



PLANNING COMMISSION MEETING MINUTES

June 14, 2023 at 6:00 PM

City Hall Council Chambers & Remote Video Conferencing

Draft PC Minutes were reviewed and approved at the July 12, 2023 PC Meeting.

CALL TO ORDER - ROLL CALL

A regular meeting of the Wilsonville Planning Commission was held at City Hall beginning at 6: 00 p.m. on Wednesday, June 14, 2023. Chair Heberlein called the meeting to order at 6:01 p.m., followed by roll call. Those present:

Planning Commission: Ron Heberlein, Jennifer Willard, Andrew Karr, Kathryn Neil, Olive Gallagher, and Nicole Hendrix. Kamran Mesbah arrived after Roll Call.

City Staff: Miranda Bateschell, Daniel Pauly, Kimberly Rybold, Sarah Pearlman, and Mandi Simmons.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CITIZEN INPUT

This is an opportunity for visitors to address the Planning Commission on items not on the agenda. There was none.

ADMINISTRATIVE MATTERS

1. Consideration of the May 10, 2023 Planning Commission Minutes

The May 10, 2023 Planning Commission Minutes were accepted as presented.

WORK SESSION

2. Housing Needs & Capacity Analysis (Rybold)

Miranda Bateschell, Planning Director, gave a quick introduction, noting the City's last Housing Needs and Capacity Analysis (HNCA) was completed in 2013 and has since been a guide for Wilsonville's housing projects and growth. A new analysis was indeed due after all the strategies and policies and recommendations from the first one had been implemented. Furthermore, the new analysis aligned with several state mandates and their timelines.

Commissioner Mesbah arrived at 6:04 pm.

Kim Rybold, Senior Planner, stated since the last HNCA, the adoption of the Frog Pond West and Frog Pond East and South Master Plans, and the Town Center Plan were some of the key master planning efforts that had come online and would play a pivotal role in the HNCA moving forward over the next 20-year planning horizon.

- A planning effort vital in the work was the Equitable Housing Strategy Project (EHSP), adopted in 2020 . EHSP did a similar type of abbreviated market analysis that reviewed the same data considered in the HNCA, that was pulled from the larger Clackamas County wide effort that was done. The big outcome of EHSP was producing a specific policy document to guide the City in housing work instead of the Comprehensive Plan Policies originally adopted.
 - The document is called Housing Production Strategy (HPS) and was required by State's mandate for HNCA. It provided an opportunity to assess the EHSP to take stock of what has been done and what still remained to be done.

Beth Goodman, ECONorthwest, presented the Housing Needs & Capacity Analysis (HNCA) via PowerPoint, reviewing the project's purpose, components, and differences between HNCA and Housing Production Strategy(HPS) , the project schedule and phasing, preliminary Buildable Lands Inventory (BLI), methodology for assessing land capacity, Wilsonville BLI constraints, unconstrained vacant and partially vacant land, preliminary findings from the HNCA land, forecasting future housing needs, housing cost burden, and next steps including public engagement.

Discussion and feedback from the Planning Commission was as follows with responses by Staff to Commissioner questions as noted:

- Goodman explained that growth expected over the planning period was 1.5% and not 3%, which Wilsonville had always averaged annually, because growth rates tended to go down with growth of the community. It was easier to grow 3% when the households were 1,000 than when there were 10,000.
 - There would be a new HNCA incorporating a new methodology in six years time to handle any disconnect between what Metro forecasted and the present reality.
 - She did not believe Metro considered it harder to grow to 3%. Buildable land capacity determined growth rate and would continue to determine growth rate in the next 20 years outside of Frog Pond. She believed the City did not have enough land to accommodate a 3% growth rate.
- Ms. Rybold added this was the exact conversation and observations made when the numbers for the Equitable Housing Strategic plan were considered, and she believed the challenge at the regional region was they continued to work with a finite piece of growth, while Staff made input that they believed the growth rate was greater, and there was more potential than was being allocated.
 - Staff would stay the course with how forecasts are done now and hoped that the new methodology exhibits more realism in the housing forecast analysis, recognizing under production as well.
- Ms. Goodman confirmed the Metro analysis is required with little flexibility. She believed one thing that would be different in the future was Metro considering land and development readiness in its analysis. Wilsonville had a history of getting land developed, like in Frog Pond, unlike the Damascus area where development certainly did not happen as expected. Metro would also consider the factor of under production as Oregon as a whole has been under producing a lot of units over the

last decade or longer, so Metro would be accounting for the need for Oregon to catch up, a lot of which needed to happen in the Metro area.

