



## CITY COUNCIL MEETING

### STAFF REPORT

<b>Meeting Date:</b> February 19, 2026	<b>Subject:</b> Town Center Update-Town Center Zone Code Provisions  <b>Staff Member:</b> Jeanna Troha, Assistant City Manager Amanda Guile-Hinman, City Attorney  <b>Department:</b> Community Development, Legal
<b>Action Required</b>	<b>Advisory Board/Commission Recommendation</b>
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable
	<b>Comments:</b> N/A
<b>Staff Recommendation:</b> N/A	
<b>Recommended Language for Motion:</b> N/A	
<b>Project / Issue Relates To:</b>	
<input checked="" type="checkbox"/> Council Goals/Priorities: Goal 4: Communications & Engagement	<input checked="" type="checkbox"/> Adopted Master Plan(s): Town Center Plan
	<input type="checkbox"/> Not Applicable

#### ISSUE BEFORE COUNCIL:

Consider a process to review Wilsonville Code provisions concerning waivers to building height currently provided in the Town Center Zone (Wilsonville Code 4.132 (.06)D and 4.118(.03)A.8).

## **EXECUTIVE SUMMARY:**

This staff report discusses an option for Council to consider amendments to the Wilsonville Code that affect potential building heights for redevelopment in the Wilsonville Town Center. To explore this option, this staff report provides the following information: (1) background information concerning the Wilsonville Town Center adoption and Council's 2025-27 Communications & Engagement Goal; (2) the state laws and regulations that influence the scope of Council's authority in revising the Wilsonville Code regarding the Wilsonville Town Center; and (3) a potential option to amend building height waiver language for development in Town Center in the Wilsonville Code .

At the conclusion of presenting an option to amend building height waiver language for development in Town Center, staff will seek Council feedback on the following questions:

1. Is Council interested in exploring updates to the building height waiver language applicable to the Wilsonville Town Center?
2. If yes to Question 1, is Council seeking to consider such updates within this year (i.e., a process timeline that is completed by October 2026)?
3. If yes to Question 1, is Council interested in a limited duration task force being formed to help evaluate updates to the building height waiver language?
4. If yes to Question 3, are there certain categories of stakeholder groups that Council wants represented on such a task force?

### **I. BACKGROUND**

In May 2019, after a multi-year planning process, the City Council adopted [Ordinance No. 835](#), establishing a new Town Center Plan for the redevelopment of the Wilsonville Town Center (the "Town Center Plan"), as well as amendments to the City Comprehensive Plan Text and Map, the Development Code, and the City Zoning Map. The Town Center Plan planning process included over one hundred (100) public meetings and events for public input and sixteen (16) work sessions and informational sessions between the Planning Commission and City Council.

After the Council adopted the Town Center Plan, the City began work on the implementation items identified in the Town Center Plan. One such implementation action, item ED.7, called for the City's Urban Renewal Agency to conduct a feasibility study to determine how Urban Renewal can be implemented in the Wilsonville Town Center. See, Town Center Plan, p. 89. On November 21, 2022, the Council adopted [Resolution No. 3013](#), which adopted the Town Center Infrastructure Funding Plan (the "Funding Plan"). The Funding Plan identified a mid-term action (3-4 years) for establishing a new Town Center Urban Renewal Area. In 2024, the Council referred a ballot measure seeking an advisory vote from the Wilsonville electorate seeking approval to establish a new urban renewal district in the Wilsonville Town Center. The advisory vote failed to pass by 54 votes in May 2024. Since then, the City Council adopted its 2025-27 Council Goals. Goal 4 focuses on communications and engagement. The first outcome seeks to provide

information to the community to understand the Town Center Plan, Urban Renewal, and other funding sources for infrastructure to help inform future Council direction. To achieve this outcome, Strategy 4.2 states that, if there are specific areas of interest concerning the Town Center/Urban Renewal to review, to develop a strategy for the review with specific policy recommendations.

