



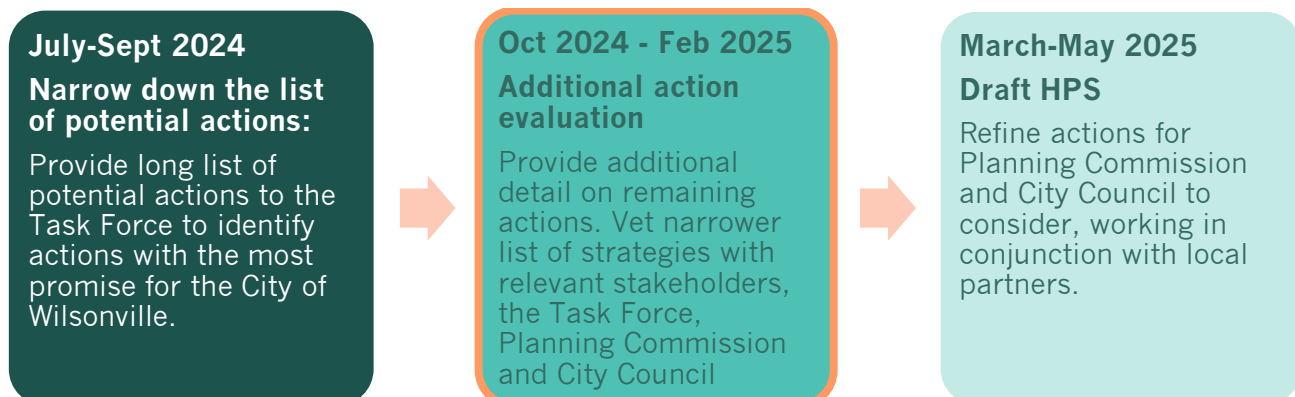
DATE: October 30, 2024
TO: Kim Rybold and Dan Pauly, City of Wilsonville
FROM: Beth Goodman and Nicole Underwood, ECOnorthwest
SUBJECT: Wilsonville Housing Production Strategy – Information about Potential HPS Actions

The City of Wilsonville recognizes the need for housing that meets the diverse requirements of its community members. To help address this need, the City is developing its first Housing Production Strategy (HPS) in accordance with House Bill 2003 adopted by the Oregon legislature in 2019. The HPS will outline actions that the City will undertake over the next six years to encourage housing development and preservation that meets the needs of its residents with a focus on low and middle-income households, individuals with disabilities, those experiencing homelessness, and historically marginalized communities within the city.

Purpose of this Memorandum

This memorandum outlines potential actions the City of Wilsonville could implement to address its housing needs. The project team developed these proposed actions through discussions with City staff, the Task Force, and input from stakeholders. This document serves as an interim deliverable. The listed actions will undergo further development and refinement before being finalized and incorporated into Wilsonville’s Housing Production Strategy (HPS).

This memorandum supports the strategy evaluation phase (highlighted in orange in the diagram) and is intended to guide decision-making around which actions to prioritize. Each proposed action includes an assessment of its potential impact and key considerations for implementation. Currently, there are 21 proposed actions. The City aims to narrow these down to a focused set of impactful actions that will promote the development and preservation of affordable and attainable housing. The project team seeks input to determine which actions will be most effective and appropriate for inclusion in the final HPS.



This memorandum includes the following sections:

- ◆ Definitions of Terms Used to Describe Actions
- ◆ Actions Under Consideration for Inclusion in the HPS
- ◆ Appendix A: Existing Policies, Programs, and Partnerships to Address Wilsonville’s Housing Needs
- ◆ Appendix B: Actions Removed from Consideration

Definitions of Terms Used to Describe Actions

This section summarizes the terms used to describe each action. These terms include: income level served, population served, tenure (rental, ownership, or both), impact on housing development/preservation, equity implications, city role, staff capacity, ease of implementation, funding required, and revenue generation.

Income Level Served

Wilsonville’s HPS will strive to support increased access to housing affordable to all income levels. Focusing on production and preservation of housing for households with incomes below 120% of AMI is an important way to achieve this goal. This HPS defines income levels based on 2024 Median Family Income for Clackamas County (based on the U.S. Department of Housing and Urban Development) for a household of four people, as follows:

Extremely Low Income	Very Low Income	Low Income	Moderate Income	Higher Income
Less than 30% MFI Less than \$35,400	30% to 60% of MFI \$35,400 to \$70,140	60% to 80% of MFI \$70,140 to \$94,400	80% to 120% of MFI \$94,400 to \$140,280	120% of MFI + \$140,280
18% of households	24% of households	11% of households	25% of households	22% of households
Can afford \$890 or less in monthly housing costs. ¹	Can afford \$890 to \$1,750 in monthly housing costs.	Can afford \$1,750 to \$2,360 in monthly housing costs.	Can afford \$2,360 to \$3,510 in monthly housing costs.	Can afford \$3,510 or more in monthly housing costs.

¹ This row calculates how much a household in this income category can afford in monthly rent without cost burdening themselves. A household is defined as cost burdened if their housing costs exceed 30 percent of their gross income. Cost burden is a standard set by the U.S. Department of Housing and Urban Services to measure housing affordability.



Population Served

The populations served may range from all residents of Wilsonville to serving a specific population, such as historically marginalized populations like People of Color, people with disabilities, people experiencing homelessness, or other marginalized groups.

Tenure

Tenure considers whether the action would primarily serve renters, homeowners, or both.

Potential Impact on Housing

Potential Impact on Housing considers whether the action will result in a little or a lot of change in the housing market. How many dwelling units might be produced, or Affordable Housing units preserved? Can the tool leverage investments from other partners? The scale of impact depends on conditions in the City, such as other existing or newly implemented housing policies, land supply, and housing market conditions. The HPS defines Potential Impact as follows:

Small	Moderate	Large
May result in development of a small amount of new housing or preservation of existing Affordable Housing.	Could directly result in development of new housing or preservation of existing Affordable Housing.	Would directly result in development of new housing or preservation of existing Affordable Housing.
<i>~1-3% of new needed housing. Up to 85 new dwelling units</i>	<i>~3% to 5% of new needed housing. 85 to 141 new dwelling units</i>	<i>~5% to 10% (or more) of new needed housing. Greater than 141 new dwelling units.</i>

Equity Implications

Equity implications consider who benefits and who is burdened by the action. This evaluation will include a high-level description of who is benefited and who is burdened.

