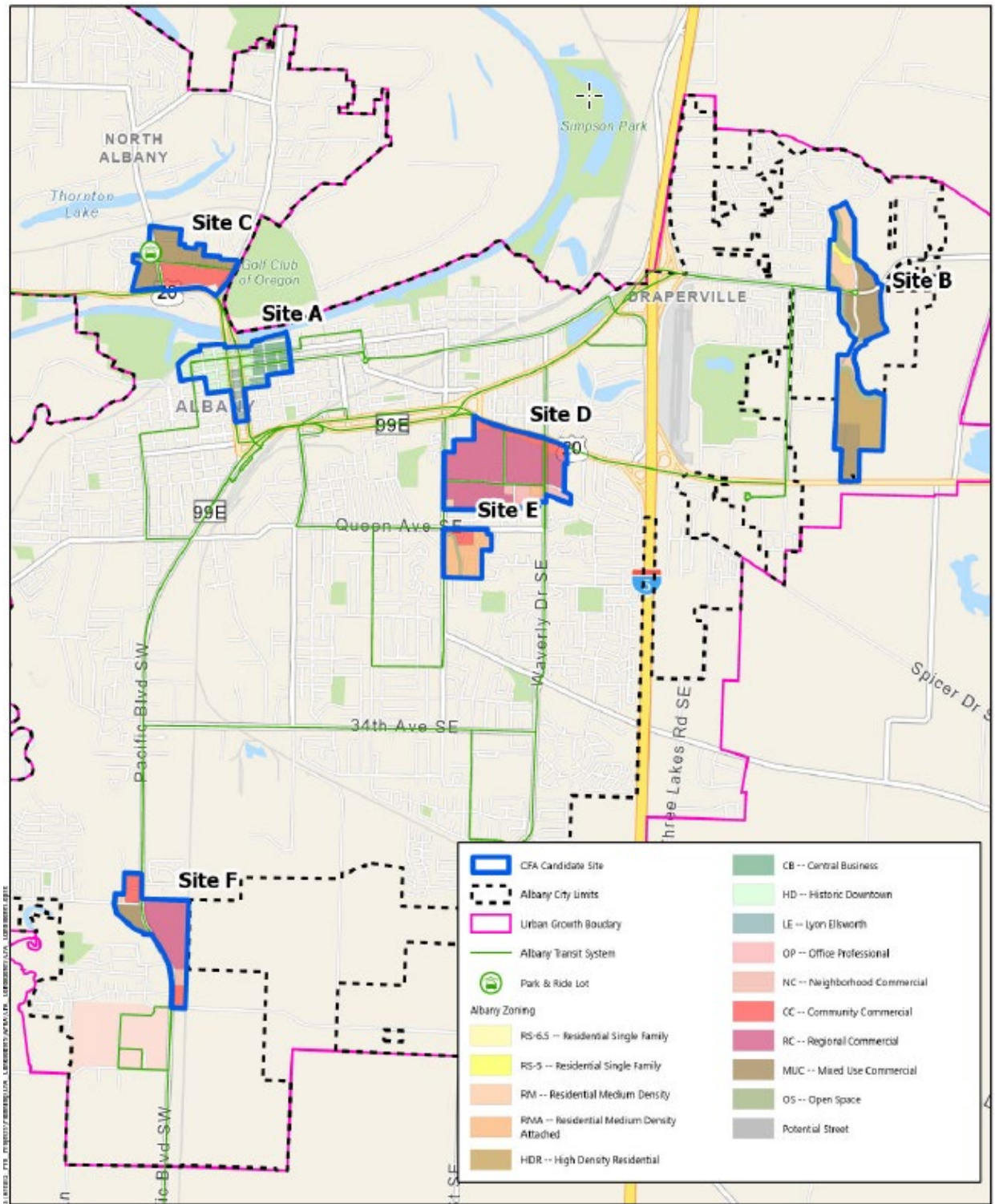
- A summary of the existing multimodal transportation network within the climate-friendly area;
- A summary of the gaps in the pedestrian and bicycle networks in the climate-friendly area, including gaps needed to be filled for people with disabilities, based on the summary of the existing multimodal transportation network;
- A list of proposed projects to fill multimodal network gaps identified; and,
- A highway impacts summary must be included if a highway ramp terminal intersection, state highway, interstate highway, or adopted ODOT Facility Plan is at least partially within a CFA.

Summary of Candidate Area Descriptions

The following pages are a summary of each candidate area. The summary is intended to outline the current zoning, building height, estimated capacity, key destinations, describe the current conditions, and estimate the number of existing dwelling units. All of the candidate areas are located within city limits with the exception of a portion of Site G.

City of Albany – CFA Candidate Sites				
Rule Component	OAR 660-012-	Rule Synopsis	Complies? Y/N	Strengths and Weaknesses of Potential Candidate
Allowed Land Uses	315(2)(a) & 320(2)	Development Code/zone is to allow uses shown in (2) of 320	Some Changes required	- See Zoning Analysis
Abutting Areas (optional)	320(3)	Portions of abutting res. Or employment – oriented zones within ½ mile walk <u>may</u> count for area.	Not subject to review	-Analysis limited to area and boundary of CFA as shown.
Parks, Plazas & Streetscape	320(4)	Prioritize locating parks, open space, plazas – in or near CFAs that do not contain sufficient areas. In part, rules refer to streetscape and landscape.	Y	-Pedestrian Amenities (ADC 8.365) -Parks located within or adjacent to some CFA candidates
Parking Requirements	435	Area shall comply with the parking requirements.	Y	-Albany repealed parking mandates city wide

Candidate Area Overview Map

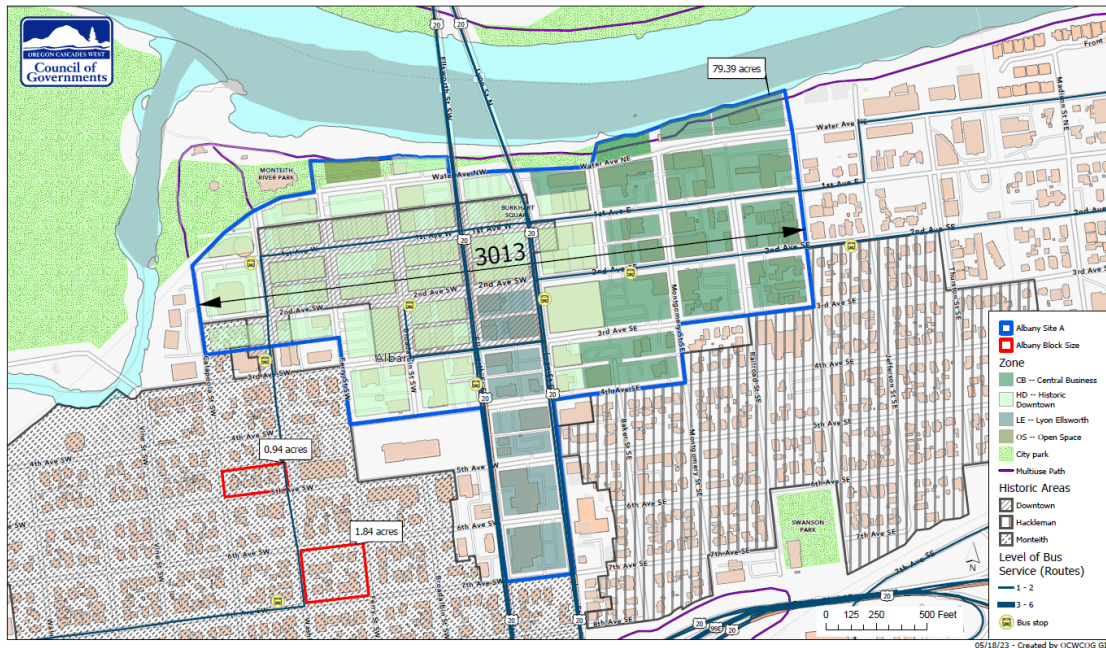


Date: 10/19/2023 Map Source: OCWCOG, City of Albany

Albany CFA Candidates

Overview

CFA Candidate Site A Summary – Downtown



Albany - CFA Candidates
Site A

Candidate Site A is the Downtown Albany area. This is a mixed use district intended for a dense mixture of uses with an emphasis on entertainment, theaters, restaurants, nightlife and specialty shops. Downtown includes a Historic District Overlay that limits the height to 65 feet. This meets the secondary area height requirement.

Existing Zoning - Historic District (HD), Lyons Ellsworth (LE), and Central Business (CB)

Maximum Building Height – HD – 85 feet/ 65 feet in Downtown historic overlay, CB – 65 feet, LE – 60 feet

Approximately 79.4 Total Acres; 26.2 Net Acres

Estimated Capacity

Low – 1,447 Units (16 percent of Required Capacity)

High – 1,861 Units (21 percent of Required Capacity)

Key Destinations and services

City Hall, Albany Carousel, Post office, Dave Clark Path, and transit stops.

Existing Land Use

Downtown mixed use development pattern with restaurants, shopping, entertainment, social services, public services and offices, upper floor residential, and surface parking lots.

Estimated Existing Dwelling Units (106)

Upper floor apartments, single-dwelling homes, quadplex, Spruce Apartments.

City of Albany – CFA Candidate Site A – Downtown				
Rule Component	OAR 660-012-	Rule Synopsis	Complies? Y/N	Strengths and Weaknesses of Potential Candidate
Urban Water, sewer, storm & Transportation	315(2)(e) (B)	Utilities – Readily Serviceable – nearby to allow construction in one year.	Y	-All urban utilities exist -Future capacity increase may be required
Existing or Planned Urban Center	310(2)(b)	Must be an existing or planned urban center.	Y	-Downtown -Multi-modal area -Compact development pattern
Compact development	330(4)	Regulations that provide for a compact development pattern, easy ability to walk.	Y	
Pedestrian, bicycle and transit services	330	Must be served (or planned to be served) by high quality pedestrian, bicycle and transit services.	Y	-Downtown -Multi-use path on waterfront -Transit stops
Non-Hazard/ Goal 7 Review	310(2)(d)	Shall not be in areas limited or disallowed pursuant to Goal 7.	Y	-No hazard areas identified
Minimum Width	310(2)(f)	Minimum width of 750 feet	Y	-750-foot diameter circle fits in the area

Broadalbin Street Looking South



Photo taken by OCWCOG Staff

1st Street Looking West



Photo taken by OCWCOG Staff

CFA Candidate Site B Summary – East Albany

Candidate Site B is the East Albany Area. The site is part of the recently adopted East Albany Plan. Land south of Burkhart Creek to Highway 20 was rezoned to RM, High Density (HD), and MUC effective July 1, 2023. The site was amended to remove land in the UGB designated Village Center.

Existing Land Use - Vacant area and multi-family residential

Existing Zoning and Maximum Building Heights – MUC (85 ft), HDR (75 ft), RM (45 ft), and RS-5 (30ft)

Size - 144.4 Total Acres; 69.9 Net Acres

Estimated Capacity

Low – 2,876 Units (32 percent)

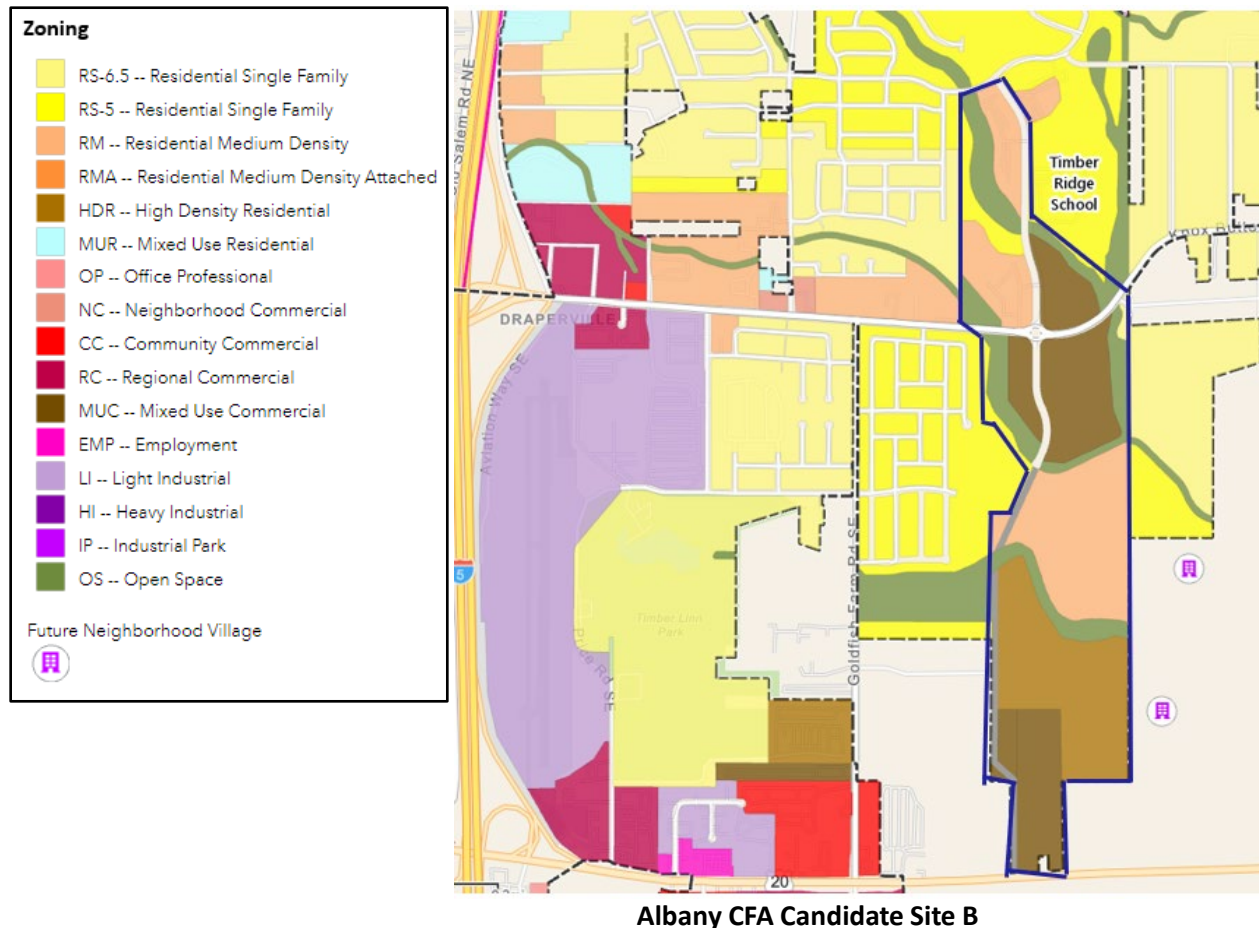
High – 3,834 Units (43 percent)

Estimated Existing Dwelling Units (548)

Timber Ridge Apartments (284), Eagle Point Apartments (264), 54 townhomes under construction.

