



# **PLANNING COMMISSION**

## **WEDNESDAY, JULY 8, 2026**

### **WORK SESSION**

3. Housing Statutory Compliance, Part 2 (Rybold)(60 Minutes)



**PLANNING COMMISSION MEETING  
STAFF REPORT**

<b>Meeting Date:</b> July 8, 2026		<b>Subject:</b> Housing Statutory Compliance	
		<b>Staff Members:</b> Kimberly Rybold, AICP	
		<b>Department:</b> Community Development	
<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 type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input checked="" type="checkbox"/> Not Applicable	

**ISSUE BEFORE COUNCIL:**

The project team will introduce Part 2 of the Housing Statutory Compliance project and seek Planning Commission input on information needed to draft Development Code amendments.

## **EXECUTIVE SUMMARY:**

In an effort to promote the development of a variety of housing types throughout the state, the Oregon Legislature passed several bills in recent legislative sessions affecting Wilsonville's Development Code standards and review process for residential development. Development Code amendments to come into conformance with bills related to the review process for residential development, Senate Bill (SB) 974 (2025) and House Bill (HB) 4037, were addressed during Part 1 of the Housing Statutory Compliance project, which was adopted by City Council in June and is in effect as of July 1.

In 2025 the Oregon Legislature passed House Bill (HB) 2138, requiring cities to update land use regulations related to middle housing allowances and related standards. Part 2 of the Housing Statutory Compliance 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. Additional bill requirements related to middle housing siting and design parameters and discretionary criteria allowed for certain types of housing are subject to Oregon Administrative Rulemaking that will not be complete until late 2027.

At this work session, the project team will present the results of a Development Code Assessment Memo (Attachment 1) prepared by 3J Consulting that includes information on amendments that will be required for statutory compliance with HB 2138, along with other various statutory requirements that have been adopted in recent years but have not yet been addressed in the City's Development Code. The amendments cover a variety of housing-related statutory requirements, including:

- Prohibitions on requiring a traffic impact analysis or exactions for most middle housing development
- Allowances for bonus units in middle housing projects where affordable or accessible units are provided
- Refinements to the middle housing land division process
- Allowances for single room occupancies, manufactured dwellings, prefabricated dwellings, residential treatment facilities
- Requirements for clear and objective tree removal standards when associated with housing development
- Prohibitions on maximum occupancy limits in residential dwellings based on familial or nonfamilial relationships among occupants
- Residential allowances in nonresidential zones
- Allowances for childcare homes and centers
- Updates to the condominium platting process
- Provisions for replacement of dwellings damaged or destroyed by natural or involuntary events

While most of the required Development Code amendments are prescriptive in nature, the requirement to apply clear and objective tree removal standards to residential development is a substantial shift in the City's approach to tree preservation with new development and will warrant further policy consideration. Adopted in 1996, Wilsonville's Tree Preservation and Protection Code (Wilsonville Code Sections 4.600 through 4.640.20) aims to protect trees and wooded areas while recognizing that tree removal is often necessary to allow for development meeting minimum density requirements to occur. These regulations balance tree preservation and conservation as a design principle that is equal in concern and importance to other design principles and promote the consideration of development alternatives that would preserve trees when reasonable and feasible. Application of these regulations has resulted in the integration of high value trees and tree groves into plans for new residential development, as seen throughout the Villebois and Frog Pond West neighborhoods and in multifamily developments such as the Jory Trail Apartments and Vuela.

As new clear and objective standards are drafted for tree preservation in residential development, consideration should be given to the following:

- Specific species of trees that may be a higher priority for preservation
- Characteristics of trees (both individually and within groves), such as size, location, or health, that should be prioritized for preservation
- Retention of the City's current tree preservation and protection standards as an alternative discretionary path for residential development

### ***Discussion Questions***

- What questions do you have about the required statutory updates to the Development Code?
- Do you have any input on the above considerations for tree preservation? Are there any examples of tree preservation in recent residential development that you want to see the clear and objective removal standards support?
- What type of community input and/or additional information will best assist you in making final recommendations on the draft Development Code amendments, particularly those related to creation of clear and objective tree removal standards?

### **EXPECTED RESULTS:**

Planning Commission input on implementation options for the Development Code amendments.

