



City of Tualatin

**CITY OF TUALATIN  
Staff Report**

**TO:** Honorable Mayor and Members of the City Council

**THROUGH:** Sherilyn Lombos, City Manager, and  
Steve Koper, Assistant Community Development Director

**FROM:** Karen Perl Fox, Senior Housing Program Analyst

**DATE:** August 9, 2021

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**SUBJECT:**  
Consideration of Resolution No. 5565-21 Adopting Tualatin’s Housing Production Strategy and Housing Production Strategy Report

**RECOMMENDATION:**  
The Tualatin Planning Commission and City Staff Recommend Adoption of the Housing Production Strategy and Housing Production Strategy Report.

**EXECUTIVE SUMMARY:**

**What is a Housing Production Strategy Report?**

As provided in ORS 197.290(2), a city with a population of more than 10,000 people must develop and adopt a Housing Production Strategy Report (HPS Report) that includes a list of specific actions, including the adoption of measures and policies that the city shall undertake to promote development within the city to address a housing need identified under ORS 197.296 (3) or ORS 197.296(10) for the most recent 20-year period described in the city’s Housing Capacity Analysis.

A Housing Production Strategy (HPS) is a 6-year action plan for cities to help address their housing needs. Tualatin’s HPS consists of 12 Goals – including supporting affordable rental housing, homeownership, and accessible design standards – based on Tualatin’s specific needs. Each Goal has one or more Strategic Actions which have been identified from a list of best practices, and tailored to Tualatin with input from the community and housing providers, to help it achieve the Goal. Each Strategy also has an estimated timetable to study and potentially implement it over the 6 year period.

Below is an overview of some of the key components DLCD requires in the HPS Report:

1. **Contextualized Housing Need:** A contextualization and incorporation of information from the most recent Housing Capacity Analysis that describes current and future housing needs in the context of population and market trends.
2. **Engagement:** A HPS Report must include a narrative summary of the process by which the City engaged Consumers of Needed Housing and Producers of Needed Housing, especially with regard to federal protected classes. A city may conduct engagement for a HPS concurrent with other housing planning efforts within the city.
3. **Strategies to Meet Future Housing Need:** A Housing Production Strategy Report must identify a list of specific actions, measures, and policies needed to address housing needs identified in the

most recent Housing Capacity Analysis. The strategies proposed by a city must collectively address the next 20-year housing need identified within the most recent Housing Capacity Analysis and contextualized within the Report as provided in section (1) - above.

- 4. Achieving Fair and Equitable Housing Outcomes:** A Housing Production Strategy Report must include a narrative summarizing how the selected Housing Production Strategies, in combination with other city actions, will achieve equitable outcomes with regard to the following factors.
- a) Location of Housing:** How the city is striving to meet statewide greenhouse gas emission reduction goals, established under Executive Order No. 20-04, by creating compact, mixed-use neighborhoods available to people part of state and federal protected classes;
  - b) Fair Housing:** How the city is affirmatively furthering fair housing for all state and federal protected classes. Affirmatively furthering fair housing means addressing disproportionate housing needs, patterns of integration and segregation, racially or ethnically concentrated areas of poverty, and disparities in access to housing opportunity;
  - c) Housing Choice:** How the city is facilitating access to housing choice for communities of color, low-income communities, people with disabilities, and other state and federal protected classes. Housing choice includes access to existing or new housing that is located in neighborhoods with high-quality community amenities, schooling, employment and business opportunities, and a healthy and safe environment;
  - d) Housing Options for Residents Experiencing Homelessness:** How the city is advocating for and enabling the provision of housing options for residents experiencing homelessness and how the city is partnering with other organizations to promote services that are needed to create permanent supportive housing and other housing options for residents experiencing homelessness;
  - e) Affordable Homeownership and Affordable Rental Housing:** How the city is supporting and creating opportunities to encourage the production of affordable housing rental housing and the opportunity for wealth creation via homeownership, primarily for state and federal protected classes that have been disproportionately impacted by past housing policies, and
  - f) Gentrification, Displacement, and Housing Stability:** How the city is increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.

### **Why Adopt a Housing Production Strategy?**

The Council is asked to adopt a Final Housing Production Strategy, which is made up of the Goals and Strategic Actions and other supporting technical information. The Tualatin Planning Commission (TPC) has held four public meetings to help City staff and the project consultant (ECONorthwest) refine the Goals, Strategic Actions and supporting technical information. At their last meeting on this topic on May 6, 2021, the TPC recommended that the Council adopt the HPS.