Key Destinations and Services

Public schools (adjacent) and Burkhart Creek



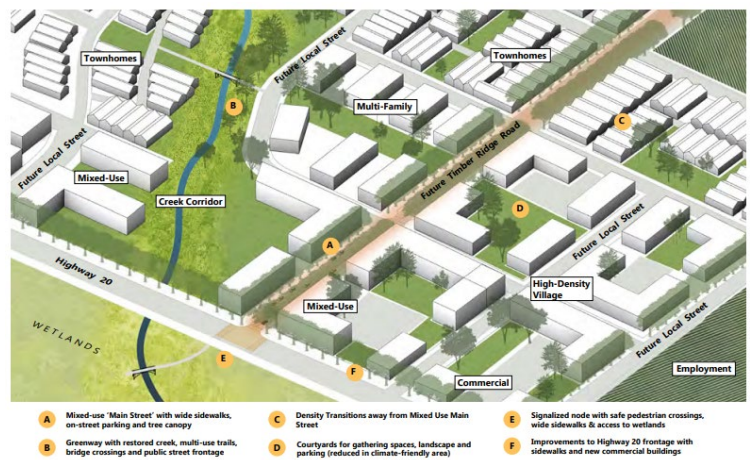
City of Albany – CFA Candidate Site B				
Rule Component	OAR 660-012-	Rule Synopsis	Complies? Y/N	Strengths and Weaknesses of Potential Candidate
Urban Water, sewer, storm & Transportation	315(2)(e) (B)	Utilities – Readily Serviceable – nearby to allow construction in one year.	Y	-Urban utilities will need to be added to portions of the area -Future capacity increase may be required
Existing or Planned Urban Center	310(2)(b)	Must be an existing or planned urban center.	Y	-Planned urban center -Existing development is not compact
Compact development	330(4)	Regulations that provide for a compact development pattern, easy ability to walk.	Y	
Pedestrian, bicycle and transit services	330	Must be served (or planned to be served) by high quality pedestrian, bicycle and transit services.	Y	-Planned urban center -Transit stops adjacent to site
Non-Hazard/ Goal 7 Review	310(2)(d)	Shall not be in areas limited or disallowed pursuant to Goal 7.	Y	-Floodplain -Wetlands on a significant portion of the site
Minimum Width	310(2)(f)	Minimum width of 750 feet	Y	-750-foot diameter circle fits in the area

Timber Place Apartments



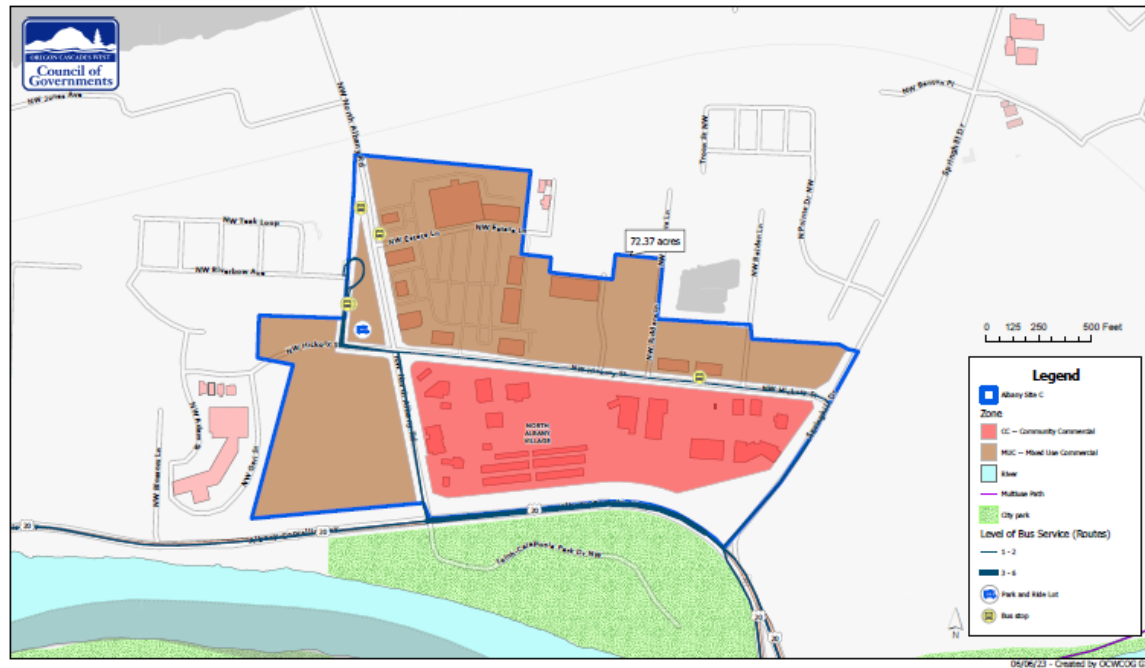
Photo provided by Albany staff

East Albany Plan Conceptual Diagram



East Albany Plan

CFA Candidate Site C Summary – North Albany



Albany - CFA Candidates
Site C

Candidate Site C is the North Albany Area. Site C was amended after public meeting to exclude the Residential Medium Density (RM) zoned area due to sewer capacity concerns.

Existing Zoning – Community Commercial (CC) and Mixed Use Commercial (MUC)

Maximum Building Height – CC -50 feet, MUC –85 feet

Size - 72.4 Total Acres; 36.2 Net Acres

Estimated Capacity

Low 1,865 Units (21 percent of required capacity)

High 2,487 Units (28 percent of required capacity)

Key Destinations and Services

Grocery store, medical offices, park and ride, restaurants, shopping, and transit stops.

Existing Land Use

Current “big box” development pattern with large parking lots, shopping, offices, restaurants, storage and auto-oriented uses, single-dwelling residential, multi-dwelling residential and vacant area.

Estimated Existing Dwelling Units (41)

Single-family residential and Sunset Village Apartments (40 units).

City of Albany – CFA Candidate Site C				
Rule Component	OAR Ref. No. 660-	Rule Synopsis	Complies? Y/N	Strengths and Weaknesses of Potential Candidate
Urban Water, sewer, storm & Transportation	315(2)(e) (B)	Utilities – Readily Serviceable – nearby to allow construction in one year.	Y	-All urban utilities exist -Area was reduced in size due to sewer infrastructure concerns
Existing or Planned Urban Center	310(2)(b)	Must be an existing or planned urban center.	Y	-Planned urban center -Existing development is not compact
Compact development	330(4)	Regulations that provide for a compact development pattern, easy ability to walk.		
Pedestrian, bicycle and transit services	330	Must be served (or planned to be served) by high quality pedestrian, bicycle and transit services.	Y	-Planned urban centers -Transit stops adjacent to site
Non-Hazard/ Goal 7 Review	310(2)(d)	Shall not be in areas limited or disallowed pursuant to Goal 7.	Y	-Floodplain on portions of the site
Minimum Width	310(2)(f)	Minimum width of 750 feet	Y	-750-foot diameter circle fits in the area

North Albany Village



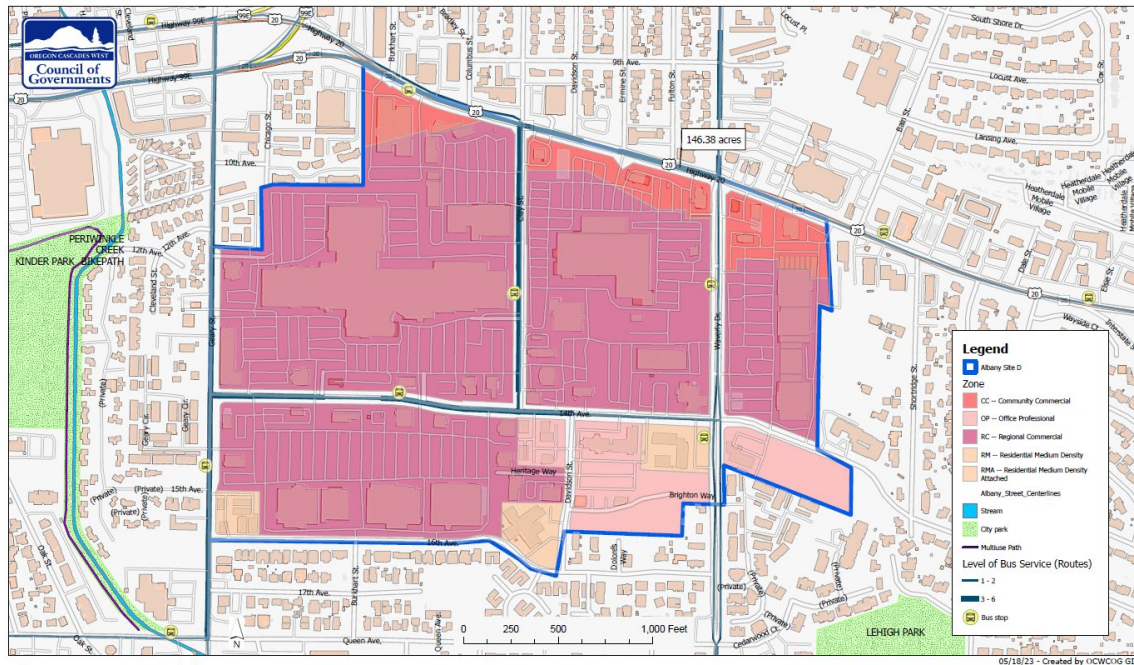
Photo taken by OCWCOG Staff

Looking South at Samaritan



Photo taken by OCWCOG Staff

CFA Candidate Site D Summary – 14th and Waverly



Albany - CFA Candidates
Site D

Candidate Site D is the Heritage Mall Area. Site D was expanded to the Heritage Mall Area and is considered the primary area. A portion of Site D is an adjacent Secondary area which includes the area South of 14th Street and East of Davidson Street.

Existing Zoning – Community Commercial (CC), Office Professional (OP), Regional Commercial (RC), Residential Medium Density (RM), Residential Medium Density Attached (RMA)

Maximum Building Height – CC – 50 feet, RMA – 60 feet, RC – none (85 feet), and OP – 30 feet

Size - 146.4 Total Acres; 78.4 Net Acres

Estimated Capacity

Low 4,622 Units (52 percent of required capacity)

High 6,162 Units (70 percent of required capacity)

Key Destinations and services

Albany Public Library, transit stops, grocery stores, shopping, entertainment, and restaurants.

Existing Land Use

Current big box development pattern with large parking lots and vacant area.

Estimated Existing Dwelling Units (63)

Millwood Manor Apartments (47 units) and Gery Street Apartments (16 units).

City of Albany – CFA Candidate Site D				
Rule Component	OAR 660-012-	Rule Synopsis	Complies? Y/N	Strengths and Weaknesses of Potential Candidate
Urban Water, sewer, storm & Transportation	315(2)(e) (B)	Utilities – Readily Serviceable – nearby to allow construction in one year.	Y	-All urban utilities exist -Future capacity increase may be required
Existing or Planned Urban Center	310(2)(b)	Must be an existing or planned urban center.	Y	-Planned urban center -Existing development is not compact
Compact development	330(4)	Regulations that provide for a compact development pattern, easy ability to walk.		
Pedestrian, bicycle and transit services	330	Must be served (or planned to be served) by high quality pedestrian, bicycle and transit services.	Y	-Planned urban center -Transit stops adjacent to site
Non-Hazard/ Goal 7 Review	310(2)(d)	Shall not be in areas limited or disallowed pursuant to Goal 7.	Y	-No hazard areas identified
Minimum Width	310(2)(f)	Minimum width of 750 feet	Y	-750-foot diameter circle fits in the area

City of Albany Library



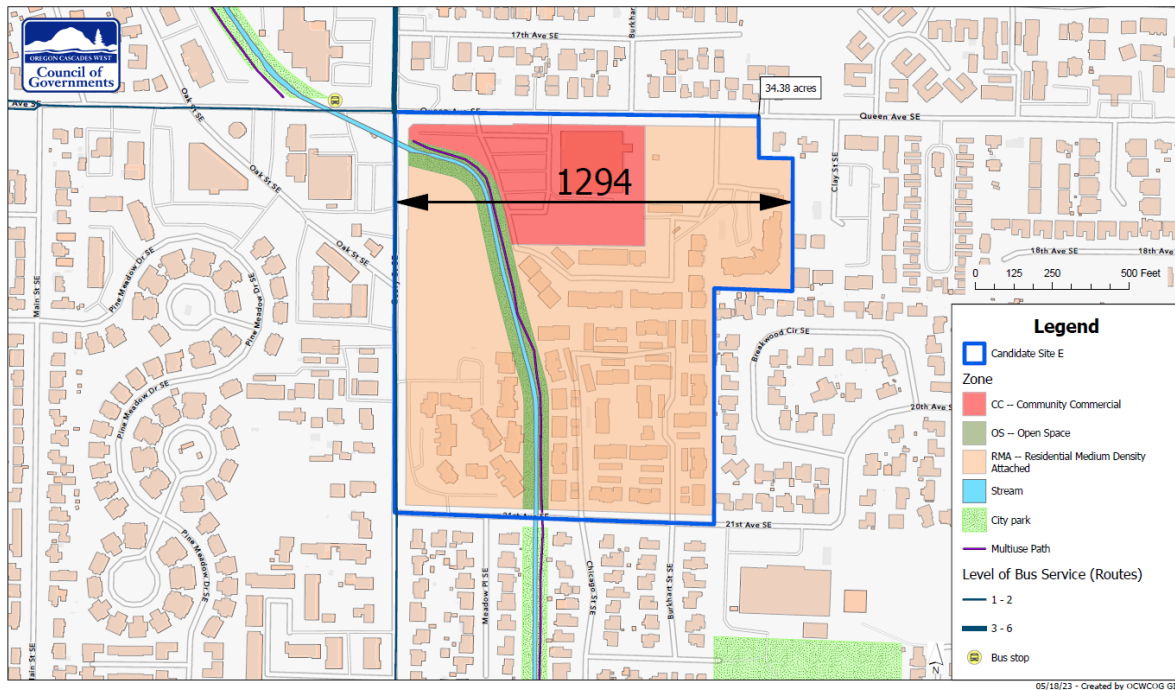
Photo taken by OCWCOG Staff

Mall and Parking Lot



Photo taken by OCWCOG Staff

CFA Candidate Site E Summary – Queen and Geary



Albany - CFA Candidates
Site E

Candidate Site E is the Queen and Geary Area.