### **TIMELINE:**

The project team will present the Development Code Assessment Memo to City Council at a work session on July 20. Feedback received from these work sessions will inform outreach efforts and the draft Development Code amendments, which will be presented to Planning Commission and City Council at work sessions in fall 2026. Outreach to inform the Development Code amendments will occur in late summer to early fall 2026.

**CURRENT YEAR BUDGET IMPACTS:**

Remaining project costs will be covered by a \$120,000 DLCDC grant throughout FY 2026-27. Staff estimates spending approximately \$90,000 of the remaining grant amount during this fiscal year.

**COMMUNITY INVOLVEMENT PROCESS:**

Public work sessions will be held by the Planning Commission and City Council in addition to public hearings. Public outreach is planned for late summer/early fall 2026 to inform the community and gather feedback on options for clear and objective tree removal requirements for residential development.

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

Adoption of Development Code amendments will enable the City to implement clear development standards and processes for residential development while avoiding the confusion of City Code that is superseded by conflicting State statute.

**ALTERNATIVES:**

Failure to complete the mandated updates will expose the City to legal risk if State statute is applied incorrectly.

**ATTACHMENTS:**

1. Development Code Assessment Memo – June 30, 2026

**TO:** City of Wilsonville

**FROM:** Heather Austin, AICP, 3J Consulting, Inc.

**RE:** Development Code Assessment Memo  
Part 2 of the Housing Statutory Compliance Project

**DATE:** June 30, 2026



### Background and Context

In June 2026, the Wilsonville City Council adopted Ordinance 903, updating Chapters 2 and 4 of the Wilsonville Code (the Code). These amendments respond to the city's adoption of a Housing Production Strategy (HPS) in 2025, calling for the evaluation of the use of administrative review processes for residential development (Action C). In addition, the code amendments bring the city into compliance with recent Oregon state legislative actions Senate Bill 974 (SB 974) and the majority of the provisions of House Bill 4037 (HB 4037), both of which become effective on July 1, 2026. The adopted amendments are considered Part 1 of a two-part statutory compliance code update project.

This Development Code Assessment Memo outlines the amendments needed to complete Part 2 of the Housing Statutory Compliance project. The primary aim of Part 2 is to bring the City's regulations into compliance with Oregon House Bill 2138 (HB 2138), portions of which are already in effect and others that become effective on January 1, 2027. The main elements of HB 2138 are outlined below.

### House Bill 2138 (2025)

- Requires the city to allow middle housing to be attached or detached (Wilsonville allows this with the "Cluster Housing" provisions)
- Prohibits the city from requiring a traffic impact analysis or exactions for middle housing (except townhouses or cottage clusters over 12 units)
- Allows one additional dwelling unit for a duplex or triplex, or two additional dwelling units for quadplex or townhouses, for projects that include at least one affordable or accessible unit
- Streamlines middle housing land division processes
- Provides more flexibility for the siting of single room occupancies (SROs)
- Requires clear and objective tree removal standards when associated with housing development

House Bill 2138 included the provision that the Oregon Land Conservation and Development Commission (LCDC) is required to adopt rules by January 1, 2028 to implement some parts of this legislation. Any required amendments resulting from the state rulemaking will be addressed once the rules are established in 2027.

In addition, the assessment included with this memo addresses several other state legislative actions that the city has been tracking for inclusion in a Development Code update. The majority of these legislative actions are from recent state statutory changes and affect the development of housing. The assessment table at the end of this memo identifies each section of the Wilsonville Code the team recommends amending and includes a reference to the corresponding legislative action it is intended to comply with,

or notes “Clarity and Consistency”, as outlined in further detail and listed in chronological order below.

Senate Bill 8 (2021) and House Bill 4051 (2022)

- Cities must allow affordable housing without a zone change or conditional use if the housing is owned by a public body or religious organization OR the property is zoned for commercial use, to allow religious assembly or as public lands.

House Bill 4064 (2022)

- Manufactured dwellings and prefabricated structures are permitted in all zones where single-unit residential is permitted and subject to the same standards as single-unit residential (Wilsonville already does this for manufactured dwellings but is silent on prefabricated structures).

House Bill 2583 (2022)

- Prohibits a local government from establishing or enforcing maximum occupancy limits in residential dwellings based on familial or nonfamilial relationships among occupants. This will affect Wilsonville’s definition of “household”.