City Role

City Role considers whether City staff would take the lead role in implementing an action, or if the City's role would be to partner with other organizations. This evaluation will include a high-level description of what the City's role might entail.



Staff Capacity

Staff Capacity considers whether existing staff at Wilsonville could implement the action or whether it would require additional staff with specialized housing knowledge and/or a more formal housing program to implement.

Ease of Implementation

Ease of Implementation assesses the difficulty of implementing the action in terms of coordination with elected officials and stakeholders. It considers expected political acceptability for elected officials, interested stakeholders (such as developers), and the public at large. For instance, developers may resist changes to land use regulations if they perceive it may make it more costly to develop. Community members may resist certain actions if they perceive negative impacts to themselves or their property. If the action is dependent on the action of another organizational entity, the action is less likely than if the City controlled all aspects of tool implementation. We define ease of implementation, as follows:

	Low	Medium	High
Potential concerns from stakeholder groups, the public at large, and/or elected officials	Likely significant concern	Moderate concern	Little concern
Coordination with another entity required	Significant	On-time or ongoing coordination	Little or none.
Planning Commission review and/or City Council acceptance/adoption required	Extensive review and adoption required	Moderate review and adoption may be required	Little review required

Funding Required

Funding Required considers the level of financial resources, outside of existing staff and decision-maker time, required to develop and implement an action. This includes the additional cost of establishing and maintaining a new program, including new staff. This is a relative comparison to other actions with more refinement to come as we narrow down the specifics of the actions. The HPS defines Funding Required as follows:

Low	Medium	High
Has relatively small funding impacts, in that it requires little additional funding.	Has relatively moderate funding impacts. It requires moderate amounts of additional funding.	Has relatively larger funding impacts. It requires large amounts of additional funding.



Revenue Generation

Revenue Generation considers whether the action will generate revenue to support housing production or preservation programs or infrastructure to support housing development. This will apply to a small subset of actions. The HPS defines Revenue Generation as follows:

None	Low	Medium	High
Does not generate revenue.	Generates little new revenue.	Generates a moderate amount of new revenue.	Generates a large amount of new revenue.



Actions Under Consideration for Inclusion in the HPS

This section describes the potential actions under consideration for inclusion in the HPS. Each proposed action includes an assessment of its potential impact and key considerations for implementation.

A. Evaluate Redesignating or Rezoning Land for Housing

Description: This may include redesignating or rezoning vacant or partially vacant low-density residential land and employment land. These areas could be rezoned for a diversity of housing types, including middle housing, multifamily housing, mixed-use development, or other types of housing that the City needs.

City Role: Lead The City will conduct research, identify potential areas for redesignation, engage stakeholders, and guide the rezoning process through approval.

Staffing: Existing Staff

Ease of Implementation: Medium Likely to face moderate concerns from homeowners and businesses regarding neighborhood changes. Requires Planning Commission review and City Council adoption.

Funding Required: Low Most costs can be covered using existing staff resources, though consulting services or public outreach efforts may require additional funds.

Revenue Generated: None

Anticipated Impacts

Income Level Served: All incomes

Population: All residents

Tenure: Renters and owners

Impact on Housing: Moderate

Equity Implications:

- *Benefits* - Homebuyers/renters: More land for housing; potential for more affordable housing types; Developers: Increased land available for housing
- *Burdens* - Current property owners: Potential neighborhood changes



B. Encourage a Variety of Housing Types and Designs Throughout the City to Meet Diverse Housing Needs

Description: The City may consider the following approaches to encouraging a variety of housing types throughout the City:

- **Establish mixed housing type requirements in targeted areas.** This could be modeled after the approach in Frog Pond East and South which included specific regulations to require the development of a diverse range of middle housing options, ensuring a balanced mix of housing types to meet community needs.
- **Incentivize development of manufactured, prefabricated, and modular housing.** Offer a density bonus or other incentive for manufactured, prefabricated, or modular housing, possibly connecting the incentive to housing that is priced to be affordable at 120% of MFI or less.

City Role: Lead The City would be responsible for drafting, reviewing, and implementing these new requirements or incentives. The City will conduct research, identify potential areas for requirements or incentives, engage stakeholders, and guide changes through the approval process

Staffing: Existing Staff

Ease of Implementation: Medium Likely moderate concerns from existing homeowners hesitant about neighborhood changes. Planning Commission review and City Council adoption required.

Funding Required: Low Most costs can be covered using existing staff resources, though consulting services may require additional funds.

Revenue Generated: None

Anticipated Impacts

Income Level Served: All incomes

Population: All residents

Tenure: Renters and owners

Impact on Housing: Small to Moderate

Equity Implications:

- **Benefits** - Homebuyers/renters: More housing options; potential for more affordable housing types; Developers: Potential incentives to support development
- **Burdens** – Developers: Requirements would decrease flexibility for development



C. Expand Flexibility for Live-work and Living Units Accessory to Other Uses like Businesses

Description: Update zoning regulations to allow housing units associated with non-residential uses where business owners or employees can live on the same site as a business.

City Role: Lead The City will revise zoning regulations to promote and incentivize live-work units and accessory housing. This will include stakeholder outreach, policy alignment, and code updates.

Staffing: Existing Staff

Ease of Implementation: Medium There may be some concern from existing landowners hesitant about neighborhood changes. Planning Commission review and City Council adoption required.

Funding Required: Low This can likely be done with existing staff and resources as part of regular code updates

Revenue Generated: None

Anticipated Impacts

Income Level Served: All incomes

Population: All residents

Tenure: Renters and owners

Impact on Housing: Small

Equity Implications:

- *Benefits* - Local businesses and workers: Expanded live-work opportunities
- *Burdens* - Current property owners: Potential neighborhood changes



D. Evaluate Use of Administrative Review Processes for Residential Development

Description: In most cases, new subdivisions and multifamily residential developments are approved through a public hearing process, even when applications meet clear and objective standards of the Development Code. Processing these applications administratively would reduce the overall review time and the potential for additional regulatory delay. To maximize effectiveness, the City could consider adding an administrative review process for adjustments to certain clear and objective standards.

City Role: Lead The City would analyze current review processes, identify opportunities for streamlining, and implement changes to internal procedures.

Staffing: Existing staff

Ease of Implementation: High This may elicit some concern as it reduces opportunities for public input, but it is expected to be minimal. Recent state legislative actions provide direction for how implementation should occur. This will require code amendments.

Funding Required: Low This is primarily an internal process change that can be implemented with existing staff.