Existing Zoning – Community Commercial (CC), Residential Medium Density Attached (RMA)

Maximum Building Height – CC – 50 feet, RMA – 60 feet

Size - 34.4 Total Acres; 16.4 Net Acres

Estimated Capacity

Low – 573 Units (6 percent of required capacity)

High – 764 Units (9 percent of required capacity)

Key Destinations and Services

Periwinkle multi-use path and transit stops.

Existing Land Use

Existing apartments, proposed apartments, vacant big box store, and vacant area.

Estimated Existing Dwelling Units (333)

Park Apartments (76 units), Periwinkle Apartments (79 units), Meadows Apartments (127 units), and Clayton Meadows Senior Apartments (51 units)

City of Albany – CFA Candidate Site E				
Rule Component	OAR 660-012-	Rule Synopsis	Complies? Y/N	Strengths and Weaknesses of Potential Candidate
Urban Water, sewer, storm & Transportation	315(2)(e) (B)	Utilities – Readily Serviceable – nearby to allow construction in one year.	Y	-All urban utilities exist -Future capacity increase may be required
Existing or Planned Urban Center	310(2)(b)	Must be an existing or planned urban center.	Y	-Planned urban center -Existing development is not compact
Compact development	330(4)	Regulations that provide for a compact development pattern, easy ability to walk.		
Pedestrian, bicycle and transit services	330	Must be served (or planned to be served) by high quality pedestrian, bicycle and transit services.	Y	-Planned urban center -Transit stops adjacent to site
Non-Hazard/ Goal 7 Review	310(2)(d)	Shall not be in areas limited or disallowed pursuant to Goal 7.	Y	-No hazard areas identified
Minimum Width	310(2)(f)	Minimum width of 750 feet	Y	-750’ diameter circle fits in the core. Transit corridors.

Site E Looking South

Periwinkle Path Looking South



Photo taken by OCWCOG Staff



Photo taken by OCWCOG Staff

CFA Candidate Site F Summary – South Albany/99 E

Candidate Site F is the South Albany Area. This area is near Linn Benton Community College and has 99E bisecting the area.

Existing Zoning – CC, MUC, NC, RC, and RM

Maximum Building Height – CC – 50 feet, MUC – 50 feet, NC – 30 feet, RC – none, RM - 45 feet

Size - 69.9 Total Acres; 25.9 Net Acres

Estimated Capacity

Low – 1,356 Units (15 percent)

High – 1,809 Units (20 percent)

Key Destinations and Services

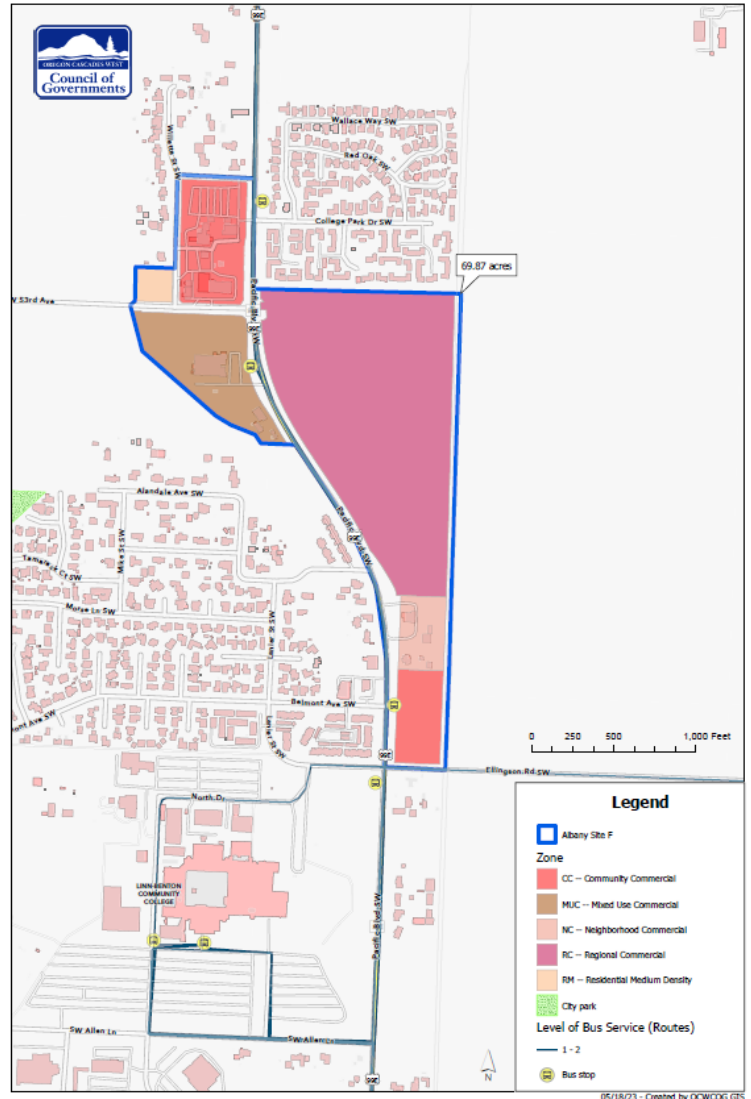
Linn Benton Community College, transit stops and entertainment

Existing Land Use

Vacant Area and commercial

Estimated Existing Dwelling Units (2)

Single family dwellings.



Albany - CFA Candidates Site F

City of Albany – CFA Candidate Site F				
Rule Component	OAR 660-012-	Rule Synopsis	Complies? Y/N	Strengths and Weaknesses of Potential Candidate
Urban Water, sewer, storm & Transportation	315(2)(e) (B)	Utilities – Readily Serviceable – nearby to allow construction in one year.	Y	-All urban utilities exist -Future capacity increase may be required
Existing or Planned Urban Center	310(2)(b)	Must be an existing or planned urban center.	Y	-Planned urban center -Existing development is not compact
Compact development	330(4)	Regulations that provide for a compact development pattern, easy ability to walk.		
Pedestrian, bicycle and transit services	330	Must be served (or planned to be served) by high quality pedestrian, bicycle and transit services.	Y	-Planned urban center -Transit stops adjacent to site
Non-Hazard/ Goal 7 Review	310(2)(d)	Shall not be in areas limited or disallowed pursuant to Goal 7.	Y	-Wetland Area on portion of site
Minimum Width	310(2)(f)	Minimum width of 750 feet	Y	-750’ diameter circle fits in the core. Transit corridors.

Site F Looking North



Photo taken by OCWCOG Staff

Site F Looking South



Photo taken by OCWCOG Staff

Other Candidate Areas

Based on input provided by community members as part of the public engagement sessions for this study, the city modified the boundaries of existing candidate CFAs to reflect public input on the candidate areas and additional areas. The City of Albany, based on the capacity estimates, does not need to explore additional areas at this time. The city may choose to explore additional areas in the future.

Equity Spatial Analysis

The CFA study requires the inclusion of plans to achieve fair and equitable housing outcomes within climate-friendly areas. OAR 660-012-0315(4)(f):

Plans for achieving fair and equitable housing outcomes within climate-friendly areas, as identified in OAR 660-008-0050(4)(a)-(f). Analysis of OAR 660-008-0050(4)(f) shall include analysis of spatial and other data to determine if the rezoning of potential climate-friendly areas would be likely to displace residents who are members of state and federal protected classes. The local government shall also identify actions that may be employed to mitigate or avoid potential displacement.

Step 1 is the Spatial Analysis and Step 2 is the Planning Analysis of the Anti-Displacement Study. COG is responsible for the Spatial Analysis, and the City of Albany is responsible for the Planning Analysis. The Portland State University (PSU) Anti-Displacement Toolkit defines neighborhood typologies by census tract and provides housing production strategies (Exhibit 8). The neighborhood typologies represent different stages of gentrification and different levels of displacement pressures for key populations, BIPOC, low-income, and renters (17 indicators are used). Use of this tool involves overlaying the Neighborhood Typologies with candidate CFAs to identify areas that have displacement risk. In Albany some areas are left “unassigned” by this methodology and any strategy may be used in these areas.

Exhibit 8: Tract Level Neighborhood Typology

Tract Level Neighborhood Typology Representing Different Characteristics and Risks of Displacement

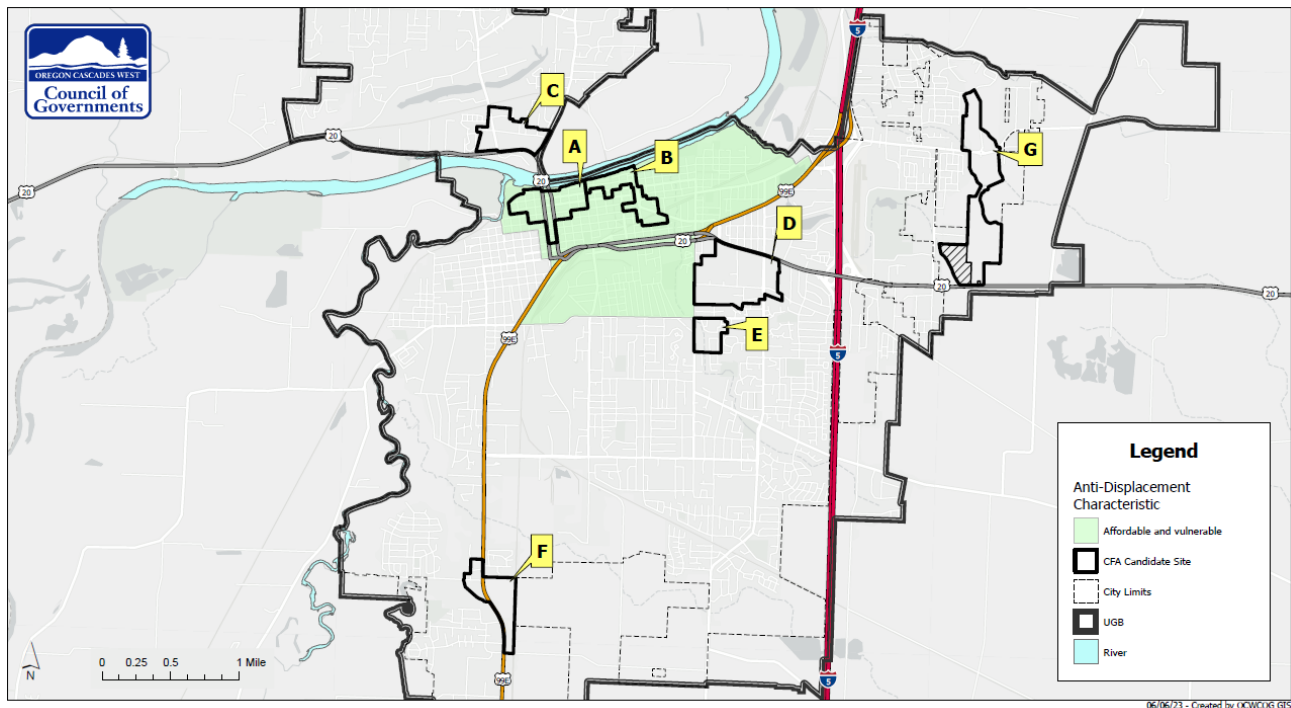
	Income Profile	Vulnerable People	Precarious Housing	Housing Market Activity	Neighborhood Demographic Change
(Green) Affordable and vulnerable	Low	Yes	Yes	No	-
(Yellow) Early gentrification	Low	Yes	Yes	Yes	No
(Orange) Active gentrification	Low	Yes	Yes	Yes	Yes
(Red) Late gentrification	High	Yes	No	Yes	Yes
(Blue) Becoming Exclusive	High	No	No	Yes	Yes
(Purple) Advanced Exclusive	High	No	No	Has higher home value and rent	No
(Grey) Unassigned	-	-	-	-	-

This analysis uses the methodology developed by PSU and the associated Neighborhood Typology maps. The typology map is described in the DLCD “Implementation Guidance OAR 660-012-0315 CFA Anti-Displacement Analysis”.