The HPS is an implementation step of Tualatin 2040 intended to help address Tualatin's housing needs, a priority of both the Council and the community. Tualatin's HPS is based on the housing needs identified in its 2019 Housing Needs Analysis, and is an important next step in helping to meet Tualatin's identified needs in the HNA. Further, Tualatin was awarded a consultant assistance grant from the State Department of Land Conservation and Development (DLCD) by agreeing to create its HPS now. In the future, under Oregon House Bill 2003, cities will be required to regularly update their Housing Needs Analyses and Housing Production Strategies.

### **Project Schedule to date:**

- Kickoff (October 2020)
- Outreach to housing providers (December 2020 – January 2021)
- Planning Commission meeting #1 (December 2020)

- Planning Commission meeting #2 (February 2021)
- Council work session #1 (February 2021)
- Planning Commission meeting #3 (March 2021)
- Planning Commission meeting #4 (May 2021)
- Council work session #2 (May 2021)
- Final HPS report with Council input published (June 2021)
- Council adoption of HPS by resolution (August 2021)

### Implementation Schedule for Strategic Actions

The table below presents a draft schedule for implementation of the Housing Production Strategy. The table shows each of the 12 Goals with the Strategic Actions below. Each Strategic Action will go through a period of evaluation, then potentially adoption, and implementation, further described below as:

- **Evaluation:** All strategic actions will require some level of evaluation prior to implementation, which may range from simple logistics (including information on a website) to complicated coordination between multiple internal and external stakeholders. The evaluation period will occur during the time in the tables shown in a teal color, before adoption.
- **Adoption:** This occurs when the City takes official action to adopt (or uses another official acknowledgement that the City is going to execute on the strategic action). The table shows the expected time of adoption in the time period represented by a teal color and “A” in the table.
- **Implementation:** This occurs when the City officially allows the strategic action to be used, represented by a brown color and “I” in the table.

### HPS Exhibit 1. Schedule for evaluating, adopting, and implementing the strategic actions

Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
1. Affordable Housing: Strongly prioritize, encourage and support affordable rental housing development to increase affordable housing for households earning 0-60% Median Family Income.								
1.a Evaluate a Low-Income Housing Property Tax Exemption Program for Affordable Rental Housing			A, I					
1.b Evaluate Changes to Systems Development Charges						A	I	
1.c Evaluate Implementation of a Construction Excise Tax (CET)					A	I		
1.d Evaluate Support for Affordable Housing as part of Urban Renewal			A, I					
1.e Evaluate Financial Resources for Local Contributions to Affordable Housing Development						A	I	
1.f Evaluate Buildable or Redevelopable Public and Institutional Land Potentially Suitable for Affordable Housing				A, I				
1.g Evaluate Development Code Changes to Allow and Support Other Affordable Rental Housing Types in Tualatin					A, I			

Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
1.h Evaluate Municipal Code, Development Code, Public Works Construction Code, and Building Code Processes to make Building Affordable Housing Easier				A, I				
2. Affordable Homeownership: Encourage and support affordable homeownership to create opportunities for wealth creation.								
2.a Evaluate Impediments to Homeownership and their Removal				A	I			
2.b Partner to Encourage Education about Homeownership Opportunities		A	I					
2.c Partner with Organizations that Develop Affordable Ownership Housing			A	I				
2.d Evaluate Development Code to Encourage Diverse Housing Types for Affordable Homeownership				A, I				
3. Preservation of Regulated Affordable Housing: Preserve affordable housing to prevent the loss of existing affordable housing units and to prevent resident displacement.								
3.a Evaluate How to Support Preservation of Regulated Affordable Rental Housing					A	I		
3.b Evaluate Developing a Healthy Housing Initiative for Multifamily Housing				A	I			
4. Preservation of Naturally Occurring Affordable Housing (NOAH): Preserve naturally occurring affordable housing, where possible, to prevent loss of affordable units and to mitigate for resident displacement.								
4.a Evaluate Development of Incentives to Preserve Low-Cost Rentals for Below Market Rate Privately-Owned Rental Housing						A	I	
4.b Evaluate Using the Multiple Unit Property Tax Exemption to Slow Rental Cost Increases						A	I	
5. Housing for Underserved Communities: Implement housing policies, projects, programs, and partnerships to further support racial and social equity.								
5.a Consider Development of a Funding Action Plan to Implement the HPS with Attention to Equity			A	I		U <sup>1</sup>		
5.b Evaluate Impediments to Fair Housing to Create an Analysis of Impediments				A	I			

<sup>1</sup> The Funding Action Plan will likely need to be updated by about 2026.

Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
5.c Evaluated Ways to Best Ensure Opportunities for Education about Fair Housing are Provided			I					
5.d Evaluated Strategies to Encourage Diverse Housing Types in High Opportunity Neighborhoods				A, I				
6. Workforce Housing: Encourage, plan for, and support the development of workforce housing for households earning 61%-80% Median Family Income, for both owner and renter, in order to increase the jobs-housing balance, reduce commute time and provide attainable housing for workers in Tualatin.								
6.a Evaluate Ways to Incentivize Inclusion of Workforce Housing Units within New Multifamily Rental Development						A	I	
6.b Evaluate Potential Partnerships with Employers on Employer Assisted Housing					I			
6.c Evaluate City Partnership to Participate in a Land Bank				A	I			
7. Housing Stabilization: Prevent and address homelessness to provide for safe living conditions for everyone living in Tualatin.								
7.a Evaluate Opportunities to Partner on a Local Rental and Utility Assistance Program	A							
7.b Evaluate Ways to Develop Housing Options and Services to Address and Prevent Houselessness						A	I	
8. Housing Rehabilitation: Plan for and support housing programs and initiatives that are responsive to the safety and health needs of households earning 0-80% of Median Family Income.								
8.a Evaluate Establishing Local Housing Rehabilitation Program						A	I	
8.b Evaluate the Implementation of a Healthy Housing Initiative for Single-Family Housing				A	I			
9. Accessible Design and Other Specialized Design: Encourage and support Universal Design, Lifelong Housing Certification, and other similar standards.								
9.a Evaluate the Development of Specialized Design Standards and Incentives to Accommodate Special Needs				A	I			
10. Mixed Use Housing and Redevelopment: Encourage and support development of mixed-use, mixed-income and multifamily housing in								

Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
commercial zones and urban renewal areas for households earning between 0-80% Median Family Income.								
10.a Evaluate Redevelopment Opportunities for the Creation of Mixed-use Development Districts to Support Development of Affordable Housing and Workforce Housing			A I					
10.b Evaluate Opportunities for Conversion of Commercial Buildings to Residential Uses			A I					
10.c Evaluate Opportunities to Rezone Land for Mixed-Use			A I					
10.d Evaluate Establishing Incentives to Support Mixed-Use Development, such as the Vertical Housing Tax Abatement				A I				
11. Regulatory and Zoning Changes: Increase housing development opportunities through regulatory and zoning changes to accommodate a diverse range of housing types and price points to meet the housing needs in Tualatin.								
11.a Evaluate Updating Density Standards for Multifamily Housing in Medium Density, High Density, and Mixed-Use Zones		A I						
11.b Evaluate Opportunities to Rezone Lower Density Residential Land to Zone to Higher Density		A I						
11.c Evaluate the Feasibility of Targeted Reductions to Off-Street Parking Requirements			A I					
11.d Evaluate Updating Code to Allow Small Dwelling Unit Developments					A, I			
11.e Evaluate Adopting an Expedited Permitting Process for Affordable Rental Housing and Affordable Homeownership			A I					
11.f Evaluate Providing Additional Engagement and Information to Developers of Affordable Housing		A I						
12. Transportation and Public Infrastructure: Plan for and develop transportation and public infrastructure to support affordable housing, workforce housing, mixed-use housing, and mixed-income housing.								
12.a Evaluate Ways to Prioritize Capital Improvements Programming for Affordable Housing				A I				

**OUTCOMES OF DECISION:**

Adoption of the HPS and HPS Report will allow the schedule of strategic actions that support the 12 Goals to move forward into the evaluation and implementation stage for each individual strategic action. Adoption of the Housing Production Strategy is a State requirement under ORS 197.290 (2) to address a housing need identified under ORS 197.296 (3) or 197.296 (10) for the most recent 20 year period described in the city's Housing Capacity Analysis (also known as a Housing Need Analysis).

**ALTERNATIVES TO RECOMMENDATION:**

- Deny the proposed HPS/HPS Report
- Propose modification to the HPS Report
- Continue the discussion to a future time

Denying the proposed HPS/HPS report would leave the City open to non-compliance under House Bill 2003 and OAR 660-008 from DLCD.

**FINANCIAL IMPLICATIONS:**

There are no direct financial implications of adoption of the Housing Production Strategy Report. Staff time will be required to evaluate and implement potential strategic actions identified in the plan. In addition, evaluation and adoption of some strategic actions may require engaging outside consultants to provide specific professional expertise. Staff has, on behalf of the City, applied for additional grants from the state Department of Land Conservation and Development (DLCD) to help fund this work.

**ATTACHMENTS:**

- Exhibit 1. Presentation
- Exhibit 2. Resolution No. 5565-21 to Adopt Housing Production Strategy Report
- Exhibit 3. Housing Production Strategy Report