Revenue Generated: None

Anticipated Impacts

Income Level Served: All incomes

Population: All residents

Tenure: Renters and owners

Impact on Housing: Small

Equity Implications:

- *Benefits* - Homebuyers/renters: Faster availability of new housing; Developers: Faster approval process
- *Burdens* - Broader community: Reduced opportunities for public input on developments



E. Implement a Rental Housing Inspection Program

Description: A Rental Housing Inspection Program would establish a proactive inspection schedule for rental properties, ensuring housing quality is maintained without relying solely on tenant complaints. While landlords are already required to meet basic maintenance standards, this program aims to prevent unsafe conditions through routine inspections.

The inspection process would focus on identifying and addressing potential issues early, such as faulty heating or plumbing, pest infestations, structural concerns, or inadequate sanitation, to promote safe and livable housing for all tenants.

To encourage compliance and long-term affordability, the City could offer low-interest loans or grants to property owners who commit to maintaining affordable rent levels. This approach promotes stable housing for vulnerable populations—such as low-income renters, seniors, and people with disabilities—while also ensuring that properties remain in good condition over time.

City Role: Lead The City would develop the program and be responsible for ongoing enforcement.

Staffing: Additional staff needed

Ease of Implementation: Medium Likely concern from landlords. Requires ongoing enforcement.

Funding Required: Medium While program development costs may be low, implementation and enforcement would require ongoing staff resources.

Revenue Generated: None

Anticipated Impacts

Income Level Served: All incomes

Population: Renters, especially low-income and marginalized populations

Tenure: Renters

Impact on Housing: Small – preservation of existing supply

Equity Implications:

- *Benefits* - Renters: safer, better maintained homes; Seniors/people with disabilities: more habitable, accessible living spaces
- *Burdens* – Landlords: potential increase in maintenance costs; Renters: risk of landlords increasing rents/fees to cover additional maintenance costs



F. Scale SDCs to Unit Sizes

Description: Cities often charge a set SDC per dwelling unit, charging the same SDCs for large single-family detached units as for small single-family detached units or accessory dwelling units. Some cities have started scaling SDCs based on the size of the unit in square feet. Offering lower SDC for smaller units can encourage development of smaller units, such as small single-family detached units or cottage cluster units. Wilsonville has studied the possibility of scaling SDCs at a high level and has found implementation to be complex. Further study is needed to determine the correct approach for scaling SDCs. This is something that could be pursued simultaneously with updates to SDC project lists.

City Role: Lead When it next evaluates its SDC methodology for each SDC fee, the City would conduct an analysis of current SDC structure, develop a new scaled fee system, and implement the changes. This would involve coordination across multiple City departments, and systems fee plans, and hiring consultants for technical analysis.

Staffing: Existing Staff

Ease of Implementation: Medium Requires complex analysis and potential restructuring of City fees. May face internal concerns.

Funding Required: Medium This requires complex analysis and potential restructuring of City fees, which will necessitate outside consultants or additional staff time.

Revenue Generated: None

Anticipated Impacts

Income Level Served: Lower incomes

Population: Residents in smaller units

Tenure: Renters and owners

Impact on Housing: Small

Equity Implications:

- *Benefits* - Developers of small units: Lower costs for small-unit projects; Homebuyers/renters of small units: May lower housing costs for smaller units. However, typically cost savings are not passed down to buyers or renters. Any guarantee of pass through of savings would need additional City administrative process.
- *Burdens* – Broader community: reduction in collected SDCs may cause a delay in funding for capital projects; Developers of larger units: Higher costs for larger units; Homeowners/renters of larger units: May increase costs for larger units.



G. Expand Land Banking, Parcel Assembly, and Public Land Disposition Efforts

Description: This action supports affordable housing by reducing or eliminating land costs from development. This strategy aligns with Action 2A from the Equitable Housing Strategic Plan and would require a funding source and additional staffing. The City will pursue at least one of the following:

- **Land Disposition:** Evaluate city-owned land and other publicly owned land identify surplus. Where it makes sense, the City will solicit a partner to develop housing affordable to target MFI.
- **Land Banking and Parcel Assembly:** The City would purchase and hold land for future affordable housing development. This would require a funding source. The City could also implement a policy requiring or incenting first purchase rights to the City or nonprofit (first right of refusal policies). This type of policy would require landlords to notify cities and/or nonprofits of the intent to sell so that the cities/nonprofits can purchase land/properties before they turn to market rate (important for low-cost, market-rate housing).

City Role: Lead The City would identify and acquire suitable land but may partner with developers or nonprofits for actual housing development. The City would lead in creating policies for land disposition and potentially in assembling parcels.

Staffing: Additional staff needed

Ease of Implementation: Low Requires significant funding and coordination. May face public concern to use of public funds/land.

Funding Required: Low (land disposition) to High (land acquisition) Acquiring and managing land requires significant capital investment.

Revenue Generated: None

Anticipated Impacts

Income Level Served: Depends on program criteria: 0-60% MFI, could serve up to 120% MFI

Population: Low-and moderate-income residents; depending on program criteria, housing could focus on specific populations

Tenure: Owners and/or renters depending on program criteria

Impact on Housing: Moderate to Large depending on amount of land available

Equity Implications:

- **Benefits** – Low-income homebuyers/renters: Access to lower-cost housing in the future; People experiencing homelessness: Potential for supportive housing; Communities of Color: Opportunity for intergenerational wealth building, depending on program criteria
- **Burdens** – Broader community: Publicly owned land used for housing is not available for other City priorities. Land acquisition requires significant funding resources which may mean the City may not be able to pursue other priorities.



H. Partner with a Community Land Trust (CLT) to Develop Affordable Housing

Description: The community land trust model typically used in the Portland area involves a non-profit, municipal, or other organization that owns land and provides long-term ground leases to low-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms. The City could pursue partnerships with a CLT, determine the sites it could offer for a CLT, and explore options agreements for development of affordable units for homeownership, potentially as a part of a larger neighborhood development.

The City and nonprofit partner could consider limited equity cooperative housing models as a part of its strategy. A limited equity housing cooperative is a homeownership model where residents purchase a share of the development (rather than an individual unit) and commit to reselling their share at a price determined by a formula. This model ensures long-term affordability for future owners. A cooperative corporation, formed by the residents, owns the housing most often in the form of a multifamily building.

City Role: Lead The City would support the CLT by providing resources (potentially land or funding), adjusting policies to facilitate CLT operations, and collaborating on identifying suitable properties or development opportunities.