[CFA Anti-Displacement Map \(arcgis.com\)](#)

Additional Anti-Displacement mapping analysis is included in Attachment A.

Exhibit 9: Albany Neighborhood Typologies and Initial Candidate Areas Overlay Map



Albany CFA Candidates - PSU Anti-Displacement Map

The PSU Anti-Displacement Map is a data layer that differentiates neighborhood vulnerability based on typologies utilizing indicator sets in terms of income, vulnerable people, precarious housing, housing market activity, and demographic change at the census tract level. Tracts are compared to the county averages and designated into types based on high levels of different combinations of vulnerability, housing markets, and demographic changes. It is part of the Anti-Displacement and Gentrification Toolkit Project published by DLCD in 2021.

The PSU toolkit identifies a set of housing production strategies that work to address, remedy, and mitigate, or reverse displacement. Some housing production strategies are better suited for some neighborhood types. The City of Albany has already identified multiple strategies through the Housing Implementation Plan and will be implementing new strategies over the next year. Albany’s displacement strategies focus on:

- **Producing** enough housing for residents at all income levels including long-term/permanent affordable housing.
- **Preserving** existing affordable housing.
- **Planning ahead** - identify neighborhoods/areas where action may be needed to preserve affordable housing opportunities for low- and moderate-income households.
- **Protecting** current residents from displacement where neighborhoods are changing rapidly.

- **Providing** sufficient and affordable commercial space to support new, small, and locally owned businesses.

Exhibit 10: Albany's Housing Implementation Plan – Anti-Displacement Strategies

Strategy	Implementation Description	Equity Impact
Tax abatements for long term affordable housing	HIP implementation	Direct
Allow lower cost housing types – ADUs middle housing, tiny housing, micro housing, etc.	HIP implementation	Direct
Promote Cottage Cluster housing, incentivize tiny homes	Scaled SDCs, HIP implementation	Direct
Encourage small dwelling unit developments	Scale lot size to house size, scale SDCs	Direct
Broaden the definition of housing types and allow more housing types in more zones	City is adding Single Room Occupancy (SROs) to code	Indirect
Allow SROs, cohousing, and adult dorms in residential zones	HIP implementation	Direct
Re-examine requirements for ground-floor commercial	with the CFEC/CFA implementation	Indirect
Encourage diverse housing types in high opportunity areas and near transit	Middle housing adopted, more opportunities with CFEC CFA work	Indirect
Pre-approved plan sets for ADUs and middle housing types	HIP implementation	Indirect
Accessible design -encourage units to meet Universal Design standards, develop manual		Indirect
Adopt affirmatively affirming fair housing policies	City has policies and a plan	Indirect
Support community land trusts	City supports	Indirect
Renter assistance and protections	Relocation assistance for publicly funded, State law protections	Direct

During review of PSU's Anti-Displacement Map, OCWCOG observed a lack of detail for many of the neighborhoods in Albany. To address this and to provide the City of Albany with another tool for their analysis, COG developed a regional vulnerability index. This index focused on Block Group level data, which covers the entirety of Albany and surrounding areas (Millersburg, Jefferson, and Tangent). This index can be found in Attachment A, with more specific information on the map's development available in a separate technical memorandum.

Zoning and Development Code Amendments*

The Albany Development Code will need to be updated to meet the land use requirements in OAR 660-012-0320. The analysis in this section identifies the required code updates. The City of Albany will be required to make the development code updates in Phase 2.

The City of Albany candidate CFAs touch many different existing zoning districts. The table in Exhibit 11 summarizes the expected changes in each zone. Many of the zones already meet some of the requirements, while others will require more extensive changes or an overlay district. Phase 1 requires the identification of code changes and Phase 2 requires adoption. This is a high-level summary of the anticipated code changes. The City of Albany may choose between updating each zone or adopting an Overlay District.

Exhibit 11: Zoning Analysis Table

OAR 660-012-		Required Standards	HD	CB	LE	WF	MS	MUC	MUR	CC	RC	OP	NC	RM	RMA	HDR
Allowed Uses	320(2)	Single-use development must be allowed, except that ground floor commercial and office uses within otherwise single use multifamily residential buildings can be required.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	320(2)	Must allow mixed-use development, including residential, office, retail, services, & public uses as outright permitted uses	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	Y
	320(2)(a)	Multi-unit housing, including above commercial	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y
	320(2)(a)	Attached single-unit housing	N	Y	N	Y	N	Y	Y	N	N	N	Y	Y	Y	Y
	320(2)(b)	Office Type Uses	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y
	320(2)(c)	Non-Auto dependent retail, services, and other commercial uses	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y
	320(2)(d)	Childcare	Y	Y	N	Y	Y	Y	Y	Y	N	N	N	N	Y	Y
	320(2)(d)	Schools	N	N	N	N	N	N	N	N	N	N	N	N	N	N
	320(2)(d)	Other public uses, including public-serving government facilities	Y	Y	Y	N	Y	N	N	N	N	N	N	N	N	N
Dimensional and Other Standards	320(6)	No maximum residential density allowed	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N
	320(8)(c)(A)	Minimum residential density of 25 dwellings/ net acre in primary, or 15 units/net acre in secondary	N	N	N	N	N	N	N	N	N	N	N	N	N	Y
	320(8)(c)(B)	Allowed Building Height: No less than 85' in Primary; 50' in secondary.	Y - 85'; 65' historic overlay	Y - 65'	Y - 60'	Y - 55'	Y - 50'	Y - 85'	N - 45'	Y - 50'	Y - None	N - 30'	N - 30'	N - 45'	Y-60'	Y-75'
	320(5)	Block Length: sites < 5.5 acres: max block length = 500 feet or less; sites > 5.5 acres: max block length = 350 feet or less	N	N	N	N	N	N	N	N	N	N	N	N	N	N
	N/A	Allowed Lot Coverage	100%	100%	100%	100%	90%	80%	70%	90%	90%	70%	80%	70%	70%	75%

When CFA boundaries include zoning districts that are applied in multiple areas throughout the city, an overlay district is recommended so that the uses and standards that need to be allowed or adjusted would only apply to property within the overlay district boundaries.

Expected code amendments summaries.

- The RM and RMA zones do not allow single-use commercial or office development. Update to allow single-use office, and commercial development.
- The RC, RM and RMA zones do not allow mixed-use development. The RC zone requires a conditional-use permit. Update to allow mixed-use development outright.
- The CC, OP, and NC zones only allow multi-dwelling residential above or attached to a business. Evaluate whether to allow multi-dwelling units in a stand-alone building.
- The RC zone does not allow multi-dwelling residential. At a minimum, update to allow multi-dwelling residential above businesses.
- The HD, LE, MS, CC, RC, and OP zones do not allow attached single-unit dwellings (townhomes). Amend Code to allow Single Attached Dwellings. Townhomes would need to meet the minimum density standard (15 units/acre, or 25 units/acre in primary CFAs). DLCD provided additional guidance about attached single-unit housing in March 2023:

We are concerned that attached single-unit housing (townhouses) could be very popular in our city. Is it possible to require ground floor commercial and office uses in conjunction with attached single-family dwellings, as is allowed for multifamily buildings in OAR 660-012-0320(2)(a)?

No, because OAR 660-012-0320(2)(a) requires local governments to allow attached single-family residential as an outright permitted use, and there is no allowance for local governments to require ground floor commercial and office uses in conjunction with attached single-family dwellings, as there is in conjunction with multi-family development, the rules effectively prohibit such a requirement.

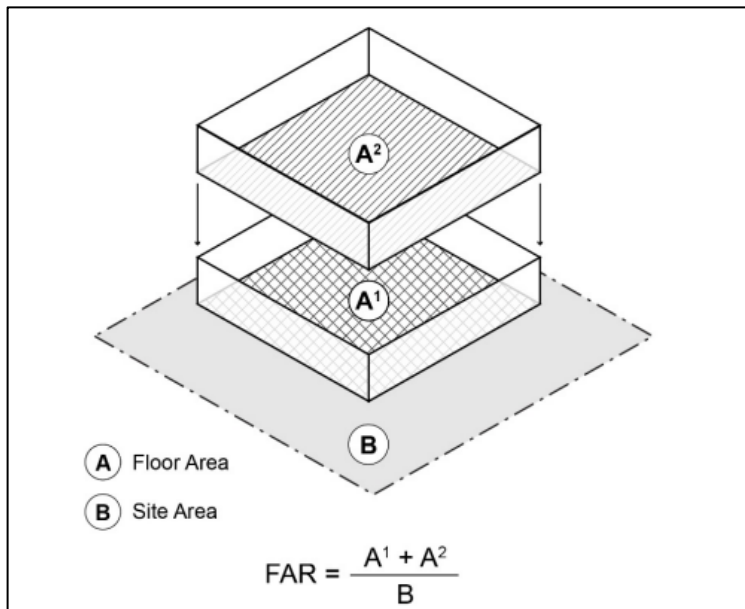
During the rulemaking process, there was a robust conversation on the types of housing that should be allowed within CFAs. Many opined that because it is difficult to develop or convert multifamily units into condominiums, there would be little ability for wealth-building through owner-occupied units in CFAs, which would run counter to our equity goals. After some analysis of achievable densities for attached single-family and other “middle housing” types, which found that these housing types could comply with minimum density requirements, additional housing types were allowed within CFAs, and allowance for attached single-family dwellings was required. Regardless, we believe it is unlikely that attached single-family dwellings will “overwhelm” other allowed development types in climate-friendly areas (DLCD Climate-Friendly Methods Guide Version 3).

- The RM and RMA zones do not allow non-auto dependent retail, services, and other commercial uses. Update to allow non-auto dependent retail, services and other commercial uses. In addition, some zones allow for auto-dependent retail, services, and other commercial uses. Auto-dependent uses do not promote a mixed-use walkable environment. The city should evaluate any drive-through and auto-oriented development that is allowed in any of the zones within CFAs.

- The RM and RMA zones do not allow office type uses. Update to allow office type uses.
- The LE, RC, OP, NC, and RM zones do not allow childcare. Update to allow childcare (daycare).
- The existing zones all require a Conditional Use permit or do not allow educational facilities (schools). Update to allow educational facilities outright.
- The WF, MUC, MUR, CC, RC, OP, NC, RM and RMA zones do not allow community facilities outright. Update to allow public-serving government facilities outright.
- Adopt a minimum Floor Area Ratio of 2.0 for mixed use buildings or the minimum residential density requirement. The DLCDC rules allow single-use commercial development to be single-story. The city may adopt a two-story requirement for commercial.

Floor area ratio (FAR)— A floor area ratio is the ratio of the gross floor area of all buildings on a development site, excluding areas within buildings that are dedicated to vehicular parking and circulation, in proportion to the gross area of the development site on which the buildings are located. A floor area ratio of 2.0 would indicate that the total leasable floor area of all buildings was twice the gross area of the site (OAR 660-012-0320(8)).

Exhibit 12: Floor Area Ratio Diagram



Source: DLCDC Middle Housing Model Code

- The allowed building height must be 85 feet for the Primary Area and 50 feet for the Secondary. Update the MUR, OP, and NC zones to a maximum height of at least 50 feet. The primary area consists of mostly RC zoning, which does not have a height maximum and would allow for 85 feet. The height in other zones included in the Primary CFA would need to allow buildings 85 feet or taller or be included in a secondary CFA where heights must allow for buildings 50 feet tall.
- The current code has a block length standard “The average block length shall not exceed 600 feet. Block length is defined as the distance along a street between the centerline of two intersecting

through streets (Figure 11.090-1).” (ADC 11.090(5)). The block length standard would need to be updated.

Block— All of the property bounded by streets, rights-of-way (pedestrian or vehicle ways), water features, or any combination thereof, but is not divided or separated in any way by streets or water features (OAR 660-012-0005).

Block Face / Street Frontage— All of the property fronting on one side of a street that is between intersecting or intercepting streets, or that is between a street and a water feature, or end of a dead-end street. An intercepting street determines the boundary of the block frontage only on the side of the street that it intercepts (OAR 660-012-0005).

Local governments shall establish maximum block length standards as follows (OAR 660-012-320(5)(1)):

- *Development sites < 5.5 acres: maximum block length = 500 feet or less*

Note: If block length is over 350 feet, a public pedestrian through-block easement shall be provided to facilitate safe and convenient pedestrian connectivity. This requirement is triggered with new development or substantial redevelopment of sites two acres or more within an existing block that does not meet the standard.

- *Development sites > 5.5 acres: maximum block length = 350 feet or less*
- The DLCDC requirements do not call for a specific allowed lot coverage requirement. However, many mixed-use areas allow for full lot build out. The city may consider increasing the allowed lot coverage to at least 80 percent for all CFA areas.
- The RM and RMA zones have a residential density maximum. Other zones did not list a maximum residential density. The code should make it clear that there is no maximum residential density allowed in CFAs.

Phase 2 Adoption

Following submission of the CFA study report, cities and counties will be required to adopt land use requirements for CFAs and illustrate climate-friendly areas on the comprehensive plan by December 31, 2024, as provided in OAR 660-012-0315(6). Following is a brief overview of these requirements for context so local governments know what the next Step in this process will be.

Phase 2 Requirements

1. Maps showing the location of all CFAs, including findings containing information and analysis required in the study report for any CFAs that were not included in the initial study.
2. Documentation of the number of total existing, accessible, and income-restricted dwelling units within all CFAs.
3. Documentation that all adopted and applicable land use requirements for CFAs are consistent with OAR 660-012-0320.

