

**PLANNING COMMISSION
WEDNESDAY, SEPTEMBER 11, 2019
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

*Minutes reviewed and
approved at the
October 9, 2019 PC Meeting.*

Minutes

I. CALL TO ORDER - ROLL CALL

Chair Jerry Greenfield called the meeting to order at 6:00 p.m. Those present:

Planning Commission: Jerry Greenfield, Eric Postma, Simon Springall, Phyllis Millan, Kamran Mesbah, and Ron Heberlein. Peter Hurley was absent.

City Staff: Daniel Pauly, Amanda Guile-Hinman, and Kimberly Rybold

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CITIZEN'S INPUT - This is an opportunity for visitors to address the Planning Commission on items not on the agenda.

Rich Truitt, North Willamette Valley Habitat for Humanity and long-time Wilsonville resident, stated Habitat for Humanity wanted to offer assistance with affordable housing in Wilsonville. Their affiliate has had success in partnering with other cities and developers in providing affordable housing in locations throughout the Willamette Valley, and they were interested in seeing if they might be of some assistance in Wilsonville. Habitat for Humanity recently dedicated its 28th home for a hard-working family of four in Mt. Angel, and would begin construction this fall on four more units of housing on two different lots in Woodburn. North Willamette Valley Habitat ran two very successful ReStore operations in Canby and Woodburn that receive donations related to construction materials, home furnishings, etc. that were sold at reduced prices. The organization had a strong donor base and an incredible team of volunteers who did everything from assisting with office work to actually participating in the construction of homes, and other volunteers participate at the ReStores. They hoped Habitat for Humanity could be a partner or at least play a small role, in the very large challenge of increasing affordable housing in Wilsonville.

ADMINISTRATIVE MATTERS

A. Consideration of the August 14, 2019 Planning Commission minutes

Commissioner Mesbah amended the last sentence in the seventh bullet on Page 4 of 8 to state, "~~If trying to include~~ **we are mixing** SROZ areas **with recreational open space areas and parks, then** a deeper discussion ~~is~~ **was** needed about ~~what was~~ **the various design functions of** open space."

- He explained landscape architects were going to work on the open spaces, and the point he was making was that the landscape architect, without having some design goals and objectives, was just going to come up with what the developer wanted them to do.

Commissioner Springall agreed, adding he believed the revision reflected the intent of the discussion as he understood it much more closely than the sentence written in the minutes.

Commissioner Postma moved to adopt the August 14, 2019 Planning Commission minutes with the clarification as read into the record by Commissioner Mesbah. Simon Springall seconded the motion, which passed 4 to 0 to 2 with Phyllis Millan and Ron Heberlein abstaining.

II. WORK SESSION

A. Equitable Housing Strategic Plan (Rybold)

Daniel Pauly, Planning Manager, stated that tonight the Planning Commission would continue the discussion on the Equitable Housing Strategic Plan, which was first introduced back in June. The project team had continued working over the summer, doing outreach with the Task Force, stakeholders, and others as well as a lot of technical work. He introduced Lorelei Juntunen, a partner and project director at ECONorthwest, specializing in evaluation between public investment and community development, and who has worked extensively on housing throughout the state and region.

Lorelei Juntunen applauded the City for wading into a complicated and difficult conversation and for its commitment to action that was implied just by starting the project. She and Senior Planner Kimberly Rybold presented the Wilsonville Housing Strategic Plan via PowerPoint, highlighting the market research report, which was included in the packet; updating on the stakeholder engagement work and feedback from the Task Force; and reviewing potential implementation actions the City could take. The team sought feedback from the Commission, particularly on the implementation actions related to building-focused tools.

Chair Greenfield confirmed there was no public comment.

