



# CITY OF TUALATIN

## Staff Report

**TO:** Tualatin Planning Commission

**THROUGH:** Teresa Montalvo, Planning Manager

**FROM:** Madeleine Nelson, Associate Planner

**DATE:** June 17, 2026

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**SUBJECT:**

Presentation to provide an update on the project to amend the Tualatin Development Code (TDC) for compliance with Oregon Revised Statutes (ORS 197A.400, Clear and Objective Housing Standards), one of a series of state laws intended to address barriers to housing in Oregon.

**RECOMMENDATION:**

No action is required by the Planning Commission at this stage. Staff recommend that the Planning Commission review the presentation and provide direction on the policy questions identified.

**EXECUTIVE SUMMARY:**

The purpose of this project is to audit the TDC for compliance with Oregon Revised Statutes (ORS) 197A.400 and to prepare a package of code amendments to address identified issues. The amendments will result in a hearings ready development code that meets state requirements for clear and objective standards for housing. ORS 197A.400 requires local governments to regulate housing using clear and objective standards, conditions, and procedures to ensure that discretionary or subjective criteria are not used to deny housing projects.

Draft Code Amendments

The draft code amendments are included in Exhibit B. The exhibit highlights the proposed changes and provides explanatory commentary throughout the document. The amendments include revised procedures for multifamily housing and created a new “design departure” process. The multifamily residential design standards have been revised to reflect clear and objective standards and added purpose and applicability statements.

The revised code language separates Retirement Housing Facilities from Congregate Care Facilities and clarifies the associated definitions. The amendments allow Retirement Housing Facilities in locations where comparable multifamily housing is permitted while retaining Conditional Use review requirements for Congregate Care Facilities.

The code revisions provide other development and design standard clean ups to ensure standards are measurable and enforceable. The revised language include revised definitions, partition/subdivision connectivity criteria, and other technical corrections.

- Consistent with previous direction from the Planning Commission and City Council, the amendments include additional flexibility within the clear and objective framework for multifamily development. The proposed “design departure” process would allow applicants to request discretionary modifications to specific design standards, provided the proposal continues to meet the purpose and

intent of the applicable standard. Design Departures would be limited to multifamily development applications but could be expanded to other housing types in the future.

- Previous policy direction from Planning Commission and City Council also included guidance on multifamily residential and retirement housing as a conditional uses in the Low Density Residential (RL) Planning District. Housing uses must have a pathway using clear and objective standards which would prohibit a conditional use permit as a method of allowing or denying housing. Policymakers advised to prohibit multifamily structures and retirement housing facilities in the RL zone noting that existing middle housing provisions already provide opportunity for denser housing in the zone. The draft amendment changed the multifamily and retirement facility uses in the RL zone from Conditional Use to Not Permitted.

### Feedback Group

City staff have engaged a group of local stakeholders from the development community to help test the feasibility of proposed development standards as part of the TDC update to comply with ORS 197A.400 requirements for clear and objective housing standards. The stakeholder group met during three sessions in February, May, and June 2026. Meeting topics included an overview of the project, discussion of key policy questions, review of proposed procedural amendments and the Design Departure process, and evaluation of revisions to the multifamily design standards. A list of participants, meeting agendas, and summaries of comments received are provided in Exhibit C.

### Policy Questions

Staff are seeking policy direction on two items to inform additional code revisions. In the current code, multifamily projects are reviewed through a Type II review (staff decision with public notice), or a Type III review (Architectural Review Board decision at a public hearing). The current code requires smaller multifamily projects (under 100 units) go through a Type II review, while larger multifamily projects (100 units and above) and projects abutting a single-family zone go through a Type III review.

Recent changes to state law (House Bill 4037, 2026 legislative session) limit public involvement in decision-making for housing development. For housing applications subject to C&O standards, a local government may provide limited notice only to nearby property owners (within 100 feet, or 500 feet for projects with 20+ units), cannot require a public hearing before making a decision, and must restrict local appeal rights to the applicant only (i.e., those receiving notice cannot appeal a decision).

Policy Question 1: What review type(s) should apply to multifamily projects reviewed under C&O standards?

Option 1 – Size-based notice (shown in the draft):

- Under 20 units = Type I review (ministerial decision – similar to single-family and middle housing)
- 20+ units = Type IIx (modified administrative decision)
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Option 2 – Uniform notice for all multifamily:

- All MF developments = Type IIx review, regardless of size.  
*Provides notice to neighbors for every project while still complying with state limits on hearings and third-party appeals.*

For both options, where applicants request discretionary design departures, Type II or III procedure applies:

- Up to 4 departures – Type II (staff review, notice, third-party appeals)
- 5 or more departures – Type III (public hearing with ARB)

The code revisions identified another planning district, Commercial Recreation (CR) which allows multifamily structures and manufactured dwelling parks as conditional uses in the zone. A clear and objective pathway must be established for residential housing if permitted in a planning district. The CR zone is currently only applied to one site within the City of Tualatin, the Roamer's Rest area between the Tualatin River and HWY 99-W. The purpose statement of the CR planning district reads, *The purpose of this district is to recognize the unique and valuable physical, scenic, cultural, and historic character of the Roamer's Rest area located between the Tualatin River and Pacific Highway (99-W) north of the highway's intersection with Tualatin Road. It is intended to preserve that area by allowing and encouraging commercial and related uses that are oriented to the traveler on the highway or that are oriented toward and relate well with the river.*

Policy Question 2: Should multifamily housing and manufactured dwelling parks be permitted by right in the Recreational Commercial (CR) zone, or prohibited?

**OUTCOMES OF DECISION:**

The state rulemaking provides requirements for clear and objective standards for housing. This project will assist in ensuring the Tualatin Development Code is compliant with state law.

**ALTERNATIVES TO RECOMMENDATION:**

The state rulemaking is mandatory for metropolitan areas in Oregon.

**FINANCIAL IMPLICATIONS:**

The City was awarded direct assistance for this work by DLCD under an Intergovernmental Agreement authorized by DLCD IGA #23152. No direct financial expenditures will be incurred.

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**ATTACHMENTS:**

- A. Presentation
- B. Draft Code Amendments
- C. Feedback Group Summaries