Staffing: Additional staff needed

Ease of Implementation: Medium Requires finding suitable partner and ongoing coordination. May face some public skepticism.

Funding Required: Medium to High While the CLT would handle much of the work, the City would likely need to provide some funding, land or other resources to support the partnership

Revenue Generated: None

Anticipated Impacts

Income Level Served: Depends on program criteria: 0-60% MFI, could serve up to 120% MFI

Population: Low- and moderate-income residents; depending on program criteria, housing could focus on specific populations

Tenure: Owners

Impact on Housing: Moderate

Equity Implications:

- *Benefits* - Low-income households: Affordable, secure homeownership; Communities of Color: Opportunity for intergenerational wealth building
- *Burdens* - Homebuyers: Limited equity gain compared to traditional homeownership; Broader community: Publicly owned land used for housing is not available for other City priorities. Providing funding resources to CLT may mean the City may not be able to pursue other priorities.



I. Support Preservation of Affordable Rental Housing

Description: Encourage and support preservation of affordable rental housing for households earning 0-60% Median Family Income. Working with the State and affordable housing partners the City would help ensure no net loss of regulated affordable housing units, especially where prior federal tax credits are expiring in the next 5 to 10 years.²

City Role: Partner The City would work with state agencies and nonprofit housing providers to identify at-risk properties and develop preservation strategies. The City might provide funding or policy support but is unlikely to directly acquire or manage properties.

Staffing: Additional staff needed

Ease of Implementation: Medium Requires coordination with state and housing partners. May face funding challenges.

Funding Required: Medium Preserving existing affordable housing often requires financial investment, potentially including property acquisition or rehabilitation costs. Wilsonville has one regulated affordable multifamily property with federal tax credits expiring in 2029.

Revenue Generated: None

Anticipated Impacts

Income Level Served: 0-60% MFI

Population: Low-income renters; some developments may serve marginalized populations

Tenure: Renters

Impact on Housing: Small – affordable housing preserved but no new housing developed

Equity Implications:

- *Benefits* - Low-income renters: Protection from rising rents; Marginalized groups: Maintains affordable housing availability for specific communities that the developments serve.
- *Burdens* – Landlords: Restrictions on redevelopment

² Wiedemann Park in Wilsonville is a 58-unit, income-restricted multifamily development. It faces the risk of losing its regulated affordable status, as the federal tax credits supporting the property are set to expire in December 2029.



J. Explore and Implement Tax Exemptions

Description: The City will evaluate and pursue at least one of the following tax exemptions:

- **Multiple Unit Limited Tax Exemption Program.**
Incentivizes high-quality, mixed-use, and diverse housing options by selecting a development to award a property tax exemption. All new multifamily units that are built or renovated that offer rent below 120% of MFI are potentially eligible for this tax exemption.
- **Homebuyer Opportunity Limited Tax Exemption (HOLTE).**
This program allows property tax exemptions for some new residential construction and can support homeownership among low and moderate-income households. Ongoing administrative requirements include annual application process and ongoing monitoring to ensure owner-occupancy.

City Role: Partner The City would research tax exemption options, develop program criteria, work with overlapping property taxing authorities to assess whether they would participate in the exemption, implement the chosen exemption(s), and manage the ongoing program including application review and compliance monitoring.

Staffing: Additional staff needed

Ease of Implementation: Medium Requires careful analysis and overlapping taxing jurisdictions may not be willing or able to participate due to impact on tax base. Needs ongoing monitoring.

Funding Required: Low Implementation costs would be lower. While the City would forego tax revenue for a set period, the City will benefit from the additional tax generation once the exemption expires.

Revenue Generated: None

Anticipated Impacts

Income Level Served: 60-120% MFI

Population: Low- and moderate-income residents

Tenure: Renters (MULTE)/Owners (HOLTE)

Impact on Housing: Moderate

Equity Implications:

- *Benefits* - Lower income renters (MULTE): Increased availability of affordable rental units and more access to mixed-income housing developments; First time homebuyers (HOLTE): Lower long-term costs of home ownership; *When house is sold, the second owner may not benefit from this exemption*
- *Burdens* – City and participating taxing districts: Reduced tax revenues for the term of the exemption



K. Support Homebuyer Assistance Programs

Description: Provide grants or loans for down payments and closing costs to low- or moderate-income households. Depending on how the City administers the program (such as working with a nonprofit that provides homeownership assistance), the City could try to do special outreach to historically marginalized groups.

City Role: Partner The City would likely partner with nonprofit organizations or housing authorities to implement these programs. The City would provide funding if a source were identified (such as CET). The City would also help with outreach and ensure program alignment with City housing goals.

Staffing: Additional staff needed

Ease of Implementation: Medium Requires funding source and partnership with nonprofits. Generally well-received but limited impact.

Funding Required: High These programs typically involve direct financial assistance to homebuyers, requiring a substantial funding pool.

Revenue Generated: None

Anticipated Impacts

Income Level Served: 60-120% MFI

Population: First-time low-to moderate- income homebuyers; could target communities of color and other marginalized groups

Tenure: Owners

Impact on Housing: No new housing developed; supports households directly

Equity Implications:

- *Benefits* - First-time homebuyers: Increased ability to afford homes; Marginalized groups: Access to homeownership for historically excluded communities
- *Burdens* – Broader community: Requires funding resources which would be unavailable to pursue other City priorities



L. Explore Programs to Support Housing Rehabilitation and Weatherization

Description: The City will evaluate and pursue at least one of the following programs:

- **Housing Rehabilitation Program:** The City would partner to provide loans to low- and moderate-income households for rehabilitation projects such as making energy efficiency, code, and safety repairs.
- **Housing Weatherization Program:** The City could provide informational/promotional assistance to residents about weatherization funds administered by Community Action Agencies.

Depending on how the City administers the program (such as working with a nonprofit), the City could try to do special outreach to historically marginalized groups.

City Role: Partner The City would work with community action agencies or other nonprofits that typically manage these programs. The City would help with promotion, provide additional funding, or assist in identifying eligible properties.

Staffing: Additional staff needed

Ease of Implementation: High Generally well-received. Requires partnership with Community Action Agencies.

Funding Required: Medium While some costs might be offset by partnerships, providing rehabilitation and weatherization assistance requires funding.