Discussion and feedback from the Planning Commission regarding the Equitable Housing Strategic Plan was as follows with responses to Commissioner questions as noted:

- The mindset that each individual project area, including Town Center and Frog Pond, should have a housing mix that included multi-family was concerning. The City had a lot of pushback from citizens about density, particularly with multi-family in the Frog Pond area. Having higher density and multi-family on the periphery of the city and away from services would increase traffic. Town Center was probably a more appropriate place for multi-family and density because it was closer to services and would not congest the roads, etc. Perhaps each individual project should be looking for a balance and include multi-family, or was it something of an offset? Was the intent that each individual project area must consider multi-family?
 - Ms. Rybold agreed Town Center was envisioned as a more active, mixed-use, type of community; single-family homes were not envisioned there. Logically, Town Center would be the City's primary area of multi-family growth in the future. The Frog Pond Concept Plan, particularly for East and South, provided opportunities for things like cottage clusters, attached single-family, or ADUs, which were not uncharacteristic of other densities in that area, but still provided a good mix of housing types, but not things like apartment buildings and condos. Collectively when combining those two features and those two areas of growth, the Strategic Plan still helped keep that same mix of housing type.
 - Mr. Pauly added the City would have a robust work program regarding House Bill 2001, as well as the master planning for Frog Pond, East and South; that urban growth expansion had some conditions related to housing mix. Certainly, there would be a robust discussion when working through that very issue.
 - The City needed to be careful about density on its peripheral boundaries to the extent to which it could offset requiring multi-family on specific projects.
- The Strategic Plan was still fighting against the market, especially with regard to home ownership programs, affordability of home ownership, etc. When embarking on this project, the idea was to find affordable solutions. However, it seemed tiers of home ownership and other things were being discussed rather than the City providing some sort of subsidization or encouraging the development of projects that would allow low income housing tax credits and other types of programs to make actual affordable housing. The more ownership was discussed, the more they would have to talk about the market, which

might require an economics discussion. The Plan was expected to focus more on how to make affordable units that would not have the same sort of market pull that was creating more expensive housing all over the Portland Metro area, not just in Wilsonville.

- Ms. Juntunen responded that the project was only in the preliminary phases of talking about what specific actions would be prioritized, which would be the focus of the remainder of tonight's discussion. Among the tools included in the packet were tools intended to subsidize and incent the construction of big 'A' Affordable Housing, which would be rent restricted, regulated units. Certainly the market analysis, Housing Needs Analysis (HNA), and any analysis done since the end of the recession supported the need for building more housing that was affordable to those at the lowest end of the income spectrum. Metro's definition, and the one used for this project, of equitable housing was more encompassing than just looking at rent restricted, affordable units. It discussed creating opportunities and housing choice for people at all housing price points. Single-family and home ownership product were part of the spectrum of need for those living in Wilsonville. They did hear through stakeholder outreach that that was part of the challenge that people are facing is the ability to get into a home ownership product, the primary mechanism by which people could build wealth in this society. All the paths were open at this point, nothing had been precluded. There was need all up and down the income spectrum for support getting into housing.
- Ms. Juntunen explained the packet included a list of the specific tools that fell under each of the high-level categories shown for building-focused tools on Slide 14. The toolkit was very limited for affordability requirements, which required that when units were built, some units would be required to be affordable. The only tool available in the state of Oregon was inclusionary zoning and that applied only in a narrow subset of projects.
- Exhibit 29 on Page 22 showed the demand forecast for new dwelling units from 2019 to 2039, and essentially mirrored the statement that the City had a 50-50 distribution of single-family detached versus single-family attached/multi-family. If Wilsonville had a different housing mix than it does now, would this look different? Was this being influenced by the current housing distribution or was this truly a blind snapshot that looked at what the residents of Wilsonville would need, hypothetically, based on the demographics expected in that time frame?
 - Ms. Juntunen replied it was a combination of the trends in the past, plus looking ahead at the demographics of the future.
 - Ms. Rybold added that much of that demand forecast was generated from the Clackamas County Housing Needs Analysis (HNA), which was included on tonight's agenda as an informational item. Since those processes occurred simultaneously, much of the baseline forecasting data was pulled from that analysis, and some assumptions involved were based on Metro forecasting and State planning requirements.
- Exhibit 9 on Page 5 of the Housing Market Research Report (Attachment 1) demonstrated that Wilsonville's housing mix was very different compared to other cities in Clackamas County, however, the report did not include cities in Washington County. Wilsonville was likely more similar to Tualatin, King City, or Tigard given its proximity to transportation hubs, like I-5 and 99W. Wilsonville's growth was largely due to its location on I-5, and the ability for people to work and live here; these things were all connected. However, it was very interesting that Wilsonville had that housing mix out of all the other cities in Clackamas County.
- Exhibit 10 on Page 15 of Appendix A stated about 37 percent of Wilsonville's future households would have income below 50 percent of Clackamas County's Median Family Income (MFI) and about 23 percent would have incomes between 50 percent and 120 percent of the County's MFI. These were astonishing figures; below 50 percent of Clackamas County's MFI was under \$40,000. How was that estimate determined?
 - Ms. Rybold explained the MFI statistics was done as part of the Clackamas County HNA project, and the percentages and assumption of household growth was actually derived from current percentages of the different income ranges. So, the Extremely Low Income, Very Low Income and Low Income figures in the chart essentially applied future growth to the current distribution. The footnote stated it was based on the existing distribution.