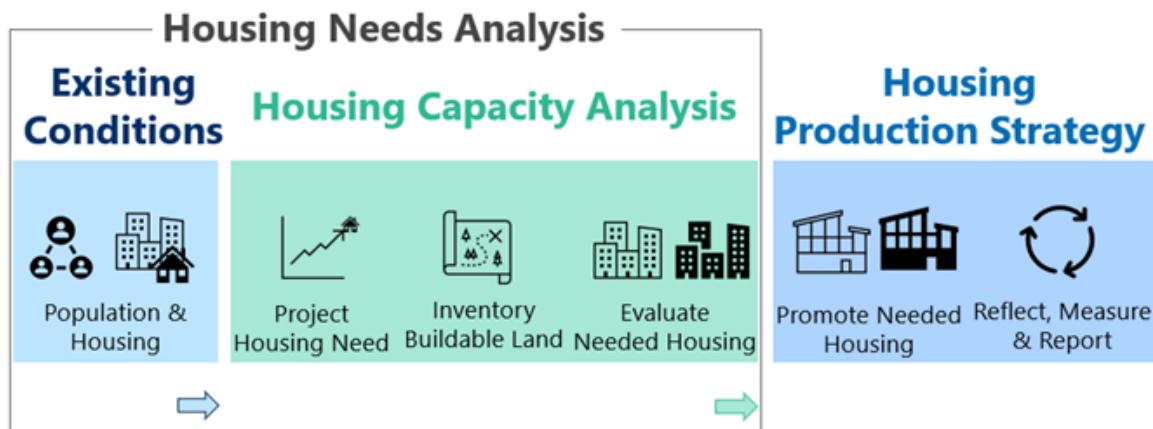
On December 1, 2025, the City Council heard a presentation from DHM Research, which conducted focus group research regarding the Town Center, and also from CFM Advocates regarding the outcomes from a community outreach through the City's website, *Let's Talk, Wilsonville!* Both efforts confirmed that community members want to see a vibrant and thriving Wilsonville Town Center. Respondents were most excited about local amenities, particularly increased local businesses and parks/recreational gathering spaces in the Town Center.

Some of the concerns that were raised included concerns about losing a "small-town feel" and the building height of future development in the Town Center. The feedback from these outreach efforts will help the City in forming and implementing the Council's communication goal, and also provides an opportunity for Council to consider modifications, to the extent allowed under applicable state laws and regulations, to certain Wilsonville Code provisions that may help address concerns regarding building height and the overall feel of the Wilsonville Town Center.

## **II. APPLICABLE STATE LAWS AND REGULATIONS**

When discussing concerns about the "feel" and size of future redevelopment in the Wilsonville Town Center, community members have also expressed concerns about housing in the Wilsonville Town Center. While the City Council does have authority to make certain revisions to the Wilsonville Code regulating development in the Wilsonville Town Center, Oregon housing development statutes and regulations limit local authority to reduce the ability to develop housing. This section summarizes the state laws and regulations that impact the City's ability to reduce housing development opportunities. To be clear, **new and updated state laws and regulations governing housing development significantly limit the city's ability to reduce existing housing opportunities** – the state has oversight over City housing production strategies and has authority to demand revisions to local housing strategies and to take enforcement action against local jurisdictions that limit housing opportunities.

Oregon Statewide Land Use Planning Goal 10: Housing requires cities to inventory "buildable lands" and ensure there is enough zoned land to accommodate their housing needs over the next 20 years. The state requires cities to conduct a housing needs analysis (HNA) every six years, and accompanying housing production strategy (HPS) within the year following adoption of the HNA, to demonstrate compliance with Goal 10. The HNA identified the housing needed to accommodate future population growth and identifies if there is enough zoned land for different types of housing need. The HPS identifies housing production strategies that support the development of needed housing types. Importantly, cities must examine housing need for different types of housing, such as single-family homes, middle housing, and multi-family housing.



Once a city adopts a housing production strategy, the Oregon Department of Land Conservation and Development (DLCD) reviews it to determine whether to approve the strategy or remand it back to the city for revision. ORS 197A.103(6).

The City's 2025-2045 Housing Needs and Capacity Analysis (HNCA) was adopted via [Ordinance No. 898](#) on June 16, 2025. The HNCA identified the need for 2,815 new dwelling units between 2025 and 2045, with approximately 35% of new housing during the 20-year period to be multifamily dwellings (5+ units). That percentage results in the need for 985 future dwelling units to be multifamily out of the total 2,815 housing units needed. See HNCA, p. 69. The HNCA allocates 485 of the City's 985 needed multifamily housing units in the Wilsonville Town Center. See HNCA, p. 71.

Concurrent with the adoption of the HNCA, the City adopted its Housing Production Strategy (HPS) on June 2, 2025 via [Resolution No. 3203](#). Building off of the HNCA, the HPS lists action items for mixed-use residential development in Town Center to achieve the needed multifamily housing. See HPS, p. 31; *see also* HPS Appendix D at p. 125. The City's HPS has been reviewed and approved, with conditions, by DLCD. The state also requires the City to provide periodic updates demonstrating progress under its HPS. If the City attempted to reduce or remove housing opportunities within the Wilsonville Town Center, it would be out of compliance with its state-approved HPS. DLCD has the authority to take several actions against the City for noncompliance, including requiring specific actions be taken by the City, withholding DLCD grant funding, and withholding state-share revenues to the City. The state can also institute an action against the City for legal or equitable remedies in state court. Metro could also take action against the City by withholding grant funding opportunities.