Revenue Generated: None

Anticipated Impacts

Income Level Served: 60-120% MFI

Population: Low- and moderate-income homeowners; could target communities of color and other marginalized groups

Tenure: Owners

Impact on Housing: No new housing developed – existing housing maintained/preserved

Equity Implications:

- **Benefits** - Low to moderate income homeowners: direct assistance to improve their homes; Marginalized groups: Support for remaining in housing for historically excluded communities
- **Burdens** – Broader community: Requires funding resources which would be unavailable to pursue other City priorities



M. Support a Rental Assistance Program

Description: Rental assistance programs provide funds to qualifying low-income households to pay rental costs. The City could choose to administer a rental assistance program itself or could provide support to non-profit agencies that provide these services.

City Role: Partner The City would likely partner with nonprofit organizations or the county to implement rental assistance. The City would contribute funding (if a funding source is identified), assist with program design to meet local needs, and help with outreach to landlords and tenants.

Staffing: Additional staff needed

Ease of Implementation: Medium Requires significant funding source. May face some public concern to use of public funds.

Funding Required: High Direct financial assistance to renters requires a substantial and ongoing funding commitment.

Revenue Generated: None

Anticipated Impacts

Income Level Served: 0-80% MFI

Population: Low-income renters

Tenure: Renters

Impact on Housing: No new housing developed; supports households directly

Equity Implications:

- *Benefits* - Low-income renters: Prevents eviction and stabilizes housing
- *Burdens* – Broader Community: Requires funding resources which would be unavailable to pursue other City priorities



N. Develop a Homelessness Action Plan

Description: A homelessness action plan outlines the strategies and actions a city will take to address and reduce homelessness within the community. It often includes the following elements:

- *Introduction and Context:* Provides an overview of the homelessness issue in the area, including local statistics, trends, and contributing factors like housing costs, economic instability, and access to services.
- *Goals and Objectives:* Outlines clear, measurable goals, such as reducing the number of individuals experiencing homelessness, increasing access to affordable housing, or improving health and support services. Specific objectives might include the establishment of a **Navigation Center** and the expansion of **targeted housing services**.
- *Target Populations:* Identifies the specific groups most affected by homelessness, such as people of color, seniors, families with children, veterans, individuals with disabilities, and those struggling with substance use or mental health issues.
- *Action Steps:* Defines the key actions to achieve the plan's goals, which may include building affordable housing, expanding shelter capacity, providing mental health and addiction services, and improving coordination among service providers.
- *Partnerships and Collaboration:* Highlights collaborations with other local government agencies, nonprofits, healthcare providers, law enforcement, and community organizations to ensure a coordinated response.
- *Funding Sources:* Details potential or secured funding for the plan, such as federal grants, local budgets, private donations, and other resources to support homelessness prevention, housing, and services.
- *Implementation Timeline:* Lays out the timeline for when specific actions will be implemented, often broken into short, medium, and long-term milestones.
- *Evaluation and Monitoring:* Provides mechanisms for tracking progress and adjusting based on what's working, usually through data collection and regular reporting.
- *Equity and Inclusion:* Ensures the plan considers the needs of marginalized populations and addresses barriers they face in accessing housing and services.

These plans are designed to be flexible and evolve as homelessness issues and community needs change.

Anticipated Impacts

Income Level Served: 0-30% MFI

Population: People experiencing homelessness

Tenure: Unhoused

Impact on Housing: Small to Large (depending on actions outlined in the plan)

Equity Implications:

- *Benefits* – People experiencing homelessness: Access to shelter and services
- *Burdens* – Broader Community: Requires funding resources which would be unavailable to pursue other City priorities.



City Role: Partner The City would lead the development of the plan, but would need to partner closely with county agencies, nonprofits, and other stakeholders. The City would coordinate the planning process and be responsible for adopting the final plan.

Staffing: Existing staff to develop the plan; Implementation may require **additional staff**

Ease of Implementation: Low Requires coordination with multiple stakeholders. May face public concerns about approach.

Funding Required: Medium to High While plan development costs may be low, implementation of comprehensive homelessness solutions typically requires significant funding.

Revenue Generated: None



O. Pursue Establishing an Urban Renewal District and Prioritize Funding to Support Affordable Housing Development

Description: Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. Cities can create a TIF set-aside for affordable housing development programs within designated Urban Renewal Areas for affordable housing projects. The URA could also include projects to address infrastructure deficiencies necessary to support new housing development, as well as other projects necessary to improve the district. The City would need to establish an Urban Renewal Area and include funding affordable housing as a priority in the Urban Renewal Plan.

Depending on how the City administers the program (such as working with a nonprofit), the City could try to do special outreach to historically marginalized groups.

City Role: Lead The City would be responsible for identifying areas for establishing a URA and including a priority to allocate tax increment financing for housing. The City would lead development (potentially with help of a consultant) of the necessary analysis and planning for establishing a new District. This would involve public engagement and coordination across City departments.

Staffing: Existing staff to establish the Urban Renewal District and develop the plan; Implementation may require **additional staff**

Ease of Implementation: Low Establishing a URA is an extensive process that requires coordination across city departments, taxing districts, and public outreach. Once a URA is identified there may be public concern with using urban renewal funds for housing specifically.

Funding Required: Medium Establishing a new URA requires significant planning and potential shifts in resource allocation. Development of a new URA would likely require hiring a consulting firm to assist with the analysis and engagement.

Revenue Generated: High

Anticipated Impacts

Income Level Served: 0-120% MFI

Population: Low- and moderate-income households within the URA; Depending on program criteria, housing could focus on specific populations

Tenure: Renters

Impact on Housing: Moderate to Large depending on funding

Equity Implications:

- *Benefits* – Low-income families: More affordable housing in URA; Renters: Access to diverse housing options; likely in areas with access to services and transit
- *Burdens* – Taxpayers: Reduced tax revenue for other URA projects



P. Implement a Construction Excise Tax (CET)

Description: Levy a tax on construction permits to fund affordable housing programs. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction. CET funds can be used to pay for a variety of affordable housing programs and incentives.

City Role: Partner The City would be responsible for designing the tax structure, getting it approved through City Council, implementing collection procedures, and managing the funds generated. This would require coordination with the building department and potentially new staff for administration of the housing programs funded by the CET.

Staffing: Additional staff needed

Ease of Implementation: Low Likely to generate significant concern from development community. Requires careful analysis and implementation.

Funding Required: Low Implementation costs are relatively low, primarily involving administrative setup, which can be paid from CET funds.