- Were these Wilsonville's current percentages?
 - Ms. Rybold replied the percentages were the same, it was just a matter how changes in household would affect the different income tiers.
- How were people living in Wilsonville on less than \$40,000?
 - Ms. Rybold said that was a good question, noting an exhibit in the larger HNA noted that families in those tiers end up being cost-burdened or severely cost-burdened. Essentially, 30 percent of one's income was the cutoff assumed for what one should be spending on housing. What ended up happening was that families had to over-extend themselves to get into housing, which had a kind of trickle-up effect almost where each subsequent group was over-reaching and so a certain percentage ended up being cost-burdened because they had to pay more than what they could theoretically afford in their housing range.
 - Ms. Juntunen noted Exhibit 23 on Page 16 of the Strategic Plan that of the renters, 28 would earn less than \$50,000 per year and nearly all of them were cost-burdened, meaning they were spending more than 30 percent of their take home pay on housing. They were spending more than they had the financial capacity to spend on housing and were scrimping on everything else. Some at the very lowest end might have access to government programs to help, but many might not.
- Were a good number of people with less than 50 percent MFI receiving a housing subsidy of some sort?
 - Ms. Juntunen replied federal subsidies were few and far between, and no local housing voucher program existed within the state or Portland Metro area. The units themselves might be subsidized, meaning the rent was lower than it if the unit was available on the market, which would help. For a good portion of Wilsonville's residents, affording housing was a very difficult challenge, which was the reason for the project and discussion.
- The project team confirmed Exhibit 9 could be more inclusive of communities in Washington County, such as Tualatin, Tigard, King City, and Sherwood. A list could be compiled and shared with the Planning Commission. It might be interesting to compare communities located relative to transportation facilities, which would probably be a bit different than what was seen in Clackamas County.
- Exhibit 9 (Attachment 1) probably closely mirrored the distribution of detached single-family versus multi-family or attached single-family in terms of the percentages, and then the Market Analysis said what Wilsonville needed. What did the Metro area as a whole say that the region needed in terms of distribution between single-family and attached? Was it that Wilsonville was doing its share and the rest of the communities were not, perhaps?
 - Ms. Juntunen replied she would not frame it as doing your share, but if the whole region looked more like Wilsonville, affordable housing would be less of a challenge, which was why the implication was to continue to maintain the mix Wilsonville had today. It would be a very different conversation in the City of Rivergrove. She agreed having pockets of people or communities that were more responsive to the needs of the entire population might be a fundamental issue of the region.
- It seemed through the materials that Metro's influence was pretty strong in pushing toward the City's goals of inclusion and providing for the low end of the income scale, but Wilsonville was already doing so much better than its neighbors in this regard. It seemed that regionally, equity would require that other communities bear a larger burden going forward to address this housing imbalance in the region. Was there any systemic pressure on the other communities to improve?
 - Ms. Juntunen said that while Wilsonville had done a great job, it did not alleviate the need, especially when looking at Exhibit 10 (Appendix A) regarding cost-burdening; there was still a need in Wilsonville. In terms of sharing the burden, the City would be having a pretty robust conversation about House Bill 2001, while other communities' conversations would be even more robust. House Bill 2003 would look at a methodology for determining regional housing need, and potentially even apply targets to local communities. She was not sure how these new bills would hit the ground yet, but other people were asking the same questions about how to be sure all communities were doing their part, and the legislature was taking action on it.

