



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: September 4, 2025		Subject: Resolution No. 3212 Council Support of Oregon Department of Land Conservation and Development (DLCD) Grant Application for the Housing Statutory Compliance Project Staff Members: Kimberly Rybold, Senior Planner, AICP Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendation: Staff recommends Council adopt the Consent Agenda.			
Recommended Language for Motion: I move to adopt the Consent Agenda.			
Project / Issue Relates To:			
<input type="checkbox"/> Council Goals/Priorities:	<input checked="" type="checkbox"/> Adopted Master Plan(s): Housing Production Strategy	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

A Resolution supporting a grant application to the Oregon Department of Land Conservation and Development (DLCD) to fund consultant costs and a portion of City staff costs for the Housing Statutory Compliance Project.

EXECUTIVE SUMMARY:

In June 2025, City Council adopted the Housing Production Strategy (HPS), a document required for the City's continued compliance with Statewide Planning Goal 10 (Housing). The HPS includes seven actions the city will pursue over the next six years to help address Wilsonville's unmet housing needs. Among these is Action C, Evaluate Use of Administrative Review Processes for Residential Development, which would update the City's land use review process for residential development to process most land use applications administratively. The HPS commits the City to undertake this action by the end of 2029.

In an effort to promote the development of a variety of housing types throughout the state, the Oregon Legislature passed two bills in the 2025 Session affecting Wilsonville's Development Code standards and review process for residential development. Senate Bill (SB) 974 requires cities and counties to issue decisions on certain residential development applications, including Wilsonville's most common residential land use applications, without a public hearing. This statutory requirement overlaps with HPS Action C.

Additionally, the Oregon Legislature passed House Bill (HB) 2138, requiring cities to update land use regulations related to middle housing allowances and related standards. As there is significant overlap between these statutory requirements and HPS Action C, the City will undertake these Development Code amendments under a single effort, the Housing Statutory Compliance Project. The project is divided into two parts based on timing related to statutory deadlines:

- **Part 1:** This part of the project will address process related components of SB 974. These requirements become operative on July 1, 2026. The project will integrate HPS Action C, which calls for the City to implement an administrative review process for residential development.
- **Part 2:** This part of the project will focus on modifications to the City's middle housing definitions, middle housing land division process, and other related Development Code amendments consistent with HB 2138. Some requirements of this bill are already in effect, with others becoming operative on January 1, 2027.

To assist local governments in updating regulations to meet statutory requirements, DLCD offers Housing Planning Assistance Grants on a biennial basis. In early August, City staff submitted a grant proposal requesting \$120,000 to cover consultant costs and related expenses as well as some of the cost of City staff working on the Housing Statutory Compliance Project.

City Council's support via Resolution No. 3212 will enable the City to take advantage of this funding allocated by the Oregon Legislature to support cities in making the updates to land use regulations. Completion of these updates by the required deadlines will ensure that Wilsonville continues to process residential land use applications consistent with state law as well as leverage a grant opportunity to implement an HPS action. Failure to complete the mandated updates by the statutorily required deadlines will expose the City to legal risk if affected residential land use applications are not processed consistent with state law.

EXPECTED RESULTS:

Council support of a grant from DLCD to support the Housing Statutory Compliance Project.

TIMELINE:

City staff submitted the grant application at the beginning of August, and DLCD expects to announce funding decisions in early September. A Resolution of Support from City Council is required prior to finalizing the grant award and grant agreement. Staff will share more information with City Council on the Housing Statutory Compliance Project at a work session in October.

CURRENT YEAR BUDGET IMPACTS:

General Planning overhead covered the cost of preparing the grant application. Project expenditures and grant reimbursement will occur in fiscal year (FY) 2025-26 and FY 2026-27.

COMMUNITY INVOLVEMENT PROCESS:

The project will use a variety of methods to inform the community and gather feedback on the Development Code amendments. The grant will help fund community involvement.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

The grant funds will allow completion of the statutorily required Development Code updates while minimizing the financial impact to the City.

ALTERNATIVES:

Not utilizing DLCD grant funding would require the City to cover the project costs or seek alternative funding.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Resolution No. 3212
 - A. DLCD 2025-2027 Housing Planning Assistance Application – Submitted August 1, 2025