Revenue Generated: Medium

Anticipated Impacts

Income Level Served: 0-100% MFI

Population: Low- and moderate-income households; **Depending on program criteria, housing could focus on specific populations**

Tenure: Owners and/or renters depending on program criteria

Impact on Housing: Moderate to Large, depending on funding available

Equity Implications:

- *Benefits* - Low-income households: More affordable housing in targeted areas; Affordable housing developers: More funding for affordable housing projects
- *Burdens* – Market-rate developers: Increased project costs that could be passed to buyers or renters; Local businesses: Increased rents/sales prices if the tax is passed to the end user; Buyers/renters of market rate housing: Increased rents/sales prices if the tax is passed to the end user.



Q. Identify Locations Where Infrastructure is Needed to Facilitate Development of Needed Housing and Identify Funding Sources to Support Infrastructure Development

Description: The City would consider options such as:

- **Local Improvement District:** A special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. For residential property, the estimated assessment cannot exceed the pre-improvement value of the property based on assessor records. An ordinance must be passed through a public hearing process which must be supported by a majority of affected property owners. This funding source would indirectly support housing development by financing necessary infrastructure or other related costs.
- **Reimbursement District.** A Reimbursement District is a cost sharing mechanism, typically initiated by a developer. The purpose is to provide a reimbursement method to the developer of an infrastructure improvement, through fees paid by property owners at the time the property benefits from the improvement. This funding source would indirectly support housing development by financing necessary infrastructure or other related costs.
- **Lobbying for state and federal dollars.**

City Role: Lead The City would identify infrastructure needs, develop funding mechanisms (such as local improvement districts or reimbursement districts), and manage the infrastructure projects. This would involve significant coordination with engineering and potentially with developers.

Staffing: Existing staff

Ease of Implementation: Medium May face concern from the community depending on funding mechanism. Requires coordination with multiple city departments and stakeholders.

Funding Required: Low The City would pursue cost sharing mechanisms and state/federal grants, which would lower the cost of infrastructure improvements for the City.

Revenue Generated: None

Anticipated Impacts

Income Level Served: All incomes

Population: All households

Tenure: Renters and owners

Impact on Housing: Moderate to Large

Equity Implications:

- **Benefits** - Consumers of housing: Enables cost sharing for infrastructure, supporting new housing development that may otherwise be hindered by high infrastructure costs.
- **Burdens** – Developers: additional cost to developer that may or may not get passed down, depending on overall costs and sales/market price; Property owners: Pay fee for infrastructure improvements, proportionate to their benefit from the improvement. *Lower income property owners may find these fees especially burdensome*



R. Fund a Housing Specialist Position

Description: The City would employ a housing specialist to manage HPS actions, conduct outreach with stakeholders, and connect community members with housing resources. That staff person would:

- Manage implementation of HPS actions.
- Conduct ongoing outreach with the County, Metro, development community, community-based organizations, and service providers.
- Connect prospective homeowners, renters, and people experiencing homelessness with the array of resources available through other partners. The City does not expect to be able to offer its own housing services, including homeless services, in the near term.
- Create and maintain an online One Stop Shop that would include a directory of housing-related resources on the City's website for community members, key stakeholders, and interested developers.

City Role: Lead The City would be responsible for creating the position, hiring the specialist, and integrating this role into existing City operations. The specialist would lead many of the City's housing initiatives

Staffing: Additional staff needed

Ease of Implementation: High Generally well-received. Requires funding for a new position

Funding Required: Medium This involves ongoing salary and benefits for a new staff position

Revenue Generated: None

Anticipated Impacts

Income Level Served: All incomes

Population: All households

Tenure: Owners, renters, and unhoused

Impact on Housing: Moderate to Large

Equity Implications:

- *Benefits* - Residents in need: Easier access to housing programs and resources; Marginalized groups: targeted outreach to ensure equity in housing support services; Developers: Additional assistance in navigating the development process.
- *Burdens* – Broader community: Requires funding resources which would be unavailable to pursue other City priorities



S. Adopt Affirmatively Furthering Fair Housing as a Housing Policy in Comprehensive Plan

Description: Amend the Comprehensive Plan to explicitly make Affirmatively Furthering Fair Housing a Housing Policy.

City Role: Lead The City would be responsible for drafting the policy, engaging with stakeholders, and adopting it through the City Council. The City would then need to ensure other housing policies and actions align with this overarching policy.

Staffing: Existing staff

Ease of Implementation: Low Requires policy adoption. May generate some political concern depending on specific measures.

Funding Required: Low Policy adoption itself has minimal direct costs, though implementation may require more resources.

Revenue Generated: None

Anticipated Impacts

Income Level Served: All incomes

Population: Marginalized populations, including people of color, individuals with disabilities, and low-income residents

Tenure: Owners and renters

Impact on Housing: No new housing developed

Equity Implications:

- *Benefits* - Marginalized groups: Greater awareness of protection against housing discrimination; All residents: Greater awareness of requirements for fairness and equity in housing practices
- *Burdens* – No burdens identified



T. Encourage Accessible Design

Description: The City would provide incentives in the Development Code to increase units designed for Universal Design and Lifelong Housing Certification, aiming to enhance accessibility and livability for all residents. The Frog Pond East and South Master Plan includes a strategy to require a certain percentage of units be friendly or adaptable for limited mobility. The City may want to build upon those efforts in other areas of the city. The Task Force also noted that due to Federal requirements, buildings with four or more units, like quadplexes, have accessibility requirements, so incentivizing these unit types in single family neighborhoods helps to affirmatively further fair housing.

City Role: Lead The City would develop and implement incentives or requirements for accessible design in new developments. This might involve modifications to the Development Code and coordination with the building department.

Staffing: Existing staff

Ease of Implementation: Medium Incentives generally well-received but requirements may generate developer concern. Builds on existing efforts in Frog Pond area.

Funding Required: Low This primarily involves policy changes and can be implemented through existing development review processes.

Revenue Generated: None

Anticipated Impacts

Income Level Served: All incomes

Population: Individuals with disabilities and seniors

Tenure: Renters and owners

Impact on Housing: Small

Equity Implications:

- *Benefits* - People with disabilities and seniors: Increased access to housing that meets their needs
- *Burdens* – Developers: May face higher construction costs to meet accessibility standards, which could impact overall affordability; Renters/homeowners: Higher costs may be passed on to the end user



U. Establish a Tenant Protection Program

Description: This program would provide enhanced support for renters. It would focus on promoting housing stability and equitable treatment by offering resources such as landlord education, tenant rights education, and legal aid services.