- If Wilsonville continued to provide affordable housing, and nobody else did, then everyone who needs affordable housing would end up in Wilsonville and the city was not big enough to satisfy the region's need. Wilsonville could not be that far ahead of the other cities because gravity would pull the need to this city, which would not be practicable. The 37 percent of future households at or below 50 percent of the County MFI was a forecast, and one solution, which some cities do, was to make it difficult for those people to stay in the city so they find other places to live or end up being homeless. It all depended on whether this inclusive idea was regional, and everyone pushed in that direction but effectively and collectively. If not, that would become the lowest common denominator, everybody would say they had done their share and would not want affordable housing in their city anymore. In other metro areas where this was an issue, it was reversed: the big city had all the affordable housing and all the surrounding communities, for the most part, directed people to the big city for affordable housing. Which became a bone of contention; it became divisive.
 - Ms. Juntunen believed Metro was aware of that dynamic and moving toward having a more inclusive community conversation was an intentional part of its decision to move forward with talking about equitable housing and with funded studies like the HNA. The State legislature was also paying attention to exactly this kind of issue. Before considering what the future could look like, the fact remained that people who live in Wilsonville right now were struggling with this issue. The team heard pretty clearly through the stakeholder outreach with Wilsonville employers that they were struggling and need support, so, it was fantastic that the City was moving into this conversation.
- If employees of businesses in Wilsonville could not afford to live here, they were commuting and adding to the traffic. It was pretty clear that people had to move farther south of the river or elsewhere outside the city area and were then relying on either driving or transit, which added to their transportation costs. Keep in mind that transit options are still fairly limited despite SMART's expanding program. There was clearly need in Wilsonville for continuing to provide a variety of housing, and not big 'A' Affordable Housing. Density made more sense in Town Center, especially for apartment-style mixed use due to the benefits of work/live, having access to services, etc. and none of that necessarily required getting in a car and driving down the road. Whereas, there were not a lot of services in the outlying areas, even Villebois, there people had to get on the road. Until a more comprehensive public transit system and much more mixed use existed throughout the City, a whole variety of housing was needed, but with focus on the more dense housing in the center.
- The ongoing issue was that Wilsonville could not fix the market by itself for affordable home ownership. If the market was set artificially low, the City would not just be attracting only Wilsonville employees, but also people who work elsewhere because Wilsonville was the most affordable place around. In that instance, the City would fill the need and then, the market would just jump right back up again. What Wilsonville could do on its own was find mechanisms for people working here to live here, which was why it was drastically more important to have discussions about big 'A' Affordable Housing units, because that solved the current dilemma that people just could not afford to live in Wilsonville. The City wanted to create an environment where more people who were employed in Wilsonville could actually afford housing in Wilsonville. If that was not the focus, they were just adding to the problem. This project should result in people who could not afford to live here and work here to find a mechanism to do that. Focusing on home ownership-type approaches would not achieve that simply because the City could not be the affordable housing market all by itself.

Ms. Juntunen continued the PowerPoint presentation, overviewing the results of the Task Force activity used to prioritize potential building-focused implementation actions. (Slide 17-24) The purpose of the exercise was to start the conversation and learn where more discussion, research, or clarification was needed, and where a tool should clearly be eliminated or identified as an effective tool to move forward. The Task Force had robust conversations, along with some well-informed and thoughtful questions.

The project team sought feedback from the Planning Commission about which building-focused tools seem to have the nexus with the challenges that they are seeing in Wilsonville, with the feedback you have just heard and that

you would like to have them to continue to explore. Ms. Juntunen asked for any questions they might have about the Task Force or the specific tools before beginning the exercise.