House Bill 3109 (2022) and House Bill 2005 (2025)

- Family childcare homes are permitted in all dwellings in residential or commercial zones and are considered residential uses.
- Childcare centers are permitted in all commercial and light industrial zones.
- Childcare centers are permitted in all multi-unit residential zones.

House Bill 3395 (2023)

- The creation of condominiums must be reviewed and approved at the state level rather than by local jurisdictions. The city is still the review authority for proposed multi-family dwellings—the city may not distinguish between condominiums and apartments for land use review and cannot require review of the condominium plat.
- Affordable- and moderate-income housing is permitted in commercial zones subject to certain requirements.
- Jurisdictions shall allow single room occupancies (SROs) with up to six units on parcels zoned for detached single-unit dwellings

House Bill 2984 (2023)

- The conversion of buildings from commercial to residential shall be permitted without a change of use or zone change required.

House Bill 2005 (2025)

- “Residential treatment facilities” and “residential treatment homes” are permitted in all residential zones and are considered residential land uses.
- Crisis stabilization centers permitted adjacent to a mental or psychiatric hospital and vice versa (Wilsonville does not currently have either of these uses present).

House Bill 2658 (2025)

- Prohibits cities from requiring frontage improvements for renovations or alterations of existing buildings if the change does not increase the building’s square footage or footprint, the occupancy classification group of the building does not change, and the cost of the alteration does not exceed an identified amount (\$150,000 in 2025 and may be increased per the Consumer Price Index).

Senate Bill 1561 (2026)

- Allows restoration or replacement of dwellings damaged or destroyed by natural or involuntary events. Property owner must file for a permit within 3 years of damage or destruction and must begin construction within 4 years. Wilsonville’s code currently requires this within 18 months.

Recommendations Summary

To ensure compliance with the requirements of HB 2138 and all other legislative actions listed above, the City of Wilsonville should consider updating the sections of Wilsonville Code Chapter 4, identified in the Part 2- Annotated Code Assessment Matrix, included with this memo. Areas where the city has specific policy choices are identified in this section.

Childcare:

A definition is needed for “childcare center” and “family childcare home”. The city may draft their own definitions or adopt the definitions in ORS 197.671:

Childcare center: A childcare facility, other than a family childcare home, that is certified under ORS 329A.280; a preschool recorded program or school-age recorded program recorded under 329A.255; or a parent cooperative, as defined in ORS 329A.250.

Family childcare home: A childcare facility in a dwelling that is caring for not more than 16 children and is certified under ORS 329A.280 (2) or is registered under ORS 329A.330.

Family childcare homes are required to be permitted in any residential or commercial zone and childcare centers are required to be permitted in any zone designated for multi-family residential as well as any commercial and light industrial zone. The city may add these uses to every zone where they would be permitted or may add provisions to Section 4.113- Standards Applying to Residential Developments in any Zone, to address these provisions.

Manufactured and Prefabricated Housing:

Manufactured and Prefabricated Housing are required to be permitted anywhere a single-family dwelling unit is permitted. The city may add these uses to every zone in which single-family is listed, or the city may revise the definition of “single-family dwelling unit” to include manufactured housing and prefabricated housing”.

Residential Treatment Facilities, Residential Treatment Homes and Single-Room Occupancy Dwellings

Residential Treatment Facilities, Residential Treatment Homes and Single-Room Occupancy Dwellings (SROs) are permitted in any residential zone. The city may add these uses to every zone where they would be permitted or may add provisions to Section 4.113- Standards Applying to Residential Developments in any Zone, to address these provisions.

Tree Removal Standards Applicable to Residential Developments

The city must apply clear and objective tree removal standards to residential developments. The city may maintain the current tree removal standards for non-residential developments. Feedback is needed regarding the community’s priorities surrounding tree removal. Consideration should be given to:

- Specific species of trees that may be a higher priority for preservation
- Characteristics of trees (both individually and within groves), such as size, location, or health, that should be prioritized for preservation
- Retention of the City's current tree preservation and protection standards as an alternative discretionary path for residential development