Key components of the program could include:

- **Relocation Benefits:** Additional financial assistance for tenants facing displacement, going beyond the state's minimum requirements.
- **Landlord Education:** Training programs to ensure property owners understand their responsibilities, tenant rights, and best practices for property management.
- **Tenant Rights Education:** Outreach efforts to educate tenants about their rights and available resources, empowering them to address issues like unfair treatment or unsafe housing conditions.
- **Compliance Testing:** Collaboration with the Fair Housing Council to conduct regular testing (every 3 to 5 years) to ensure compliance with fair housing laws.
- **Legal Aid and Mediation Services:** Provide free or low-cost legal assistance and mediation services to help tenants facing disputes, harassment, or unreasonable rent increases.

City Role: Lead/Partner These programs could operate under the City, but the City would likely hire a partner such as the Fair Housing Council for specialized services, education, and compliance monitoring.

Staffing: Additional staff needed

Ease of Implementation: Medium May generate concerns from landlord and property management companies. Requires ongoing collaboration and enforcement.

Funding Required: Medium While program development costs may be low, implementation and enforcement would require ongoing staff resources.

Revenue Generated: None

Anticipated Impacts

Income Level Served: Primarily low-income renters

Population: Renters, particularly low-income households and households from marginalized groups

Tenure: Renters

Impact on Housing: No new housing developed

Equity Implications:

- **Benefits - Low-income renters:** Increased housing stability and protection from unjust evictions;
- Marginalized groups:** Ensures safe, livable conditions for vulnerable populations and prevents discrimination
- **Burdens – Landlords:** May face increased regulation and potential administrative costs for complying with tenant protections



Appendix A: Existing Policies, Programs, and Partnerships to Address Wilsonville’s Housing Needs

Since Wilsonville completed its Housing Needs Analysis in 2014, the City has implemented numerous programs and policies to support housing development and address community housing needs. This includes the adoption of the Wilsonville Equitable Housing Strategic Plan in 2020, which outlined actions to promote more equitable housing outcomes. Initiatives that the City has implemented since 2014 include:

- ◆ **Monitoring Development Activity.** The City produces annual housing reports which allows the City to understand how fast land is developing and better understand housing need. This is in direct response to a recommendation in the 2014 Housing Needs Analysis.
- ◆ **Development Code Amendments.** The City implemented code amendments to encourage housing development and comply with State laws and rules related to housing. Some of these changes are detailed below.
 - **Allowed missing middle housing.** To help implement the City's Equitable Housing Strategic Plan (Action 1B) and Oregon House Bill 2001 adopted by the Oregon Legislature in 2019, the City amended the Development Code to allow townhouses, duplexes, triplexes, and fourplexes - “middle housing” – in all zones that permit single-family detached dwellings.
 - **Established clear and objective design standards for all housing types.** The City established clear and objective design standards for all housing types in 2020 in compliance with State law (Ord. No. 841).
 - **Removed zoning barriers to ADUs and other smaller unit types.** The City removed zoning barriers to ADUs in compliance with State law (Ord. No. 841).
 - **Eliminated/reduced parking requirements.** The City adjusted parking requirements as part of the Middle Housing in Wilsonville project. Also, while Code amendments have not occurred to date, the City is implementing State limitations on parking requirements established by the Climate Friendly and Equitable Communities rulemaking (CFEC). The State rules include not requiring parking in key areas of future housing growth, including Town Center and Frog Pond. This aligns with Action 2B from Equitable Housing Strategic Plan.
 - **Implemented mixed housing type requirements in Frog Pond.** Frog Pond East and South took middle housing implementation further by including strategies and regulations that will ensure development of a variety of middle housing types.



- ◆ **Land Disposition:** The Equitable Housing Strategic Plan identified exploration of transit-oriented development (TOD) at the Wilsonville Transit Center as a high-priority action (Action 1A). The City solicited development proposals for this site and selected Palindrome as the developer for this project which will begin construction in late summer 2024. The project includes 121 units of housing affordable to households making between 30% and 80% of Area Median Income, along with ground-floor tenants including a welcome center for SMART, a new home for Wilsonville Community Sharing, and a coffee house/taproom space.
- ◆ **System Development Charges (SDC):** The City established an SDC deferral program for affordable housing projects on City-owned property in 2024, in alignment with Action 2C from the Equitable Housing Strategic Plan. This deferral program has since been used for the TOD project at the Wilsonville Transit Center. In addition, the City established SDC waivers for ADUs in 2010. The waivers have been used for 16 ADUs.
- ◆ **Vertical Housing Development Zone (VHDZ):** The City adopted a VHDZ in 2022 (Action 1C of the Equitable Housing Strategic Plan), which offers a partial property tax exemption on building improvement value for developments that include housing with non-residential use on the ground floor, with the amount of tax exemption increasing based on the size and composition of the project. In most cases this means 20% abatement, per floor of residential use above the ground floor. The abatement period for an eligible project is 10 years.
- ◆ **Nonprofit Corporation Low Income Housing Tax Exemption.** The City implemented the Nonprofit Corporation Low Income Housing Tax Exemption in 2024. This program has supported the development of most the City's income-restricted affordable units.
- ◆ **Safe Sleep Site:** In response to new Oregon and federal laws that provide compassionate protections for people experiencing homelessness, the City of Wilsonville established new local overnight camping guidelines in May 2023. The City established a safe sleep site at City Hall where vehicle and tent camping are allowed between the hours of 9pm and 7am.
- ◆ **Accessibility for People with Disabilities:** The Frog Pond East and South Master Plan includes a strategy to require a certain percentage of units be friendly or adaptable for limited mobility in alignment with Action 2H of the Equitable Housing Strategic Plan.



Appendix B: Actions Removed from Consideration

Following initial discussions with the Task Force and internal meetings with City staff and consultants, the project team has removed some potential actions from consideration. We based these decisions on careful consideration of each action's potential impact and feasibility.

While these actions are not currently prioritized due to their perceived lower impact, they may be reconsidered in the future based on feedback from the Task Force, Planning Commission, and City Council.

Reasons for Exclusion

Several factors influenced the decision to exclude certain actions:

- ◆ **Redundancy with Existing Initiatives:** Some actions are already addressed, either fully or partially, by existing City initiatives, reducing their potential additional impact.
- ◆ **Resource Allocation:** Some actions would require the creation of new City-level grant or loan programs, demanding substantial funding. Currently, the City believes these resources may be more effectively allocated elsewhere.
- ◆ **Integration into Other Actions:** Some actions focused on engagement and outreach were removed as standalone items. These responsibilities could be incorporated under a proposed new City staff position, which is one of the recommended actions. Some actions focused on funding sources were removed as standalone items. These funding sources could potentially support other actions but do not need to be a standalone item.