Chair Greenfield:

- Commented that in looking only at the HNA, it seemed Wilsonville was being urged to transform the nature and character of Wilsonville in some fundamental way; however, tonight's presentation was quite reassuring that they wanted to preserve the character of Wilsonville and mitigate the weaknesses that certainly exist, so the City did a better job of doing what it had wanted all along. At the end of the 20-year period, Wilsonville's character should be essentially like it was today, only better, while maintaining the values Wilsonville has embraced and affirmed in its regular survey, including Wilsonville's high approval of itself. Since the City was already well along in achieving the distribution goals from Metro and the State, it would be easy to feel smug. On the other hand, they did not want to risk tipping the balance that had made the City successful. They could do without even knowing and accidentally change the makeup of Wilsonville in an important way, potentially moving the City toward a lower income social and economic basis, resulting in a much less vibrant and socially mobile community than existed today. He liked what the project team said about continuity, which was very important. The focus of the Strategic Plan should be on the purpose as stated: identifying gaps and ways the City could do better, and ways to support the less well served parts of the community to make Wilsonville better, but not different. They did not want to change Wilsonville, but improve it; they wanted Wilsonville to grow and to remain smart in its growth. One note, the reference in the report to the 20-year horizon and where the City would be in 20 years was a possible source of alarm.
- Ms. Juntunen responded that the point of this project was to simply figure out what kinds of actions the City could take now to help the people who live here now that most need it, as it related to access to housing that was equitable. She clarified that the HNA was not the Housing Market Report, which was informing the subject process. The HNA was happening contemporaneously, and its purpose was part of the larger Oregon Land Use Planning system to look at land supply and demand. Tonight's discussion was more oriented toward actions the City could be taking near term to address needs on the ground.
- Noted from a public relations standpoint, it would be good for that to be very clearly stated so people reading the reports would understand the difference.

Commissioner Mesbah noted another issue was that City Council had approved Wilsonville being an inclusive city. He added hypothetically that if grandma could not afford to live in Wilsonville anymore and was told to leave, that was not inclusive in his book. That was another way of providing a context for this; if the City was indeed trying to become better by maintaining its inclusive spirit, the market as it changed would force the City to do something it might not have done before because otherwise Wilsonville would not be inclusive.

The project team described the activity, noting placement of stickers on the displayed board would help provide feedback from the Planning Commission on which building-focused tools would be easiest for the City to implement (green), which would be most effective (blue), and which should be removed from consideration (red). The Commissioners used the colored dots on the charts provided to provide input. Key Commissioner questions regarding the proposed actions were addressed as follows:

- The non-profit and low income tax abatement programs were technically two different programs, so they were listed independently; each had independent authorizing legislation from the State and their own name.
- To determine which tax abatement program the Commissioners would want to move forward with would require more analysis, so if someone believed tax abatement was good idea, they should mark it as such. The meaningful difference was that vertical housing tax abatement was only for mixed-use market rate development. The top two under C. Property Tax Abatement Programs were for market rate, the bottom three were for affordable projects.

Ms. Juntunen summarized her observations of the activities results as follows:

- Similar to the Task Force, reducing/waiving Systems Development Charges (SDCs) and redeveloping the SMART property were the top choices.
- Regarding the two red dots on implementing HB2001, she was sure that could not be avoided.
- Parking requirements received the same number of green, blue, and red dots in equal proportion; same as input received from the Task Force.
- There seems to be not much interest in the ownership or sale requirements but it occurred to her that might be an area where it would be helpful to supply a little more definition of what those mean, to help to inform the conversation a bit more.

Ms. Rybold reviewed next steps, noting the Commission's prioritization of the strategies would be taken to the City Council's work session on October 21st for discussion and Council's prioritization. Council would also see the online survey. Tentatively, the Planning Commission would review the project again in December, though it could fall back by a month depending on the feedback received.

Ms. Juntunen asked the Commissioners to comment on their choices regarding the Implementation Actions and to provide any insights on where they might have questions or next steps.