Code Citation	Code Provision	Analysis	Legislative Context
<b>CHAPTER 4 PLANNING AND LAND DEVELOPMENT</b>			
<b>ADMINISTRATION</b>			
<b>Section 4.001 Definitions</b>			
17. Apartment.	Defines "Apartment" as a "type of multi-family dwelling unit in a building that contains five or more dwelling units.	The city should <u>consider</u> whether the definition of "apartment" is even needed- it is a multiple-family dwelling unit. The code does have a definition for condominium, which is also a multiple-family dwelling unit.	HB 3395 (2023)
Childcare Center.	Definition does not exist.	The city <u>should consider</u> adding a definition for "Childcare Center", <u>or</u> reference the definition in ORS 197.671. The definition in ORS 197.671 is "A childcare facility, other than a family childcare home, that is certified under ORS 329A.280; a preschool recorded program or school-age recorded program recorded under 329A.255; or a parent cooperative, as defined in ORS 329A.250."	HB 3560 (2025) and HB 3109 (2022)
91. Duplex.	Defines "Duplex" as attached units on a single lot.	The city's code is in compliance with HB 2138's requirement that middle housing be permitted in "any configuration". For clarity, the city <u>may consider</u> adding a reference to the "cluster housing" definition for two detached units on a single lot.	HB 2138 (2025), Clarity
93. Dwelling Unit.	A building or portion thereof providing living and sleeping space as well as sanitary, bathing, and food preparation facilities for one household, but not a trailer house or other recreational vehicle.	The definition of "dwelling unit" may need to be altered in conjunction with changes to the definition of "household".	
96. Dwelling Unit, Multiple-Family.	Definition does not reference "family".	Section 8b. of HB 2347 recommends as a best practice replacing terms that include the term family. Wilsonville's housing terms include the word "family" but the definition does not reference "family". Wilsonville <u>may consider</u> adding "manufactured housing" and "prefabricated housing" to the definition of "dwelling unit, single-family", <u>or</u> the city may define these terms separately and list both uses as permitted uses where single-family dwelling units are permitted.	HB 2347 (2025)
97. Dwelling Unit, Single-Family.			
Family Childcare Home.	Definition does not exist.	The city <u>may consider</u> adding a definition for Family Childcare Home, <u>or</u> refer to the definition in ORS 197.671. The definition in ORS 197.671 is "A childcare facility in a dwelling that is caring for not more than 16 children and is certified under ORS 329A.280 (2) or is registered under ORS 329A.330."	HB 3109 (2022)
137. Household.	Defines "Household" as up to five unrelated individuals.	Local government may not establish or enforce maximum occupancy limits in residential dwellings based on familial or nonfamilial relationships among occupants. The city <u>must update</u> the definition of "household" to remove reference to relation of occupants.	HB 2583 (2022)
183. Middle Housing Land Division.	Middle Housing Land Division definition.	The definition is in compliance with the standards of HB 2138.	HB 2138 (2025)

Wilsonville Residential Statutory Compliance Project  
Part 2- Annotated Code Assessment Matrix

Attachment 1

Code Citation	Code Provision	Analysis	Legislative Context
184. Middle Housing Land Division Unit.	<i>Middle Housing Land Division Unit:</i> A unit of land resulting from a Middle Housing Land Division. Not considered a lot except for platting and property transfer purposes. Each Middle Housing Land Division Unit is considered part of a parent lot and are not further divisible. Each Middle Housing Land Division Unit has one dwelling unit.	The city <u>must remove or revise</u> the statement "each middle housing land division unit has one dwelling unit", as the existing single-unit and an ADU or existing duplex may remain together on one middle housing land division unit, per HB 2138 Section 14.	HB 2138 (2025)
229. Permit (tree cutting).	Definition complies with HB 2138.		HB 2138 (2025)
236. Plat.	Identifies "condominium division" as having a plat.	The definition of "plat" does not constitute a regulation regarding condominium plats and is technically accurate. The city <u>should consider for clarity</u> removing "condominium division" from the definition of "plat" to clarify that the city does not regulate the condominium plat.	HB 3395 (2023), Clarity
251. Quadplex.	Defines "Quadplex" as four attached units on a single lot.	The city's code is in compliance with HB 2138's requirement that middle housing be permitted in "any configuration". For clarity, the city <u>may consider</u> adding a reference to the "cluster housing" definition for four detached units on a single lot.	HB 2138 (2025), Clarity
262. Residential Facility.	Definition consistent with ORS 197.660.		HB 2005 (2025)
Residential Treatment Facility and Residential Treatment Home.	<p>No definition. ORS 443.400 defines: (11) "Residential treatment facility" means a facility that provides, for six or more individuals with mental, emotional or behavioral disturbances or alcohol or drug dependence, residential care and treatment in one or more buildings on contiguous properties.</p> <p>(12) "Residential treatment home" means a facility that provides for five or fewer individuals with mental, emotional or behavioral disturbances or alcohol or drug dependence, residential care and treatment in one or more buildings on contiguous properties.</p>	The city <u>should add</u> these definitions, or similar.	
263. Residential Home.	Definition consistent with ORS 197.660		