- When Frog Pond and affordable housing were considered, it was observed that developing ~~that~~ land in Frog Pond was proving to be expensive. Future methodologies should take that into consideration, because the same issue was observed with the sudden increase in cost for the enlargement of the wastewater treatment plant, revealing that it costs more to urbanize a land. In not planning ahead, Wilsonville would gentrify slowly. Planning ahead will be helpful to mitigate against housing being very expensive for everybody, like in Lake Oswego. The strategy would hopefully consider lands that were inexpensive to develop and improve and identify areas for affordable housing to avoid having to achieve it through grants and nonprofits because the land is too expensive.
 - These things go in circular kind of motions. The Planning Commission had this conversation when planning for Old Town. Old Town residents said they wanted to flip the homes they bought cheap and asked what was wrong with having a Lake Oswego feel. Well, that is the affordable housing. If you buy cheap and put in marble and so forth, pretty soon it is not going to be affordable anymore. Hopefully the strategies would address these things.
 - It was mentioned that the City was going to be looking at the preservation of existing stock and the City should do something to allow nonprofits to buy some of the older units. Nothing against people who like to fix houses, but they were who the City was competing with.
 - Ms. Goodman said she expected the actions in the HPS for the City to execute over the next six years would consider those issues. The City would not be doing the actions in developing the strategy, but rather developing the work plan for doing some of those actions, some of which the City could choose to do really soon and others, later.
 - Getting the actions done in six years seemed fast, as planning usually had a 20-year horizon.
 - Ms. Bateschell clarified that “Latine” was more inclusive language reflective of a non-binary gender spectrum and intended to encompass all of the Latino population.
 - Due to the number of houses being built at Frog Pond in the six-year horizon, there could be a 5% growth, which is way beyond the estimated 1.5% per year. The City was at 10,000 level and may be building 600 or 700 houses in the next six years, so the information would be a lot more helpful if it was graphically done over a 10 or 20-year horizon.
 - Ms. Goodman explained supposing the City's capacity was equal to the forecast and 600 new units were likely to be built per year, the City would be in a difficult position at the time of redoing the housing needs work. A development of 2000 to 2500 new units would put the City in a place where it was certainly important to be talking about new opportunities for development and planning for it.
 - Recession was likely to happen between now and the next six years resulting in less building.
 - The City's capacity may well be higher than 2000 to 2500 units, especially considering some reasonable estimates for redevelopment potential in Town Center, so this data could be brought to the Commission on a more annual basis or in a 5- or 10-year increment. Waiting 10 or 15 years to do HNCA would be too long.
 - Ms. Bateschell added the faster growth of Wilsonville than Metro's reported forecast was a major discussion point when HNCA was done 10 years ago, and that prompted the Housing Report, which has evolved over the years to properly track information, such as the how, where, and speed of development, and the relationship between the growth forecasted by Metro and reality.