4. A Demonstrate compliance with the provisions of OAR 660-012-0310 through 660-012-0325, and adopt findings that:
 - Summarize the CFA designation decision process
 - Identify all ongoing and newly added housing production strategies the local government will use to:
 - Promote the development of affordable housing in CFAs
 - Prevent the displacement of members of state and federal protected classes in CFAs
5. Along with maps, cities, and counties with populations over 10,000 must include calculations to demonstrate that their CFA(s) contain sufficient zoned residential building capacity to accommodate 30 percent of total current and projected housing units based on adopted land use requirements. The information provided shall provide a basis for subsequent Housing Production Strategy Reports to assess progress towards fair and equitable housing production goals in CFAs, as provided in OAR 660-008-0050(5)(a).



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MEMORANDUM

DATE: April 11, 2023

TO: Jason Yaich, City of Corvallis
 Rian Amiton, City of Corvallis
 Anne Catlin, City of Albany
 Ron Irish, City of Albany
 Chris Workman, City of Philomath

FROM: Justin Peterson, Community and Economic Development Planner
 Nick Meltzer, Transportation Manager
 Mary Bach-Jackson, GIS Analyst

RE: **Climate Friendly Area Anti-Displacement Methodology - Vulnerability Index**

This memorandum contains a description of the methodology OCWCOG staff developed to create a vulnerability index for the Albany Area and Corvallis Area MPO regions. In addition to creating a tool to be used for new and ongoing projects, these maps are provided to the cities of Albany, Corvallis and Philomath for use in the statewide Climate Friendly Area Anti-Displacement process. An overview of the rulemaking is provided below, along with more details on why and how the methodology was developed.

BACKGROUND

The Oregon Department of Land Conservation and Development (DLCD) established new rules related to land use and transportation planning in 2022, in line with an Executive Order from former Governor Kate Brown to reduce greenhouse gas emissions and address climate change. As part of that process, certain cities must designate “Climate Friendly Areas,” and then review any potential negative implications of establishing new land uses. Specifically, this is referred to as the “Anti-Displacement Analysis.” From the rules:

Cities and urbanized county areas within these metropolitan areas (outside of the Portland metropolitan area) with a population of more than 5,000 and within an urban growth boundary (UGB) are required to designate Climate-Friendly Areas (CFAs) of a certain size. These jurisdictions are first required to submit a study of potential CFAs. Parts of this study require inclusion of plans to achieve fair and equitable housing outcomes within climate-friendly areas. OAR 660-012-0315(4)(f):

Plans for achieving fair and equitable housing outcomes within climate-friendly areas, as identified in OAR 660-008-0050(4)(a)-(f). Analysis of OAR 660-008-0050(4)(f) shall include analysis of spatial and other data to determine if the rezoning of potential climate-friendly areas would be likely to displace residents who are members of state and federal protected classes.

The local government shall also identify actions that may be employed to mitigate or avoid potential displacement.

Step 1 is the Spatial Analysis and Step 2 is the Planning Analysis of the Anti-Displacement Study. COG is responsible for the Spatial Analysis. The Anti-Displacement Spatial Analysis is described in Task 3.1 of the scope of work:

The purpose of this task is to identify if CFA designation within any of the studied areas would have a significant potential to displace members of state and federal protected classes. COG shall use the Anti-Displacement Map layer to inform the selection of CFA zones and report on findings of candidate CFA zones for Project Management Team and Public Workshop materials.

The Portland State University (PSU) Anti-Displacement Toolkit defines neighborhood typologies by census tract and provides housing production strategies (Exhibits 1 and 2). Use of this tool involves overlaying the Neighborhood Typologies with candidate CFAs to identify areas that have displacement risk. However, in Corvallis, Albany, and Philomath most census tracts are left “unassigned” by this methodology and provide no context for many of the candidate CFAs. There are similar difficulties in using the tool in Albany where two census tracts are defined as “affordable and vulnerable”. This area overlaps with candidate Sites A and B and. All other candidate CFAs in Albany are “unassigned”.

This analysis uses the methodology developed by PSU and the associated Neighborhood Typology maps. The typology map is described in the DLCDC “Implementation Guidance OAR 660-012-0315 CFA Anti-Displacement Analysis”.

[CFA Anti-Displacement Map \(arcgis.com\)](https://arcgis.com)

Exhibit 1: Corvallis and Albany Neighborhood Typologies

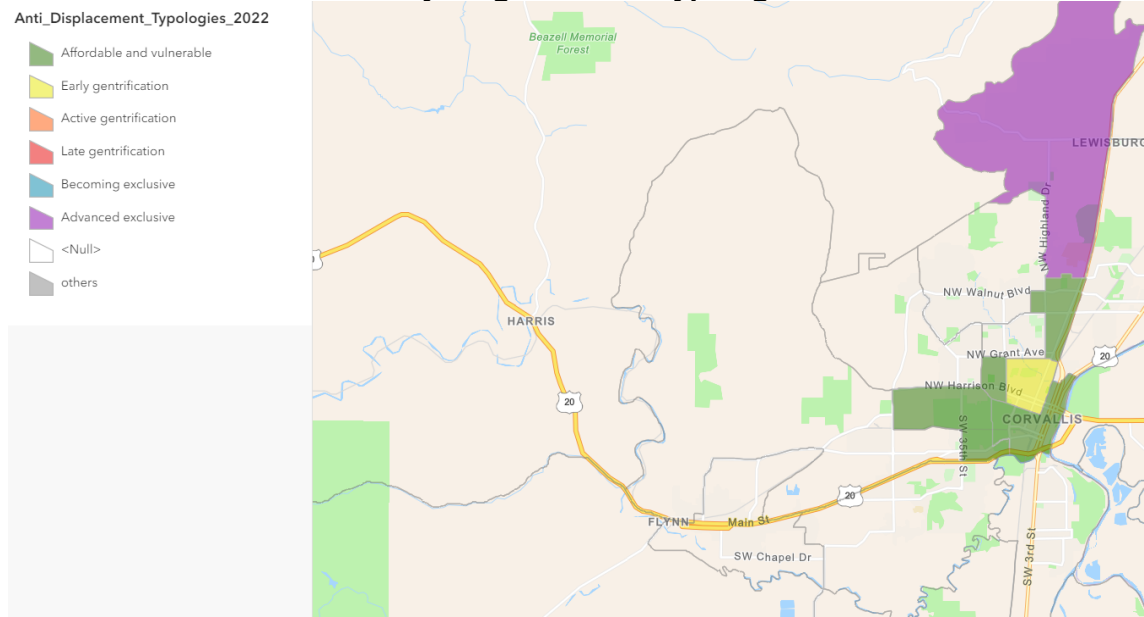
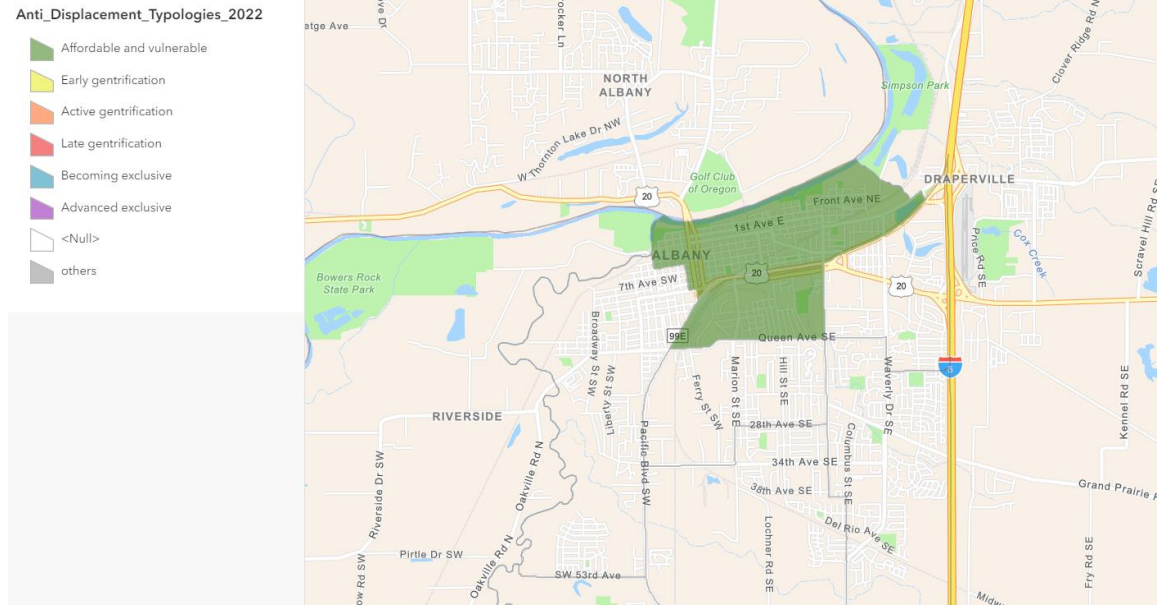
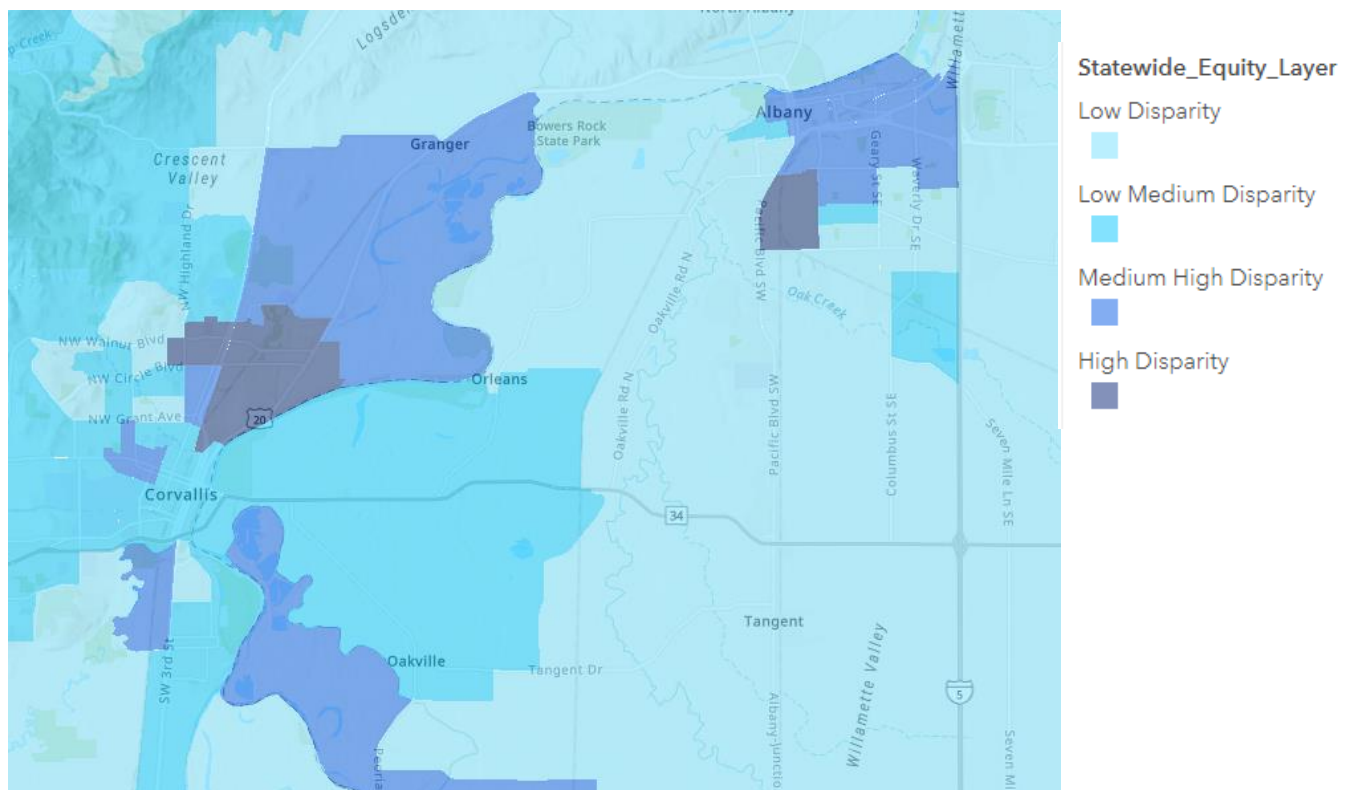


Exhibit 2: Albany Neighborhood Typologies



Another tool recommended by DLCD to help ensure that CFA sites did not have significant potential to displace existing inhabitants was the [ODOT Social Equity/ Disparity Map](#). Unfortunately, there was insufficient information on methodology to allow us to utilize this information to determine the impact of the CFA sites.

Exhibit 3: ODOT Social Equity/Disparity Map



After reviewing both of these tools and finding they would not meet our needs either due to a lack of granularity (PSU's tool) or methodology details (ODOT's tool), we decided to use Metropolitan Planning Organization (MPO) funds to develop vulnerability maps of the Albany Area MPO and Corvallis Area MPO regions. Creating local vulnerability maps would also allow us to take advantage of the smaller block group area geometries available for the data and provide more granularity. As an example of this, Census Tracts represent between 1,200 and 8,000 people, with an optimum size of 4,000 people. While Block Groups represent between 600 and 3,000 people and are sub-boundaries within Census Tracts. At a small urban scale such as Albany and Corvallis, block groups present a more detailed analysis compared with census tracts.

The purpose of the spatial analysis is to give cities information needed to complete the Planning Analysis and create a final anti-displacement report.

VULNERABILITY MAPS METHODOLOGY

OCWCOG conducted the vulnerability index; in addition, to the PSU and ODOT tools. The methodology determines: where the city's most socioeconomically vulnerable populations are currently located. In part this analysis answers the question, "Who is most likely to be displaced if housing market conditions were to further appreciate in price or stay the same?". Future development is expected within CFAs and potential displacement of existing residents must be evaluated and mitigated. The local government is tasked with identifying actions that may be employed to mitigate or avoid potential displacement.