Wilsonville Residential Statutory Compliance Project  
Part 2- Annotated Code Assessment Matrix

Attachment 1

Code Citation	Code Provision	Analysis	Legislative Context
Single Room Occupancy (SRO).	Not currently in code. ORS 197A.430(1) defines SRO as: "a residential development with no fewer than four attached or detached units that are independently rented and lockable and provide living and sleeping space for the exclusive use of an occupant, but require that the occupant share sanitary or food preparation facilities with other units in the occupancy." The city <u>should add</u> this or an alternate definition.	The city <u>should add</u> this definition, or similar.	Section 6 of HB 2138 (2025)
335.Townhouse.	Definitions appear consistent with state law.		HB 2138 (2025)
336.Townhouse project.			
341. Tree.	Definitions appear consistent with state law and do not need revision based on need to update tree removal code for residential development.		HB 2138 (2025)
342. Tree Cutting.			
343. Tree Preservation and Protection Plan.			
344. Tree Pruning.			
345. Tree Survey.			
346. Tree Topping.			
347. Triplex.	Defines "Triplex" as three attached units on a single lot.	The city's code is in compliance with HB 2138's requirement that middle housing be permitted in "any configuration". For clarity, the city <u>may consider</u> adding a reference to the "cluster housing" definition for three detached units on a single lot.	HB 2138 (2025), Clarity
<b>Section 4.008 Application Procedures- In General</b>			
(.01) The general...	I. Subdivisions, condominium divisions, and land partitions, pursuant to Section 4.200;	The city <u>should remove</u> "condominium divisions" from list.	HB 3395 (2023)
<b>Section 4.030- Jurisdiction and Powers of Planning Director and Community Development Director</b>			
(.01) Authority of Planning Director.	Specifies types of applications and how they are reviewed. A.9 specifies final plats for condos.	The city <u>should remove</u> "final plats for condominiums" from subsection 9.	HB 3395 (2023)
<b>Section 4.031- Authority of the Development Review Board</b>			
(.01) As specified...	C. identifies review of condominium plats (previously updated in Phase 1 of project for tentative subdivision).	The city <u>should remove</u> "condominium plats" from subsection C.	HB 3395 (2023)
<b>Section 4.034- Application Requirements</b>			
(.05) Applications for subdivisions, condominium divisions...	Identifies "condominium divisions"	The city <u>should remove</u> "condominium divisions" from subsection (.05).	HB 3395 (2023)

Code Citation	Code Provision	Analysis	Legislative Context
<b>ZONING</b>			
<b>Section 4.113- Standards Applying to Residential Developments in any Zone</b>			
(.04) Residential uses for treatment or training:	Allows residential homes where single-unit residential is allowed and residential facilities where multi-unit residential is allowed	The city <u>could consider</u> changing the subheading to "Residential Uses" and adding Residential Treatment Facility and Residential Treatment Home as permitted in any zone where any residential is permitted and conversion of commercial use to a residential use is permitted without a zone change or conditional use permit (not in industrial zoning). <u>Or the city could add</u> these uses to each applicable zoning district.	HB 2005 (2025)
		The city <u>must allow</u> SROs as permitted in any zone where any residential is permitted. Specifically, permit SRO with up to six units on each lot or parcel zoned to allow for the development of a detached single-unit dwelling; and with up to three times the number of units allowed by the maximum density standards of a lot or parcel on which is allowed multiunit housing with five or more dwelling units. In order to comply with state law, the city <u>should either update</u> this section to address SROs <u>or add</u> them to each residential zoning district.	HB 2138 (2025) [Section 6]
		The city <u>must allow</u> conversion of a building or a portion of a building from a commercial use to a residential use without a zone change or conditional use permit (this is not required in industrial zoning).	HB 2984 (2023)
		Affordable Housing provisions might fit well in this location, if this heading is expanded to simply "Residential Uses". Direct reference to state statute is recommended for affordable housing provisions.	SB 8 (2021), HB 4051 (2022), HB 4037 (2026), and HB 3395 (2023)
(.14) Design Standards for Detached Single-family and Middle Housing.		Section 3 of SB 2138 requires the city to allow a unit bonus for affordable/accessible middle housing (+1 for duplex or two-unit cluster, +2 for triplex, quadplex or three- or four-unit cluster). The city <u>must allow</u> this unit bonus for affordable/accessible middle housing and should consider if this is the appropriate location, or if there is another more appropriate location in the code.	HB 2138 (2025) [Section 3]
		The city <u>must update</u> the code to state that middle housing land divisions do not require a traffic study or exactions (except SDCs). This does not apply to townhouses or cottage clusters with more than 12 units or lots or parcels created by division of land, other than MHL, that occurred within the past 5 years.	HB 2138