- One thing that has been clear is that the City has used its land more efficiently. The last time housing capacity was considered, utilizing historical trends, the anticipated growth for Metro, land capacity, and the relationship between them both was determined, and the outcome was the land would probably be sufficient if Wilsonville were to grow at the rate Metro forecasted, but it would probably be tight. And, that if the city grew at the higher end, Wilsonville would likely need more land, and that was essentially what happened, which was why the City did the requests for Frog Pond East and South, and concept planned that area in advance, assuming the City would need and want to grow into that area, and have brought that acreage in now. The city has actually had some infill and some opportunities Staff did not necessarily anticipate, and had used that land well and concisely and efficiently, so the City had not actually absorbed land at the rate Metro's report assumed, which was good as it allowed the City to have a higher forecasted growth number within the same capacity.
 - The City would continue tracking housing growth because it is very important to do so. Given the State requirements, the HCNA would now be done every six years instead of at every Comprehensive Plan update as done previously.
 - Also, 600 units have not been approved every year, so the City was not currently growing at 1.5%. In years when the City had multi-family residential projects, it might be closer to that number.
- Goodman noted that the 2014 HNCA and annual reports were hypothesized to be useful to the City in discussions with Metro, and asked if they were useful and would be applied in the future as Metro continues its planning for future expansions.
 - Ms. Bateschell responded that the annual reports have been produced and shared annually with Metro from their data center and planning department, which is now unified. She was not aware that it had actually influenced Metro's methodology. She understood the methodology would be changing because of State's new requirements and the fact that everyone would be using the Oregon Housing Needs Analysis as a benchmark. She expected to be tracking that process as Metro updates its model to understand that, as it will impact the next HNCA.

Feedback regarding public engagement was as follows:

Commissioner Gallagher:

- Believed that the information garnered from public engagement was determined by questions asked and suggested that questions to the public should elicit what one needed to know and not an agreement with what was already known. The questions asked were just as important as the responses received.
 - Goodman agreed Staff had been thinking about how to get some of the nuanced issues not readily assessed from data.
 - Daniel Pauly, Planning Manager, added Staff had been thinking of how to build on the housing questions that had already been asked.
- Noted it is a very emotional and very personal area that a lot of people are really not comfortable sharing that they are struggling or even thinking about getting help with housing. Asking questions was not as easy as one would hope, and she offered to help in any way.
 - Goodman affirmed that Staff would build on the questions asked in recent processes, especially questions that worked well.

Commissioner Hendrix:

- Appreciated comments about sensitivity around the conversations and imagined some listening sessions or conversations at the library, or something that starts a bit more informational but allows people to kind of talk through whatever they feel comfortable doing.
- Believed some of the suggested tools and engagement strategies made sense for the target audience, but some tools, like the Wilsonville survey site, did not. Outreach tools should be designed to make sure they reached the target population.
 - Ms. Rybold noted Staff met with the Diversity, Equity, Inclusive (DEI) Committee to gather their input and ideas on how to reach a lot of those communities. The survey was only a kicking point and not the entirety of the outreach. Making paper copies available and designing interactive tools for the Annual Block Party would be considered. The Block Party would be another opportunity to market the survey site as well.

Commissioner Mesbah:

- Noted planning tools existed for sensitive, emotional kinds of questions and information the City is trying to get that gamifies the process, putting the participants in a well-designed game that allows them to come up with strategies to deal with difficult problems, such as paying for housing or whatever, and allows them to choose tools that shows either knowledge or preference for what kinds of assistance they would be willing to get. Such tools provided greater insight into people without making the information gathering so personal.
 - Ms. Rybold said Staff would consider that. She did not believe Wilsonville had used anything similar; however, Mr. Pauly had used some situational questions in the focus groups for Frog Pond East and South to help people drill down into their preferences.
- Added, similar to Monopoly, the idea was to strategize how to use limited funds for needed resources, and then introduce strategies for grants, borrowing, rent subsidies, etc. to see what people use to meet the challenge.
 - Commissioner Willard noted most things in the way of people seeking out those aids were not about preference, but knowledge and awareness.
- Explained if the City was looking for which policies and buckets of resources would be more effective, a gamified experience would show for example, if a majority went for some rent subsidy that would indicate to the City that rent subsidy was probably a good place to start.
 - Ms. Goodman noted one thing to keep mind while talking about all the issues is availability of funds. Rent subsidies were very effective at addressing some of these issues, but how would Wilsonville pay for them? The fiscal plausibility of the different strategies need to be considered.
 - Chair Heberlein understood Commissioner Mesbah meant by discovering what the citizens would use, the City could then design strategies to mirror that. If a different tact was needed, the City needed to understand where changes should be made.