Socioeconomic Vulnerability Methodology (Vulnerability Index)

Our analysis looked at eight data sets (indicators) associated with socioeconomic vulnerability by block group. People with one or more disabilities data was at the census tract level due to data availability. Data from the 2015-2019 American Community Survey, 5-year estimates was used.

- Low Income Population (Population below federal poverty line) – Table ID: B17021
- Non-white Population – Table ID: B02001
- Seniors above 65 - Table ID: B01001
- People with one or more Disabilities – Table ID: B18101 (By Census Tract)
- Limited English Proficiency (LEP) Population – Table ID: C16002
- Households with children present – Table ID: B11012
- People 25 years and older who have an educational attainment of less than a High School Diploma – Table ID: B15003
- Renter Households – Table ID: B25003 Tenure (Renter occupied total/ total = %)

How was the Vulnerability Map made? Two maps were created: Albany used the AAMPO region, and Philomath/Corvallis used the CAMPO region. The AAMPO region has 41 block groups, and the CAMPO region has 55 block groups. The vulnerability map combines information from all eight indicators listed above. The result of this analysis is the identification of block groups with higher and lower concentrations of people in vulnerable groups. Block groups with higher vulnerability levels would indicate places where it is most likely that not only current, but where future housing cost burdening and possible displacement are more likely to occur.

For each indicator, the data was classified into 5 classes using equal intervals. Equal interval is best applied to familiar data ranges, such as percentages and temperature. This method emphasizes the amount of an attribute value relative to other values. Each block group was then assigned a score of 1-

5 for each indicator, with 5 representing the most vulnerable. The final vulnerability index was calculated by adding all of the indicator scores together. Each of the eight indicators used in the vulnerability maps are equally weighted. The lowest score possible for a single block group is eight (the block group being assigned a value of 1 for all eight indicators), the highest possible score for a block group is 40 (the block group assigned a value of 5 for all eight indicators). The higher a block group's score the greater the vulnerability. Block groups were then categorized as Very High (most vulnerable), High, Average, Low, and Very low (least vulnerable) utilizing 5 quantiles. The quantile method divides classes so that the total number of features in each class is approximately the same. The darkest shade of blue on the map indicates areas that have the highest levels of inequity in the population, that is, they have higher percentages of vulnerable populations (See attachment 2 for additional technical details).

Why these indicators?

Vulnerability can mean many things to planning professionals, depending on their area of expertise and program of work. In this context, we understand vulnerability to mean the risk of existing inhabitants being displaced from their home (renters and/or homeowners) due to rising land and property tax costs as a direct result of pressure from new or impending development. These issues can further be exacerbated across neighborhood; where affordable grocery and convenience stores once stood are replaced with boutique shops and high-end food stores—forcing existing inhabitants to travel out of their neighborhood to purchase goods.

In this sense, we used indicators of what we perceive as those who would be most impacted by displacement or have historically been most impacted by displacement. In addition to people of color, this would include those with fixed incomes (older adults and often people with disabilities), those who would negatively be affected by housing instability (families with children, people with low wage jobs), and those with limited means to re-locate (renters, people with limited English proficiency). Many of these indicators overlap with federally protected classes.

This likely does not capture all vulnerable communities, and we intentionally chose not to weight any particular indicator more than others. While some indicators may represent a “more” vulnerable population to displacement, the goal of this exercise was to identify highly vulnerable areas within a city, as compared to other parts of the city.

Implications and Next Steps for Candidate Climate Friendly Areas

The PSU and ODOT methodology can be used with the public and fall within the anti-displacement rules of DLCD. The vulnerability index is an additional tool that cities in the region may utilize. The purpose of the vulnerability index is to identify socioeconomically vulnerable areas across the entire city. This data will then be overlaid with the candidate areas, and areas with high risk can be evaluated in detail by the cities. The mapping analysis utilizes block group boundaries as the best available data. The block group, CFA, and neighborhood boundaries do not always align, and the maps should be supplemented with on the ground outreach and review of existing lands uses. In addition, to the social equity mapping 3J consulting has been conducting interviews, focus groups and other direct outreach with underserved populations. The existing land use analysis will determine the existing uses within the candidate areas. A candidate area with existing commercial development indicates a low risk of displacing residents. The mapping analysis, existing land use analysis, and underserved outreach efforts should be used by each city to inform the anti-displacement planning analysis.

Attachments:

1. Vulnerability Index Maps
2. Technical Methods Memo



MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager

FROM: Kinzi McIntosh, Central Services Support Specialist *KM*

DATE: October 24, 2023, for the November 8, 2023, City Council Work Session

SUBJECT: Resignation from Citizen Advisory Groups
Relates to Strategic Plan theme: An Effective Government

Action Requested:

Council acceptance of the following resignations:

Airport Advisory Commission:

- Wes Jones (position appointed by Councilor Marilyn Smith; current term expires 12/31/24)

Budget Committee:

- Chris Hanson (position appointed by Councilor Matilda Novak; current term expires 12/31/24)

Tourism Advisory Committee:

- Kim McAloney (position appointed by Councilor McGhee; current term expires 12/31/25)

Discussion:

Wes Jones has notified the City of his resignation from the Airport Advisory Commission. Councilor Smith's appointment to fill this vacancy will be submitted at a subsequent city council meeting.

Chris Hanson has notified the City of his resignation from the Budget Committee. Councilor Novak's appointment to fill this vacancy will be submitted at a subsequent city council meeting.

Kim McAloney has notified the City of her resignation from the Tourism Advisory Committee. Councilor McGhee's appointment to fill this vacancy will be submitted at a subsequent city council meeting.

Budget Impact:

None.

KM

Attachments 3

McIntosh, Kinzi

Subject: FW: Resignation of committee

From: Jones Aviation LLC <[REDACTED]>

Sent: Thursday, October 19, 2023 7:01 PM

To: Romeo, Robb <Robb.Romeo@cityofalbany.net>

Subject: Resignation of committee

Hello Robb,

I'm sorry that I missed the meeting today. But unfortunately I will not be able to attend future meeting. Work has been very busy and with the commute to Salem has been hectic, my wife got a job in Salem and I'm working out of a hangar on a large restoration project in Salem so this is reason I'm giving my resignation as member of Albany committee

Thanks,

Wes Jones

Jones Aviation LLC
[REDACTED]

Subject: FW: Budget Committee

On Oct 18, 2023, at 16:42, Chris Hanson [REDACTED] wrote:

[WARNING! This email came from outside our organization. Do NOT click unknown attachments or links in email.]

Matilda and Peter,

I want to thank you for giving me the opportunity to serve on the budget committee and to learn the process. This is to let you know that I need to resign from the Budget Committee. As you know, I am also serving on the economic development committee. I am just over committed between the Econ committee and other community boards that I am serving on.

Again, I have enjoyed learning the process and am still committed to helping Albany prosper.

Sincerely,
Chris Hanson

DISCLAIMER: This email may be considered a public record of the City of Albany and subject to the State of Oregon Retention Schedule. This email also may be subject to public disclosure under the Oregon Public Records Law. This email, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you have received this communication in error, please notify the sender immediately and destroy all copies of the original message.

McIntosh, Kinzi

Subject: FW: Council Meeting Schedule for Oct 23-Nov 17 and Updated List of Tentative Future Agenda Items

From: McGhee, Ramycia <Ramycia.McGhee@cityofalbany.net>

Sent: Friday, October 27, 2023 3:08 PM

To: McIntosh, Kinzi <kinzi.mcintosh@cityofalbany.net>

Subject: Re: Council Meeting Schedule for Oct 23-Nov 17 and Updated List of Tentative Future Agenda Items

Good afternoon,

After speaking to Kim McAloney regarding her service on the tourism commission, she stated she needs to resign.



Dr. Ramycia McGhee

City Councilor, Ward 3

541-250-0366

Ramycia.mcghee@cityofalbany.net

City of Albany, Oregon

www.cityofalbany.net




MEMO



TO: Albany City Council

VIA: Peter Troedsson, City Manager

FROM: Marcia Harnden, Chief of Police 

DATE: October 25, 2023, for the November 8, 2023, City Council Meeting

SUBJECT: Change of Ownership, Off-Premises, Liquor License Application for Foxy's Deli #6 LLC., DBA The Fox Den Eatery #4, Located at 1167 Waverly Drive SE

Action Requested:

I recommend the change of ownership, off-premises, liquor license application for Foxy's Deli #6 LLC., DBA The Fox Den Eatery #4, located at 1167 Waverly Drive SE, be approved.

Discussion:

Foxy's Deli #6 LLC., on behalf of The Fox Den Eatery #4, has applied for a change of ownership, off-premises, liquor license. Based on a background and criminal history investigation through Albany Police Department records, the applicant has no criminal record.

Budget Impact:

None.

MH:rj






MEMO



TO: Albany City Council

VIA: Peter Troedsson, City Manager

FROM: Marcia Harnden, Chief of Police 

DATE: October 25, 2023, for the November 8, 2023, City Council Meeting

SUBJECT: Change of Ownership, Off-Premises, Liquor License Application for Foxy's Deli #6 LLC, DBA The Fox Den Eatery #5, Located at 2224 Santiam Highway SE

Action Requested:

I recommend the change of ownership, off-premises, liquor license application for Foxy's Deli #6 LLC, DBA The Fox Den Eatery #5, located at 2224 Santiam Highway SE, be approved.

Discussion:

Foxy's Deli #6 LLC has applied for a change of ownership, off-premises, liquor license. Based on a background and criminal history investigation through Albany Police Department records, the applicant has no criminal record.

Budget Impact:

None.

MH:rj




MEMO



TO: Albany City Council

VIA: Peter Troedsson, City Manager

FROM: Marcia Harnden, Chief of Police 

DATE: October 25, 2023, for the November 8, 2023, City Council Meeting

SUBJECT: Change of Ownership, Off-Premises, Liquor License Application for Foxy's Deli #6 LLC., DBA The Fox Den Eatery #7, Located at 249 Pacific Boulevard SE

Action Requested:

I recommend the change of ownership, off-premises, liquor license application for Foxy's Deli #6 LLC., DBA The Fox Den Eatery #7, located at 259 Pacific Boulevard SE, be approved.

Discussion:

Foxy's Deli #6 LLC., on behalf of The Fox Den Eatery #7, has applied for a change of ownership, off-premises, liquor license. Based on a background and criminal history investigation through Albany Police Department records, the applicant has no criminal record.

Budget Impact:

None.

MH:rj





MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager

FROM: Jeanna Yeager, Finance Director

DATE: October 24, 2023, for the November 8, 2023, City Council Meeting.

SUBJECT: Risk Management Policy

Action Requested:

By resolution, readopt the Risk Management Policy and repeal Resolution Number 7149.

Discussion:

Staff has worked closely with the City's insurance broker, Hub International, to review the current insurance coverages and the Risk Management Policy. This year the policy was updated to include Workers' Compensation limits.

The City Council received a claims history review and discussed the current policy at the November 6, 2023, work session.

Budget Impact:

Costs of insurances are included in the adopted budget. The Risk Management Policy sets parameters for managing risks and insurance coverage.

JLY

Attachments: Risk Management Policy
Resolution



RESOLUTION NO. _____

A RESOLUTION ADOPTING THE RISK MANAGEMENT POLICY, AND REPEALING RESOLUTION NO. 7149

WHEREAS, City policy requires an annual review of the Risk Management Policy; and

WHEREAS, the City Council received an annual report from the City's insurance broker, Hub International on November 6, 2023, and discussed the insurance coverage and language in the policy,

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that Exhibit A is adopted as the Risk Management Policy for the City of Albany; and

BE IT FURTHER RESOLVED that Resolution No.7149 is hereby repealed.

DATED AND EFFECTIVE THIS 8TH DAY OF NOVEMBER 2023.


Mayor

ATTEST:

City Clerk

City of Albany Risk Management Policy



	<p>City of Albany Finance Policy Policy #: F-08-08-007 Title: Risk Management</p>	
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I. POLICY STATEMENT

It is the policy of the City of Albany to proactively identify and manage the inherent risks of providing municipal services. Potential losses will be mitigated through employee safety committees, loss prevention programs, property and liability insurances, workers' compensation, and employee health, life, and disability benefits.

II. GENERAL RESPONSIBILITIES

The City Council has the responsibility to set the control environment for the organization based on integrity and ethical values. The internal controls that support the control environment are tested on an annual basis by an independent auditor and reported to the City's Audit Committee.

Each employee of the City is responsible for contributing to a safe environment for all employees and the public. Employees should help identify and correct unsafe conditions and should follow all established safety laws, policies, and practices. In addition, employees have a responsibility to report any instance of fraud, waste, abuse, or unethical behavior to management or to the City Council.

The City Manager and department directors are responsible for protecting the City of Albany's assets by identifying and managing risks. Primary objectives include containing costs, minimizing accidents and injuries to employees and the public, reducing the frequency and severity of property loss, and promoting a healthy employee workforce and working environment.

Department directors are responsible for managing the risks of operations in their respective departments. They ensure that effective safety and loss prevention programs are implemented and oversee the investigation of claims and losses.

Department directors coordinate their efforts with the Finance Manager who acts as the City's Risk Manager. The Risk Manager is responsible for facilitating claims processing and working closely with third party property and liability insurers.

The City Manager may choose to retain professional advisors, consultants, insurers, brokers, and agents of record to assist the City in placing appropriate insurances and developing effective safety and loss prevention programs.

III. SPECIFIC RESPONSIBILITIES

1. Human Resources Director.

- a. Coordinate and promote city-wide employee wellness programs.
- b. Manage the City's worker's compensation and health insurance programs to contain costs and promote safety and wellness for employees and their families.