Wilsonville Residential Statutory Compliance Project  
Part 2- Annotated Code Assessment Matrix

Attachment 1

Code Citation	Code Provision	Analysis	Legislative Context
<b>Section 4.122- Residential Zone</b>			
(.04) Principal Uses Permitted.	Lists Single-family dwelling, middle housing, multiple-family dwelling, public parks and manufactured homes.	The city <u>could consider</u> adding manufactured and prefabricated dwellings, residential treatment facility/residential treatment home/SRO ( <u>or address</u> these in Section 4.113.04), and family childcare home.	HB 4064, SB 2005, HB 2138 and HB 3560
(.06) Other Standards:	Identifies dimensional standards, such as minimum lot width, size and street frontage.	The city <u>should consider for clarity</u> adding language to clarify that MHL D lots ("child lots") are subject to dimensional standards of 4.232.04.	Clarity and Consistency
<b>Section 4.123- Old Town Residential (OTR) Zone</b>			
(.03) Principal Uses Permitted.	Lists single-family dwelling units and middle housing.	The city <u>could consider</u> adding manufactured and prefabricated dwellings, residential treatment facility/residential treatment home/SRO ( <u>or address</u> these in Section 4.113.04), and family childcare home.	HB 4064, SB 2005, HB 2138 and HB 3560
(.05) Lot Standards.	Identifies dimensional standards, such as minimum lot width, size and street frontage.	The city <u>should consider for clarity</u> adding language to clarify that MHL D lots ("child lots") are subject to dimensional standards of 4.232.04.	Clarity and Consistency
<b>Section 4.124- Standards Applying to all Planned Development Residential Zones</b>			
(.01) Permitted Uses:	Lists permitted uses.	The city <u>could consider</u> adding manufactured and prefabricated dwellings, residential treatment facility/residential treatment home/SRO ( <u>or address</u> these in Section 4.113.04), childcare centers (because multi-family is permitted) and family childcare home. The city has the <u>option</u> to limit childcare centers to areas zoned to permit 17 du/ac.	HB 4064, SB 2005, HB 2138 and HB 3560
(.07) Lot Standards.	Identifies dimensional standards, such as minimum lot width, size and street frontage.	The city <u>should consider for clarity</u> adding language to clarify that MHL D lots ("child lots") are subject to dimensional standards of 4.232.04.	Clarity and Consistency
<b>Section 4.125- V-Village Zone</b>			
(.02) Permitted Uses.	Lists permitted uses. "Group living facility" listed (undefined term).	The city <u>could consider</u> adding manufactured and prefabricated dwellings, residential treatment facility/residential treatment home/SRO ( <u>or address</u> these in Section 4.113.04), childcare centers (because multi-family and commercial are permitted) and family childcare home. The city has the <u>option</u> to limit childcare centers to areas zoned to permit 17 du/ac.	HB 4064, SB 2005, HB 2138 and HB 3560
(.05) Development Standards...	Identifies dimensional standards, such as minimum lot width, size and street frontage.	The city <u>may consider</u> adding language to clarify that MHL D lots ("child lots") are subject to dimensional standards of 4.232.04.	Clarity and Consistency
<b>Section 4.127- Residential Neighborhood (RN) Zone</b>			
(.08) Development Standards.	Identifies dimensional standards, such as minimum lot width, size and street frontage.	The city <u>may consider</u> adding language to clarify that MHL D lots ("child lots") are subject to dimensional standards of 4.232.04.	Clarity and Consistency
<b>Section 4.132- Town Center Zone</b>			
(.02) Uses permitted anywhere in the TC Zone:	Identifies Child and/or day care.	The city <u>could consider for clarity</u> revising to "Childcare Center".	Clarity and Consistency
<b>Section 4.136- PF- Public Facility Zone</b>			
(.02) Uses permitted outright:	Identifies day care centers	The city <u>could consider for clarity</u> revising to "Childcare Center".	Clarity and Consistency