Due to the state's oversight of local housing production and its enforcement capabilities, reducing or eliminating existing housing production opportunities puts the City at risk of state enforcement action and withholding of funding.

### **III. MODIFICATION TO BUILDING HEIGHT WAIVER LANGUAGE IN WILSONVILLE CODE**

Staff reviewed the Wilsonville Code governing the Town Center Zone to determine whether any modifications are feasible to address some concerns expressed by community members without running afoul with state housing laws and regulations. In particular, staff offers an option for Council to consider modification to building height waiver language within the Wilsonville Code that allow increased building height in the Wilsonville Town Center.

Within the Town Center Zone development regulations in the Wilsonville Code ([WC 4.132](#)), Table 2 provides the Town Center Development Standards for each of the four (4) subdistricts within the Town Center Zone. Table 2 establishes building height minimum and maximums (based on the number of stories). During Planning Commission discussions on the Wilsonville Code provisions for Town Center, Commissioners discussed a desire to allow the option for one-story buildings that can serve as anchor tenants for other development within Town Center. That discussion led to the development of a waiver process to seek adjustments to building height minimums and maximums in two of the subdistricts (Commercial-Mixed Use and Mixed Use) in WC 4.132(.06)D. The relevant portion of the waiver language is provided below:

*D. Waivers to Development Standards.* Development standards apply to all new development within the Town Center boundary.

The Development Review Board (DRB) may approve waivers to the size of the ground floor of a building floorplate and/or the number of stories of a building within the MU and C-MU sub-districts, consistent with the provisions of [Section 4.118](#) (.03) if one item from each of the two following menus are met in a manner to clearly go substantially above and beyond Code requirements and typical building and site design to create a sense of place and mitigate negative impacts of the project related to the reason for the waiver. Items chosen from the menus shall account for need based on adjacent sites or the surrounding area ... .

Council could consider modifications to the waiver language to limit increased building heights in the Town Center. If Council is interested in doing so, staff recommends that Council adopt a resolution at a future Council meeting that: (1) outlines Council's desire to consider modification to the waiver language in WC 4.132(.06)D; (2) the proposed timeline for the process; and (3) the input process, particularly, whether Council is interested in the City forming a task force and whether Council seeks for certain groups of stakeholders to be represented on the task force.

Regarding the timeline, staff will need direction from Council whether it desires for this process to be completed within this calendar year. To do so, any revisions to Wilsonville Code language must be narrowly focused on the building height waiver provision and the City must undertake an ambitious timeline to meet all local and state regulatory requirements. If narrowly focused, and with a limited-duration task force appointed by the city manager, staff propose the following timeline to complete the work:

- March 2, 2026: Council consider a resolution outlining: (1) Council's desire to consider modification to the waiver language in WC 4.132(.06)D; (2) the proposed timeline for the process; and (3) the input process, particularly, considerations regarding a task force.
- Task Force commences week of March 30 through mid-April
- May 13, 2026: Planning Commission Work Session
- May 18, 2026: City Council Work Session
- June 10, 2026: Second Planning Commission Work Session
- June 15, 2026: Second City Council Work Session
- July 2026: Statutory notices to DLCD, Metro, and Property Owners
- August 12, 2026: Planning Commission Public Hearing
- September 10, 2026: City Council Public Hearing and First Reading
- September 21, 2026: City Council Second Reading
- October 21, 2026: Ordinance Effective

**EXPECTED RESULTS:**

Updates to the waiver language for development in Town Center could limit building height in Town Center, addressing community members' concerns about size of buildings in Town Center.

**TIMELINE:**

If Council limits Wilsonville Code modifications to the waiver language outlined in this staff report, the ambitious timeline proposed above is achievable. If Council seeks further modifications, the timeline above is not feasible, and the process will likely require more public outreach and input.

**CURRENT YEAR BUDGET IMPACTS:**

N/A

**COMMUNITY INVOLVEMENT PROCESS:**

At Council's direction, staff may form a task force to help inform updates to the waiver language in WC 4.132(.06)D.

**POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:**

Updates to the waiver language regarding building height in Town Center may reduce concerns expressed by some community members about building height and size in Town Center.

**ALTERNATIVES:**

Retain Wilsonville Code provisions as currently adopted.

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

N/A