2. Finance Director.

- a. Recommend appropriate levels of property and general liability insurance to the City Manager and City Council.
- b. Coordinate periodic inventories of all property, buildings, equipment, vehicles, and other capital assets and verify that appropriate insurance is in place.
- c. Maintain policies, bonds, and other legal documentation of insurance.
- d. Provide an annual report to the City Council showing claims experience and the costs of insurance programs.

3. Fire Chief.

- a. Conduct fire and life safety inspections of City facilities on a periodic basis according to the level of risk in each facility.

- b. Verify that all facilities are in compliance with recognized fire code standards for fire and life safety.
 - c. Coordinate and promote city-wide safety awareness.
4. **City Attorney.**
- a. Develop templates of contracts and leases which include language to identify and mitigate liability and other potential losses.
 - b. Notify the City Manager of changes in state statutes and common law that affect municipal liability.
 - c. Assist insurers in the investigation and settlement of claims against the City.
 - d. Review insurance and bond contracts.
5. City Emergency Manager/Safety Officer
- a. Develop, recommend, and implement emergency management programs to ensure effective emergency services.
 - b. Plan, develop, and coordinate mitigations, preparedness, and response and recovery activities.
 - c. Work with private and public sector agencies to obtain a coordinated preparedness and response effort.
 - d. Administer City safety program.

IV. RETAINING AND TRANSFERING RISK

1. **Reserve Account.**

A Risk Management Fund will be maintained with a working balance of up to \$2,000,000 for unforeseen catastrophic events and major deductibles. Each department will be responsible for claims and deductibles up to \$10,000 per occurrence resulting from losses in their respective operations.

2. **Insurance Coverages.**

The following minimum policy limits and deductibles will be maintained:

Property/Boiler & Machinery

Limit:	Determined each year by the filed value of insured property.	
Deductibles:	Buildings/Contents	\$5,000
	Mobile Equipment	\$1,000
	Boiler & Machinery	\$5,000
	Earthquake	\$25,000
	Limit	\$20,000,000
	Flood	\$25,000
	Limit	\$20,000,000
	Excess Cyber Liability	\$5,000
	Limit	\$1,000,000

Tort Liability

Limit:	\$5,000,000
Deductibles:	\$10,000 per occurrence

Auto Liability

Limit:	\$5,000,000
Deductibles:	\$10,000 per occurrence

Auto Physical Damage

Deductibles:	Comprehensive	\$1,000
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Collision	\$1,000
Airport Liability	
Limit:	\$5,000,000
Volunteer Accident Policy	
Limit:	\$50,000
Workers Compensation Policy	
Limit:	\$3,000,000 Each Accident \$3,000,000 Disease Aggregate \$3,000,000 Disease Each Employee

3. Self-Insurance.

The City shall self-insure to the extent it is more cost effective than commercial insurance and does not present unacceptable financial or other risks to the City.

V. ALLOCATION OF INSURANCE COSTS

Departments and programs that have dedicated revenue sources or are independent legal entities will be charged insurance costs specific to the risk exposures of the operations of those departments and programs.

Premiums and related costs for liability insurance, workers' compensation, and property insurance will be allocated to each department based on claims experience and risk exposure. Property insurance costs are allocated according to the specific properties used and operated by each department or program.

VI. CONFIDENTIALITY OF RECORDS

All personally identifiable and confidential information will be maintained in compliance with the Identity Theft Protection Policy, Finance Policy Number F-04-08. All employee medical records and long-term disability claims held by the City will be maintained in separate locked files and access will be controlled through the City Manager and Human Resources Departments.

All police reports will be kept confidential unless the Albany Police Department and/or the City Attorney approve release.

VII. REPORTING PROPERTY/CASUALTY ACCIDENTS AND LOSSES

1. Accidents and losses must be reported promptly and in accordance with prescribed procedures. The benefits of timely reporting include enhanced citizen confidence, better protection of the City's interests, reduced time lost for employees and equipment, and savings realized through prompt settlements.

Reports of general liability claims and automobile accidents should be immediately reported to the Risk Manager. The following information should be included in every report:

- a. Date, time, and location of accident or event
- b. Description of vehicle, equipment, or property involved
- c. Name(s) of person(s) involved
- d. Name(s) of person(s) injured
- e. Description of any medical attention received

- f. Nature of damage/loss and estimated cost
- g. Description of circumstances; diagram of events if possible
- h. Insurance Policy Numbers, Agents, and/or Agencies
- i. Name(s) and addresses of witnesses
- j. Appropriate signatures
- k. Copy of DMV report, if filed
- l. Copy of police report, if filed

In addition, procedures described in Human Resources Policy HR-SF-02-001 (Property Loss/Damage) must be followed.

2. The Risk Manager will process all accident/loss notices, except workers' compensation, and will notify the appropriate insurance company.
3. The Human Resources Department will file workers' compensation accident reports with the appropriate insurance company. Workers' compensation incidents will be processed in accordance with Human Resources Policy HR-SF-03-001 (Reporting On-the-Job Injuries).
4. Accidents of a serious nature and those occurring on weekends or holidays should be called in to the appropriate supervisor and followed up with the proper accident forms and information. The Risk Manager should be notified of the accident on the first day back to work.
5. As required by law, on-the-job injuries to employees that result in overnight hospitalization for treatment (not just observation), must be reported to OR-OSHA within twenty-four (24) hours of the injury. An on-the-job accident that results in the hospitalization of three or more employees, or in a fatality, must be reported to OR-OSHA within eight (8) hours of the accident. In either of these situations, the Human Resources Generalist or Human Resources Director should be notified immediately so they may make notification to OR-OSHA.

VIII. REPORTS TO BE FILED

1. All Property/Casualty claims reports will be filed with the Risk Manager.
2. Minutes of City Council meetings, safety meetings, and all other City committee meetings in which Risk Management policy or procedure decisions are made will be filed as appropriate.
3. Inspection reports when the building inspector or Fire Department inspects City premises will be filed with the Risk Manager or the Fire Department.
4. Long-term disability and life insurance claims and workers' compensation claims and reports will be filed with the Human Resources Department.

IX. RISK MANAGER RECORDS

The Risk Manager shall keep the following records:

1. An inventory of current locations, descriptions, and insurable values of all property/vehicles owned or leased by the City.
2. An insurance register, outlining all coverages in force and including premiums, policy numbers, servicing agents, terms of coverage, and expiration dates.

3. Premium payment and allocation records.
4. Claims filed and pending.
5. Loss records subdivided into property, liability, and other liability claims paid by the insurer under existing insurance policies.
6. Claim recoveries received from third parties who have damaged City property or who are reimbursing City wages paid.

Supersedes: Res No. 7149	Created/Amended by/date: October 25, 2023	Effective Date: November 8, 2023	Reviewed by Council: November 6, 2023
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MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager

FROM: Jeanna Yeager, Finance Director

DATE: October 24, 2023, for the November 8, 2023, City Council Meeting.

SUBJECT: Investment Policy

Action Requested:

By resolution, readopt the attached Investment Policy and repeal Resolution No. 7148.

Discussion:

The City's current Investment Policy was last reviewed and adopted by the City Council as Resolution No. 7148 on October 12, 2022. The policies are reviewed on an annual basis. This year's review was conducted at the work session on November 6, 2023.

Both the current policy and ORS Section 294.135 require the City Council to review the policy on a periodic basis.

Staff has worked closely with the City's Investment Advisor, Government Portfolio Advisors (GP A), to review the current policy and to manage the City's investments consistent with the policy.

Changes recommended by GPA will be incorporated into the Investment Policy.

Budget Impact:

The Investment Policy sets parameters for the investment of available cash not needed to meet current obligations.

JLY

Attachments: Resolution and Investment Policy



RESOLUTION NO. _____

A RESOLUTION ADOPTING AN INVESTMENT POLICY, AND REPEALING RESOLUTION NO. 7148

WHEREAS, ORS Section 294.135 requires cities to periodically review their written investment policies; and

WHEREAS, changes previously suggested by GFOA and OSTFB have been incorporated into the City's Investment Policy; and

WHEREAS, the City Council received an annual report from the City's investment advisor, Government Portfolio Advisors, on November 6, 2023, and discussed language and recommended changes in the policy; and

WHEREAS, the investment policy was updated.

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that Exhibit A is adopted as the Investment Policy for the City of Albany; and

BE IT FURTHER RESOLVED that Resolution No. 7148 is hereby repealed.

DATED AND EFFECTIVE THIS 8TH DAY OF NOVEMBER 2023.

Mayor

ATTEST:

City Clerk

City of Albany Investment Policy



	<p>City of Albany Finance Policy Policy #: F-06-08-009 Title: Investment Policy</p>	
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I. INTRODUCTION

The City of Albany, (hereinafter referred to as "Albany" or "City") was founded in 1848. Albany is the eleventh largest city in the state of Oregon, and is the county seat of Linn County. Albany has a home rule charter and is a Council-Manager form of government where the full time appointed City Manager administers the day-to-day operations and is the chief administrative officer of the City.

The average monthly balance of funds invested in the City's general portfolio and project funds is between \$60,000,000 and \$100,000,000. The highest balances occur when taxes are collected.

II. GOVERNING BODY

It is the policy of the City of Albany that the administration of its funds and the investment of those funds shall be handled with the highest public trust. Investments shall be made in a manner that will assure security of principal. Parameters will be set to limit maturities and increase diversification of the portfolio while meeting the daily cash flow needs of the City and conforming to all applicable state and City requirements governing the investment of public funds. The receipt of a market rate of return will be secondary to safety and liquidity requirements. It is the intent of the City to be in complete compliance with local, state, and federal law. The earnings from investments will be used in a manner that best serves the public trust and interests of the City.

All funds within the scope of this policy are subject to regulations established by the state of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

III. SCOPE

This policy applies to activities of the City of Albany with regard to investing the financial assets of all funds. Funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the state of Oregon.

The City commingles its daily cash into one pooled investment fund for investment purposes of efficiency and maximum investment opportunity. The following funds, and any new funds created by the City, unless specifically exempted by the City Council and this policy, are defined in the City's Comprehensive Annual Financial Report:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds
- Enterprise Funds
- Internal Service Funds
- Permanent Funds

These funds will be invested in compliance with the provisions of all applicable Oregon Revised Statutes (ORS). Investments of any tax-exempt borrowing proceeds and any related Debt Service funds will comply with the arbitrage restrictions in all applicable Internal Revenue Codes.

IV. OBJECTIVES AND STRATEGY

It is the policy of the City that all funds shall be managed and invested with three primary objectives, listed in the following order of priority:

1. Safety of Principal

- Safety of principal is the foremost objective of the City. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- Diversification of the portfolio will include diversification by maturity and market sector and will include the use of multiple broker/dealers for diversification and market coverage.

2. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements that might be reasonably anticipated.

3. Yield-Return

The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints and the cash flow of the portfolio. "Market rate of return" may be defined as the average yield of the current three-month U.S. Treasury bill or any other index that most closely matches the average maturity of the portfolio.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a comprehensive cash management program that includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms, and the management of banking services.

V. STANDARDS OF CARE

1. Delegation of Investment Authority

- a. Investment Officer. The Finance Director, acting on behalf of the City Council, is designated as the Investment Officer of the City and is responsible for investment management decisions and activities. The Finance Director, as the Investment Officer, may further delegate the authority to invest City funds to additional City Finance personnel. The Council is responsible for considering the quality and capability of investment advisors and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer and those delegated with investment authority under this policy, when acting in accordance with the written procedures and this policy, and in accord with the

Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio.

- b. Investment Advisor. The City may enter into contracts with external investment management firms on a non-discretionary basis.

If an investment advisor is hired, the adviser will serve as a fiduciary for the City and comply with all requirements of this Investment Policy. Exceptions to the Investment Policy must be disclosed and agreed upon in writing by both parties. The Investment Officer remains the person ultimately responsible for the prudent management of the portfolio.

- c. Staff Designation. The Investment Officer shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer is not available.

2. Prudence

The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. This standard states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."

3. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees, officers, and their families shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. Officers and employees shall, at all times, comply with the state of Oregon Government Ethics as set forth in ORS 244.

VI. AUTHORIZED FINANCIAL INSTITUTIONS

1. Broker/Dealer Approval Process

The Investment Officer shall maintain a list of all authorized brokers/dealers and financial institutions that are approved for investment purposes or investment dealings. Any firm is eligible to make an application to the City of Albany and upon due consideration and approval will be added to the list. Additions and deletions to the list will be made at the discretion of the Investment Officer.

At the request of the City of Albany, the firms performing investment services shall provide their most recent financial statements or Consolidated Report of Condition for review. Further, there should be in place, proof as to all the necessary credentials and licenses held by employees of the brokers/dealers who will have contact with the City of Albany as specified by, but not necessarily limited to the Financial Industry Regulatory Authority (FINRA), Securities and Exchange Commission

(SEC), etc. The Investment Officer shall conduct an annual evaluation of each firm's credit worthiness to determine if it should remain on the list.

- a. Broker/Dealer firms must meet the following minimum criteria:
 - i. Be registered with the Securities and Exchange Commission (SEC);
 - ii. Be registered with the Financial Industry Regulatory Authority (FINRA).
 - iii. Provide most recent audited financials.
 - iv. Provide FINRA Focus Report filings.
- b. Approved broker/dealer employees who execute transactions with the City must meet the following minimum criteria:
 - i. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
 - ii. Be licensed by the state of Oregon;
 - iii. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.

If the City hires an investment advisor to provide investment management services, the Advisor is authorized to transact with its direct dealer relationships on behalf of the City. A list of approved dealers must be submitted to the investment officer prior to transacting business. The investment officer can assign the responsibility of broker/dealer due diligence process to the Advisor, and all licensing information on the counterparties will be maintained by the Advisor and available upon request.