Code Citation	Code Provision	Analysis	Legislative Context
<b>Section 4.141- Special Regulations- Changes of Use</b>			
(.02) The conversion...	Specifies standards for the conversion of apartments to condominiums are in Section 4.200.	The city <u>must remove</u> this section as condominiums are regulated by state.	HB 3395 (2023)
<b>GENERAL DEVELOPMENT REGULATIONS</b>			
<b>Section 4.177- Street Improvement Standards.</b>			
(.01) Development...	Requires street improvements with development.	<p>The city <u>is no longer able to require</u> frontage improvements for a construction permit to alter or renovate an existing building, so long as:</p> <ul style="list-style-type: none"> <li>- there is no increase to the square footage,</li> <li>-the alteration cost does not exceed the allowable rate (\$150,000 in 2025*), and</li> <li>-the changes do not result in a change of occupancy classification.</li> </ul> <p>The city <u>is still able to require</u>:</p> <ul style="list-style-type: none"> <li>-dedication of right-of-way,</li> <li>-ADA-required improvements,</li> <li>-SDCs,</li> <li>-a waiver of remonstrance to the formation of a local improvement district, and/or</li> <li>-assessment or collection of fees for a local improvement district</li> </ul> <p>If a frontage improvement along a state highway is conditioned, Wilsonville and ODOT staff <u>shall coordinate</u> with the applicant to determine if design, engineering or construction plans already exist for the improvement.</p> <p>The city <u>should consider</u> an exemption to alterations and renovations that meet the provisions of HB 2658, potentially through a new subsection (.11) Alterations and Renovations.</p> <p>*rate may be increased annually based on Consumer Price Index*</p>	HB 2658 (2025)
<b>Section 4.189- Non-Conforming Uses</b>			
(.04) Damage and Destruction.	Requires replacement permits to be received within 18 months for non-conforming use.	HB 1561 allows 3 years for the filing of an application for restoration or replacement of a dwelling "damaged or destroyed by a natural or involuntary event" and construction must commence no more than 4 years after approval of the application. The city <u>must update</u> this section to allow the filing of a permit to occur within 3 years (rather than 18 months) for restoration or replacement of a dwelling damaged or destroyed by a natural or involuntary event (and up to 4 years to commence construction). The city <u>may retain</u> the 18 month requirement for structures that are not dwellings.	SB 1561 (2026)

