



## CITY COUNCIL MEETING

### STAFF REPORT

<b>Meeting Date:</b> February 2, 2026	<b>Subject:</b> <b>Resolution No. 3233</b> Oregon Department of Land Conservation and Development (DLCD) Grant Agreement for the Housing Statutory Compliance Project
	<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 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
<b>Comments:</b> N/A	
<b>Staff Recommendation:</b> Staff recommends Council adopt the Consent Agenda.	
<b>Recommended Language for Motion:</b> I move to adopt the Consent Agenda.	
<b>Project / Issue Relates To:</b>	
<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 ratifying approval of a Grant Agreement with the Oregon Department of Land Conservation and Development (DLCD) 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 via the Class II review process.

In the 2025 Session, the Oregon Legislature passed Senate Bill (SB) 974 requiring cities and counties to issue decisions without a public hearing on certain residential development applications, including Wilsonville's most common residential land use applications. 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. The City will undertake these Development Code amendments under a two-part effort, the Housing Statutory Compliance Project.

To assist local governments in updating regulations to meet statutory requirements, DLCD offers Housing Planning Assistance Grants on a biennial basis. In August 2025, 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 supported the grant application via Resolution No. 3212, adopted on September 4, 2025. On October 6, 2025, DLCD approved the grant application for the full requested amount. An executed Grant Agreement between DLCD and the City of Wilsonville is required before the Housing Statutory Compliance project can begin to use these grant funds. The Grant Agreement outlines the major milestones, deliverables, and conditions for funding and is consistent with the approved proposal. Because the Grant Agreement exceeds \$100,000, City Council must approve the Grant Agreement and authorize the City Manager to sign it. DLCD mistakenly routed the Grant Agreement for the City Manager's signature prior to City Council approval so staff seeks ratification of this approval following the City Manager's signing of the Grant Agreement.

**EXPECTED RESULTS:**

City Council ratification of the executed Grant Agreement with DLCD to support the Housing Statutory Compliance Project.

**TIMELINE:**

Feedback received from prior work sessions and public outreach will inform the draft Development Code amendments for Part 1 of the project, which will be presented to Planning Commission and City Council at work sessions in March 2026. Completion of Part 1 of the Housing Statutory Compliance Project must occur by July 1, 2026, with a Planning Commission public hearing on the Development Code amendments scheduled in April 2026. Part 2 of the project must be completed by the end of 2026.

**CURRENT YEAR BUDGET IMPACTS:**

Planning's Professional Services budget covered project expenditures totaling approximately \$10,000 occurring prior to execution of the Grant Agreement with DLCD. The majority of the project costs will be covered by the \$120,000 DLCD grant throughout fiscal year (FY) 2025-26 and FY 2026-27.

**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 early 2026 to inform the community and gather feedback on the Development Code amendments.

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

Implementation of HPS Action C will enable the City to develop a clear and predictable development review process for residential development that continues to allow for and respond to public input while avoiding the confusion of City Code that is superseded by conflicting state statute.

**ALTERNATIVES:**

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. If the City does not implement HPS Action C, it will have to select an alternative action meeting similar housing production goals at the time of the HPS Midpoint Report in 2028.

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

1. Resolution No. 3233
  - A. DLCD Housing Planning Assistance Grant Agreement