The exclusion of these actions from the current HPS recommendations does not diminish their potential importance. Rather, it reflects a strategic decision to focus on actions that are expected to have the highest impact and feasibility given current resources and circumstances. The City remains open to revisiting these decisions as conditions evolve.

Removed Actions

- ◆ **Allow Multifamily Buildings in Commercial Zones without Commercial Uses.** Allowing for multifamily buildings in commercial areas without commercial uses on ground floors can result in lower rents, while still contributing to the development of a mixed-use environment.



- ◆ **Allow Small or “Tiny” Homes.** The Oregon Reach Code, Part II, defines a “tiny house” as a dwelling that is 400 square feet or less in floor area, excluding lofts. The City could allow and incentivize tiny houses or tiny house villages by providing regulatory incentives – such as reductions in required off-street parking or open space – for units less than 400 SF in floor area. The City could conduct an initial audit to identify any standards in the Development Code that might inadvertently hinder the development of tiny homes. The City could then explore additional incentives to encourage the development of tiny homes.
- ◆ **Establish a Low Interest Loan Program for Housing Development.** This program would be designed to use the full faith and credit of the City to back permanent loans or construction loans for affordable housing development to reduce risk for the lender. This strategy would require a funding source and may require additional staffing. Suggested by Task Force.
- ◆ **Targeted Infrastructure Grant Program for Infill Housing Development.** This program would provide grants to offset infrastructure costs for housing developers, with a focus on encouraging higher density and housing projects that are relatively affordable in infill areas. Grants could cover expenses such as water meter upgrades, utility connections, and frontage improvements, with a tiered structure offering larger amounts for projects that increase density or provide affordable units. The program could be flexible, supporting both market-rate and affordable housing. Implementation would require establishing a sustainable funding source, developing a streamlined application process, and creating performance agreements to ensure promised outcomes. Suggested by Task Force.
- ◆ **Housing Rehabilitation Code.** Housing rehabilitation codes are building codes designed to reduce the costs of renovating and rehabilitating existing buildings, thereby facilitating the continued availability and habitability of older rental housing and owner-occupied homes. This is especially helpful to facilitate conversion of single-unit housing into multiple units, ensuring and expanding naturally occurring affordable housing.
- ◆ **Add Restrictive Covenants to Ensure Affordability.** Adding restrictive covenants to ensure affordability over time at a certain income level for new or rehabilitated affordable housing developments. Restrictive covenants are usually placed on a property in exchange for a local or state government providing financial contribution to the project.
- ◆ **Support Preservation of Manufactured Home and Mobile Home Parks.** Preservation of manufactured home parks can be accomplished through a range of approaches, such as resident owned cooperatives, non-profit ownership, or developing a zone that only allows manufactured home parks. Wilsonville has an existing ordinance in place that addresses mobile home park closures, helping to preserve the city's existing affordable housing supply provided by mobile homes.



- ◆ **Preserve Existing Housing Supply.** Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Wilsonville already has an ordinance in place that addresses mobile home park closures, helping to preserve the city's existing affordable housing supply provided by mobile homes.
- ◆ **Property Tax Relief for Income Qualified Homeowners.** Cities can cap the amount of property tax that homeowners have to pay as a share of their income or provide relief to lower-income renters by treating some portion of their rent as attributable to property taxes and then providing an income tax credit to offset the increase in taxes. Additional staff capacity is needed to implement the program in Wilsonville.
- ◆ **Employer Assisted Housing.** Employer-assisted housing programs help employees meet their housing needs, which in turn helps employers achieve their business goals. The City's role could be to provide subsidies, convene employers with other players in the housing sphere, or partner in development. This strategy would require a funding source and/or additional staffing to implement.
- ◆ **Fees or Other Dedicated Revenue.** Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. This approach may be helpful in Town Center for parking. This funding source would indirectly support housing development by financing necessary infrastructure or other related costs.
- ◆ **Linkage Fees.** Linkage fees are charges on new development, usually commercial and/or industrial development only, that can be used to fund affordable housing. To implement them, a city must undertake a nexus study that identifies a legal connection between new jobs housed in the developments, the wages those jobs will pay, and the availability of housing affordable to those employees.
- ◆ **State Revolving Loan Fund.** The State Revolving Loan Fund is a financial mechanism designed to provide support for middle income housing projects. It operates by offering loans to local jurisdictions to fill financing gaps in housing development. To implement this fund, local jurisdictions must identify eligible projects, borrow from the fund, and pledge increased property tax revenues to repay the loan over a 10-year period. This approach aims to make workforce housing development more financially feasible while keeping funds within the community once loans are repaid.
- ◆ **Fair Housing Education.** Host nonprofit organizations to do outreach and education to tenants about Fair Housing rights and to property owners and managers about Fair Housing obligations.
- ◆ **Community Outreach and Education.** Engage the community to understand housing needs and share existing housing resources, as well as get input on City-lead housing initiatives. This strategy may require additional staff capacity.



- ◆ **Education on Home Ownership Preparation.** Help first-time homebuyers learn the basics about the home buying process in classes taught by experienced professionals who specialize in helping first-time homebuyers. Special topics on HOAs can be included. The City could coordinate with existing organizations such as the Portland Housing Center to facilitate this training or develop its own program. This strategy may require additional staff capacity.
- ◆ **Implement all Housing Policies through a Lens of Social and Racial Equity.** Develop a social and racial equity and inclusion lens to evaluate all housing policies.
- ◆ **Add Fair Housing Protected Classes.** The City could consider adding fair housing protected classes that are needed in the City. This might include occupation, housing status, etc. Suggested by Task Force.
- ◆ **Eviction Prevention Programs.** Eviction Prevention Programs provide financial assistance to help renters facing eviction stay in their homes. These programs are generally designed for families who are being evicted due to nonpayment of rent during or following an unforeseen crisis, such as job loss or serious illness, rather than those who face more persistent affordability challenges. The City could choose to administer an eviction prevention program itself or could provide support to non-profit agencies that provide these services. This strategy would require a funding source and may require additional staffing to implement.
- ◆ **Establish Landlord Guarantee Program to Support Low-Income Residents.** The goal of this program would be to provide landlords with a guarantee fund if they rent to tenants with lower credit scores. By providing this guarantee, the program would help expand affordable housing options for vulnerable populations in the community. This strategy would require a funding source and may require additional staffing to implement. Suggested by Task Force.