Code Citation	Code Provision	Analysis	Legislative Context
<b>Section 4.190- Non-Conforming Structures</b>			
(.03) When...	Requires replacement permits to be received within 18 months for non-conforming structure.	HB 1561 allows 3 years for the filing of an application for restoration or replacement of a dwelling "damaged or destroyed by a natural or involuntary event" and construction must commence no more than 4 years after approval of the application. The city <u>must update</u> this section to allow the filing of a permit to occur within 3 years (rather than 18 months) for restoration or replacement of a dwelling damaged or destroyed by a natural or involuntary event (and up to 4 years to commence construction). The city <u>may retain</u> the 18 month requirement for structures that are not dwellings.	SB 1561 (2026)
<b>LAND DIVISIONS</b>			
<b>Section 4.200- General-Purpose</b>			
Purpose Statement	Identifies condominium divisions	The city <u>should remove</u> condominium divisions as condominiums are regulated by state.	HB 3395 (2023)
<b>Section 4.202- General-Authorization</b>			
(.04) No person...	Includes condominiums	The city <u>should remove</u> condominiums as condominiums are regulated by state.	HB 3395 (2023)
(.06) New condominium...	Standards for new condominium developments	The city <u>should remove</u> this section as Condominiums are regulated by state.	HB 3395 (2023)
(.07) Condominium conversions...	Standards for condo conversions		
<b>Section 4.210- Application Procedure</b>			
(.01) Pre-application conference.	Includes condominiums	The city <u>should remove</u> condominiums as condominiums are regulated by state.	HB 3395 (2023)
	B.26. requires a traffic study to be submitted as part of the tentative plat application process.	The city <u>should update</u> the code to state that middle housing land divisions do not require a traffic study or exactions (except SDCs). This does not apply to townhouses or cottage clusters with more than 12 units or lots or parcels created by division of land, other than MHL, that occurred within the past 5 years.	HB 2138
<b>Section 4.232- Expedited Land Divisions and Middle Housing Land Divisions</b>			
(.03) An applicant...	A. The proposed land division is occupied by Middle Housing or an Accessory Dwelling Unit and the associated primary dwelling;	The city <u>should update</u> this section to also allow the land to be "planned for the development of middle housing".	HB 2138 [Section 14(2)(b)]
	B. Separate Utilities	There is conflicting information in SB 2138 re: separate utilities. The city may maintain the requirement to provide separate utilities, which is likely the preference of building and engineering. The city <u>could update</u> requirement if that is preference.	HB 2138
(.03) An applicant...	E. Notes are added...1. Further division...prohibited.	The city <u>should update</u> this section to remove the prohibition of further division or refer to (.04)3. allowance for further division.	HB 2138 [Section 14(6)]
(.04) Provisions of Middle Housing Land Divisions:	3.Middle Housing Land Division Units, the units of land resulting from a Middle Housing Division, shall: A. Have exactly one dwelling unit (except for tracts for common space)	The city <u>should update</u> the code to allow an existing single-unit dwelling with ADU OR an existing duplex (or two-unit cluster) to remain on a parcel that is a result of the MHL for compliance with HB 2138.	HB 2138 [Section 14(2)(d)(B)]

Code Citation	Code Provision	Analysis	Legislative Context
(.04) Provisions of Middle Housing Land Divisions:	3.Middle Housing Land Division Units, the units of land resulting from a Middle Housing Division, shall: B. Not be further divisible.	The city <u>should update</u> the code to allow future division of a MHL D unit "when State law allows more than one dwelling on that unit by virtue of the future allowance of additional bonus units on an established MHL D unit or to separate the ADU that was kept with an existing dwelling during the original MHL D". Staff notes this is a very unlikely scenario to occur.	HB 2138 [Section 14(6)]
(.05) Procedures and Requirements...	B. requires partition review of MHL D that has existing structures	The city should remove subsection B. because HB 2138 allows the MHL D process to be used for sites with existing structures. This would not allow a serial middle housing land division to avoid subdivision rules and improvements.	HB 2138 [Section 14(2)(d)(B)]
<b>TREE PRESERVATION AND PROTECTION</b>			
<b>Section 4.610.10- Standards for Tree Removal, Relocation or Replacement</b>			
(.01) Except where...	Review standards for tree removal.	The city <u>should update</u> to differentiate process for tree removal with residential development.	
Consider addition of (.02)	"The following standards shall govern the review of an application for a Type A, B, C or D Tree Removal Permit associated with residential development:"	<p>As new clear and objective standards are drafted for tree preservation in residential development, consideration should be given to the following:</p> <ul style="list-style-type: none"> <li>•Specific species of trees that may be a higher priority for preservation</li> <li>•Characteristics of trees (both individually and within groves), such as size, location, or health, that should be prioritized for preservation</li> <li>•Retention of the City’s current tree preservation and protection standards as an alternative discretionary path for residential development</li> </ul> <p>Tree removal associated with non-residential development would maintain the existing process and standards. This would also be an alternative, discretionary path available to tree removal with residential development that does not meet clear and objective standards.</p>	HB 2138 [Section 13]: A local government may adopt and apply only clear and objective standards, conditions and proceedings regulating tree removal codes related to the development of housing.
<b>Section 4.610.20- Type A Permit</b>			
(.02) Where...	Where the City determines that an application to remove a tree or trees does not meet the...	Consider updating to "An application to remove a tree or trees that does not meet the..."	
Note: Application materials for Types A-C not all clear and objective but not review standards...we will need to update for tree permits with residential development and then apply current tree code to non-residential (and also allow an applicant to use current process via a waiver).			HB 2138, Clarity