Chair Heberlein appreciated the presentation and was excited to see how the analyses progressed moving forward.

Commissioner Willard added she was an engineer, and this was a wicked hard problem.

INFORMATIONAL

3. Annual Housing Report (Pearlman)

Miranda Bateschell, Planning Director, said she was very excited to introduce the Annual Housing Report for several reasons. Due to the Planning Division's Staff shortages, various transitions, and lots of activities in the community, the report fell through the cracks, so the Housing Report before the Planning Commission was for both 2021 and 2022 and was now live on the City's website. The report provided a snapshot of what has occurred with housing over the last couple of years, what Staff believed is coming next, which would include some difficult conversations.

Sarah Pearlman, Assistant Planner, presented the 2021-2022 Wilsonville Annual Housing Report via StoryMaps, which included a review of the new homes permitted for construction; approved housing development plans; housing and population growth; the need for housing variety, middle housing, infill, and redevelopment; the cost of owning and renting a home; overall housing cost burdens and severe rent burden; comparative affordability and growth to cohort cities; Metro's housing forecast; and available buildable lands.

Commissioner Hendrix appreciated the interactive maps, adding it was eye opening and helpful to see where Wilsonville was, and it was disheartening, but she knew the City was doing the best it could.

Commissioner Karr also appreciated all the work, efforts, and planning that went into the Housing Report, which painted a picture for why the City was developing a housing strategy. He was shocked and disheartened by the spike in rent in 2021 and guessed it was as a result of landlords trying to recover from 2020. He hoped the City could come up with a plan to help its citizens in the future.

Chair Heberlein noted the cyclical nature of the housing environment is not picked up in a five- or six-year horizon and suggested a longer time horizon for data going forward.

- Ms. Pearlman agreed, adding much of the City's data began in 2014, so in two years, it would be interesting to see the 10-year horizon.

Commissioner Willard asked if the Housing Report considered the impact building going on in the surrounding areas outside of the city had on Wilsonville.

- Ms. Pearlman replied most such impacts were considered in the housing unit growth in the cohort cities. It would be interesting to see how housing variety might look different in different jurisdictions as a follow-up.
- Ms. Bateschell confirmed Metro did not do an Annual Housing Report. In the City's last Housing Needs and Capacity Analysis (HNCA), also done by EcoNorthwest, Staff discovered that no other jurisdictions did annual housing reports, so Staff started from the scratch identifying what trackable data points the City would want over time. The housing report has evolved over time, especially given suggestions from the Planning Commission, like adding the cohort information, and would only get better every year.
 - Tracking what other cities were producing was challenging since none were doing annual housing reports and the City did not have access to their permit data; however, as cities moved toward electronic permit systems, more data would be available for reporting. Once the State establishes the Oregon Housing Needs Analysis, the City's reporting would be easier.

- One recommendation of House Bill 2013, adopted in 2019, was to study the option of doing a Regional Housing Needs Analysis (HNA) because so many cities were behind on doing their HNAs as required under Goal 10. This effort ultimately turned into what became the Oregon Housing Needs Analysis, a statewide program passed this legislative session that would change the methodology from the earlier HB2001, but the State had yet to determine the methodology and was working to establish the administrative rules and the processes for the cities' next HNAs.
 - As part of the statewide HNA, the State would create a dashboard so everyone would be able to compare all kinds of annual data, including the types of housing being built, how cities are working toward housing production targets set by the State. The dashboard would enable Wilsonville to see how it compared to its neighboring cities in various data sets. Once the dashboard became active, Staff would alert the Commission.
4. City Council Action Minutes (May 1 & 15, 2023) (No staff presentation)
 5. 2023 PC Work Program (No staff presentation)

ADJOURN

Commissioner Mesbah moved to adjourn the regular meeting of the Wilsonville Planning Commission at 7:38 p.m. Commissioner Gallagher seconded the motion, which passed unanimously.

Respectfully submitted,

By Paula Pinyerd of ABC Transcription Services, LLC. for
Mandi Simmons, Planning Administrative Assistant