The advisor broker/dealer review should include:

- i. FINRA Certification check
- ii. Firm Profile
- iii. Firm History
- iv. Firm Operations
- v. Disclosures of Arbitration Awards, Disciplinary and Regulatory Events
- vi. State Registration Verification
- vii. Financial review of acceptable FINRA capital requirements or letter of credit for clearing settlements.

The advisors must provide the City with any changes to the list prior to transacting on behalf of the City.

2. Investment Advisor

An Investment Advisor may be selected through a competitive RFP process and must meet the following criteria:

- a. The investment advisor firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon if assets under management are less than \$100 million.
- b. All investment advisor firm representatives conducting investment transactions on behalf of the City must be registered representatives with FINRA.
- c. All investment advisor firm representatives conducting investment transactions on behalf of the City must be licensed by the state of Oregon. Factors to be considered when hiring an investment advisory firm may include, but are not limited to:
 - i. The firm's major business

- ii. Ownership and organization of the firm
- iii. The background and experience of key members of the firm, including the portfolio manager expected to be responsible for the City's account
- iv. The size of the firm's asset base, and the portion of that base which would be made up by the City's portfolio if the firm were hired
- v. Management fees
- vi. Cost analysis of the adviser
- vii. Performance of the investment advisory firm, net of all fees, versus the Local Government Investment Pool over a given period of time

A periodic (at least annual) review of all investment advisors under contract will be conducted by the Investment Officer to determine their continued eligibility within the portfolio guidelines. The Investment Advisor must notify the City immediately if any of the following issues arise while serving under a City contract:

- a. Pending investigations by securities regulators.
- b. Significant changes in net capital.
- c. Pending customer arbitration cases.
- d. Regulatory enforcement actions.

3. Financial Bank Institutions

All financial banks that provide bank deposits, certificates of deposits or any other deposit of the bank to the City must either be fully covered by the FDIC or the bank must be a participant of the Public Funds Collateralization Program (PFCP). ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the PFCP. Bank depositories are required to pledge collateral against any public fund deposits in excess of deposit insurance amounts. The PFCP provides additional protection for public funds in the event of a bank loss.

4. Competitive Transactions

The Investment Officer will obtain telephone, faxed or emailed quotes before purchasing or selling an investment. The Investment Officer will select the quote which best satisfies the investment objectives of the investment portfolio within the parameters of this policy. The Investment Officer will maintain a written record of each bidding process including the name and prices offered by each participating financial institution.

In the instance of a security which there is no readily available competitive bid or offering on the same specific issue, the Investment Officer shall document quotations for comparable or alternative securities.

The investment advisor must provide documentation of competitive pricing execution on each transaction. The advisor will retain documentation and provide upon request.

VII. SAFEKEEPING AND CUSTODY, CONTROLS

1. Safekeeping and Custody Securities

The laws of the state and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by the City, an independent third-party financial institution, or the City's designated depository.

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. The approved broker/dealer or investment advisor shall provide the City with a confirmation ticket listing the specific instrument, issuer, coupon, maturity, CUSIP number, purchase or sale price, transaction date, and other pertinent information. The broker/dealer which executes the transaction on the City's behalf shall deliver all securities on a delivery versus payment method to the designated third party trustee at the direction of the Investment Officer. The City will have online access through the safekeeping bank for verification of the account holdings and transactions.

2. Safekeeping of Funds at Bank Depositories

The City may hold bank deposits or certificates of deposits at banks qualified under ORS 295.

3. Accounting Methods

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

4. Pooling of Funds

Except for cash in certain restricted and special funds, the City will consolidate balances from all funds to maximize investment opportunities. Investment income will be allocated to the various funds based on their respective participation and in accordance with Generally Accepted Accounting Principles.

5. Internal Controls

The City will maintain a structure of internal controls sufficient to assure the safekeeping and security of all investments. All out of compliance situations under this policy will be corrected and brought into compliance as soon as prudently possible.

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program that are consistent with this investment policy. Procedures will include reference to safekeeping, wire transfers, banking services contracts, and other investment-related activities.

The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer and approved by the Council.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS

1. Authorized Investments

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.052 (Definitions; investment by municipality of proceeds of bonds), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for custodial officer), ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

2. Suitable Investments

The City will diversify investments across maturities, security types and institutions to avoid incurring unreasonable risks. Minimum percentages and credit limits apply at the time of purchase.

The City has further defined the eligible types of securities and transactions as follows:

U.S. Treasury Obligations: Direct obligations of the United States Treasury whose payment is guaranteed by the United States.

U.S. Agency Obligations: Federal agency and instrumentalities of the United States or enterprises sponsored by the United States Government (GSE) and whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government.

Municipal Debt: Lawfully insured debt obligations of the States of Oregon, California, Idaho, and Washington and political subdivisions of those states if the obligations have a long-term rating on the settlement date of AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization, or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization.

Corporate Indebtedness: Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)3 of the Securities Act of 1933, as amended. Corporate indebtedness must be rated on the settlement date AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization.

Commercial Paper: Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)3 of the Securities Act of 1933, as amended. Commercial Paper must be rated A1 by Standard and Poor's or P1 by Moody's or equivalent rating by any nationally recognized statistical rating organization. Issuer constraints for commercial paper combined with corporate notes will be limited by statute to 5% of market value per issuer.

Bank Time Deposit/Savings Account: Time deposit open accounts or savings accounts in insured institutions as defined in ORS Section 706.008, in credit unions as defined in ORS Section 723.006 or

in federal credit unions, if the institution or credit union maintains a head office or a branch in this state.

Certificates of Deposit: Certificates of deposit in insured institutions as defined in ORS Section 706.008, in credit unions as defined in ORS Section 723.006, or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state.

Bankers' Acceptance: A short-term credit investment created by a non-financial firm and guaranteed by a qualified financial institution* whose short-term letter of credit rating is rated in the highest category without any refinement or gradation by one or more nationally recognized statistical rating organizations.

Oregon Intermediate Fund: The Oregon Local Government Intermediate Fund (OLGIF) is a commingled investment pool for local governments offered by Oregon State Treasury due to Legislation HB2140 and pursuant to ORS Chapter 294. OLGIF provides qualified local government participants with a vehicle to invest assets over an intermediate time horizon (three to five years).

Local Government Investment Pool: State Treasurer's local short-term investment fund up to the statutory limit per ORS Section 294.810.

*For the purposes of this paragraph, "qualified financial institution" means: (i) A financial institution that is located and licensed to do banking business in the State of Oregon; or (ii) A financial institution that is wholly owned by a financial holding company or a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon [ORS Section 294.035(3)(h)].

3. Collateralization

Time deposit open accounts, Certificates of Deposit and savings accounts shall be collateralized through the Public Funds Collateralization Program in accordance with ORS Section 295.018. All depositories must be on the State of Oregon's qualified list. Additional collateral requirements may be required if the Investment Officer deems increased collateral is beneficial to the protection of the monies under the City's management.

IX. INVESTMENT PARAMETERS

1. Diversification

The City will diversify the investment portfolio to avoid incurring unreasonable risks, both credit and interest rate risk, inherent in over investing in specific instruments, individual financial institutions or maturities.

DIVERSIFICATION CONSTRAINTS ON TOTAL HOLDINGS: LIQUIDITY AND CORE FUNDS

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P, Moody's, or Equivalent NRSRO	Maximum Maturity
US Treasury Obligations	100%	None	N/A	5.25 years
US Agency Obligations	100%	35%	N/A	5.25 years
Municipal Bonds (OR, WA, ID, CA)	25%	5%	AA- / Aa3 Short Term*	5.25 years
Corporate Notes	35%**	5%***	AA- / Aa3	5.25 years
Commercial Paper			A1 / P1	270 days
Bank Time Deposits/Savings	20%	10%	Oregon Public Depository	N/A
Certificates of Deposit	10%	5%	Oregon Public Depository	5.25 years
Banker's Acceptance	10%	5%	A1 / P1	180 days
Oregon Intermediate Fund	10%	None	N/A	N/A
Oregon Short Term Fund	Maximum allowed per ORS 294.810	None	N/A	N/A

**Short Term Ratings: Moody's - P1/MIG1/VMIG1. S&P - A-1/SP-1, Fitch F1

**35% maximum combined corporate and commercial paper per ORS.

***Issuer constraints apply to the combined issues in corporate and commercial paper holdings.

2. Investment Maturity

The City will not directly invest in securities maturing more than 5.25 years from the date of purchase.

- a. The maximum weighted average maturity of the total portfolio shall not exceed 2.0 years. This maximum is established to limit the portfolio to excessive price change exposure.

- b. Liquidity funds will be held in the State Pool or in money market instruments maturing six months and shorter. The liquidity portfolio shall, at a minimum, represent three months budgeted outflows.
- c. Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5.25 years and will be only invested in high quality and liquid securities.

Total Portfolio Maturity Constraints:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%
Under 5.25 years	100%
Maturity Constraints	Maximum of Total Portfolio in Years
Weighted Average Maturity	2 years
Security Structure Constraint	Maximum % of Total Portfolio
Callable Agency Securities	25%

Reserve or Capital Improvement Project monies may be invested in securities exceeding 5.25 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds

3. Prohibited Investments

- **Private Placement or “144A” Securities:** The City shall not invest in “144A” private placement securities, this includes commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933.
- **Securities Lending:** The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.
- **14 Day Settlement:** The City shall not purchase securities with a delayed settlement in excess of 14 business days per ORS statute.
- **Derivatives or Reverse Repurchase:** The purchase of derivatives and use of reverse repurchase agreements are specifically prohibited by this policy.
- **Mortgage-Backed Securities:** The City shall not purchase mortgage-backed securities.
- **Equity Securities:** The City is not allowed to buy equity securities by statute.

X. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

Investments of bond proceeds are restricted further and will not include corporate bonds in the dedicated bond proceed portfolio. All other allowable investments including: US Treasury, US Agency and Commercial Paper may be utilized. The investments will be made in a manner to match cash flow expectations based on managed disbursement schedules.

Liquidity for bond proceeds will be managed through the OSTF Pool or Bank deposit balances.

Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and maturity matched with expected outflows.

Information will be maintained for arbitrage rebate calculations.

XI. INVESTMENT OF RESERVE OR CAPITAL IMPROVEMENTS

Pursuant to ORS 294.135(1)(b), reserve or capital Improvement project monies may be invested in securities exceeding 5.25 years when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the governing body of the county, municipality, school district or other political subdivision, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

XII. POLICY COMPLIANCE AND PERFORMANCE EVALUATION

1. Compliance Report

A compliance report shall be maintained quarterly to document the portfolio versus the investment policy.

2. Compliance Measurement and Adherence

- a. Compliance Measurement: Guideline measurements will use market value of investments.
- b. Compliance Procedures: If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
- c. Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance and; reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the City Council.
- d. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.
- e. As determined on any date that the security is held within the portfolio. If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Investment Officer shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Investment Officer will apply the general objectives of Safety, Liquidity, Yield, and Legality to make the decision. If the City has hired the services of an Investment Advisor, the Investment Officer will act on the recommendation of the Advisor.

3. Performance Measurement

- a. The City yields will be compared to the OST Pool rates.

- b. The portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum effective duration and will have the objective to achieve market rates of returns over long investment horizons. The purpose of the benchmark is to appropriately manage the risk in the portfolio given interest rate cycles. The core portfolio is expected to provide similar returns to the benchmark over interest rate cycles, but may underperform or outperform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be a 0-3 year or 0-5 year standard market index and comparisons will be calculated monthly and reported quarterly.
- c. When comparing the performance of the City's portfolio, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return. This would include any in-house management of the funds, as well as outside management.
- d. Mark to market pricing will be calculated monthly and be provided in a monthly report.

XIII. REPORTING REQUIREMENTS

The Investment Officer shall submit quarterly and annual reports to the local governing board containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program. More frequent reports may be provided when market conditions merit or if requested by the governing board.

Minimum quarterly reporting requirements for total portfolio:

- Earnings Yield
- Holdings Report (including mark to market)
- Transactions Report
- Weighted Average Maturity or Duration
- Compliance Report

XIV. INVESTMENT POLICY ADOPTION BY GOVERNING BOARD

This investment policy will be formally adopted by the Albany City Council. The policy shall be reviewed on an annual basis by the Investment Officer and the Albany City Council. Material revisions to this policy will require a review by the Oregon Short Term Fund Board, pursuant to ORS.

Supersedes: Res No. 7148	Created/Amended by/date: October 30, 2023	Effective Date: November 8, 2023	Reviewed by Council: November 6, 2023
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MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager

FROM: Kim Lyddane, Parks and Recreation Director

DATE: October 20, for the November 8, 2023, City Council Meeting

SUBJECT: Request to Reclassify 1.0 FTE Park Maintenance II to Park Maintenance III
Relates to Strategic Plan theme: An Effective Government

Action Requested:

Staff requests that the City Council, by motion, authorize a reclassification of 1.0 FTE Recreation Specialist (A133) to Recreation Coordinator (A145) effective November 1, 2023.

Discussion:

Due to budget constraints, the number of personnel in park maintenance has decreased over the years while the need for services has increased. A Park Maintenance II employee has been working out of class in order to provide services and leadership typical of a person in a Park Maintenance III position. This employee typically oversees work with contractors on construction projects, training for other staff and several other tasks that a Park Maintenance III performs.

This action was reviewed and approved by the Human Resources Director.

Budget Impact:

If approved, the budget impact for the remainder of the 2023-2025 biennium is approximately \$3,500. There are adequate funds in the Park Maintenance fund (20250035) to accommodate the request.

KL

c: Rick Barnett, Parks and Facilities Maintenance Manager
Holly Roten, Human Resources Director