Commissioner Postma said he put a blue dot by the SMART/WES Property Redevelopment because he believed that would be the most effective way to create a program in the City for something of a larger scale type of development that could utilize a subsidy program. But, he was cautious simply because he worried about how to implement it. He worried about cities getting too involved in the development, which could be a recipe for inefficient construction and management. Good use of that property for that purpose was important, but it came with that caveat in his mind. He was not sure if he had put a sticker on land banking.

Commissioner Heberlein stated he put a red dot on Expedited and Fast-Tracked Planning and Building Permit Review, primarily due to his concern with maintaining Wilsonville's character. The City had a robust planning process for a reason and it had allowed them to have the city they had now; providing a vehicle to shortcut that would provide an opportunity to get what might be considered substandard product. Perhaps if it was worded differently or more narrowly focused somehow, it would be something he would be willing to reconsider, but as written now, it felt like there was an opportunity to lose some of what Wilsonville had that made it special.

- Chair Greenfield and Commissioners Millan and Postma noted they thought it might refer to something like Form-Based Code, which was an expedited process.
 - Ms. Juntunen responded it could be implemented in that way, and in the next phases of trying to clarify and get this organized that would be one thing to explore.
- Commissioner Mesbah noted all these decisions absent a quantitative kind of scope of impact for a tool made it very difficult to make that decision. If expediting the planning process cut the housing unit by half would it be worthwhile maybe, in certain cases?
 - Commissioner Heberlein replied it would depend on the impact.
 - Chair Greenfield added if it were combined with a process like Form-Based Code, it would guarantee a baseline of quality.
 - Commissioner Mesbah noted if it only shaved off a 1/10 of a percent of the cost, maybe it was not worth it.

Commissioner Postma said he ran out of red dots, so he wanted to indicate on the record that he would also eliminate City-led Landlord Counseling as a consideration because the City should not be in the business of picking sides between landlords and tenants. There were organizations that did mediation, and the City should not be in that business either. He had represented many property managers and sometimes the tenants have real struggles, sometimes the tenants are in a position where their struggles are not taking into account the difficulties of being a landlord and the realities of living around other people. For the City or other governmental entities to be in the business of counseling would be picking sides, which was not a fair thing to

do to the landlords and property owners. He confirmed that would also include funding non-profits to do the work of mediation or counseling, adding those organizations could find other funding; the City should not be in the business of picking sides between landlords and tenants.

- Commissioner Mesbah said it was an interesting question and understood it was an equity issue, not an affordability issue; the intention was to even the power balance between landlord and tenant.
 - Ms. Juntunen replied it was an anti-displacement strategy. As tenants were impacted by market rents increasing faster and faster, and possibly forced to move, to make sure they understand what their rights were in the face of that changing market dynamic. One thing different about Wilsonville was that most of its rental stock was newer, so the kinds of issues tenants faced here were different than in other places where they deal with toxic mold, falling down roofs, etc. and they need support to be able to talk with their landlords about having safe living conditions. That was much less of an issue here, where it was more about an anti-displacement strategy.

Chair Greenfield asked if any figures were available on the number of units that were protected by statewide rent control. It would be useful to know how many units were and were not protected, and asked that the figures be provided.

- Ms. Juntunen believed any units older than 15 years were subject to rent control, and anything newer was not. Exhibit 14 on Page 11 of the Housing Market Report indicated the number of units built in 1980 and before, between 1981 and 2000 and after those built in 2000 and later.
- Mr. Pauly noted the primary development built between 2000 and 2005 was Phase 1 of the Villebois Apartments. Quite a few units were not protected, including those at Jory Trail and along Parkway, as well as some additional units in Villebois.

Commissioner Springall said with regard to the WES property redevelopment, it was important to think about the zoning and connectivity in the area. While transit-oriented development has been discussed, the transit was commuter rail and the bus network, which was really the transit the Commission was looking for, as it was designed to take people to employers around the city. If it was employee housing, it would probably be well suited. However, the location might be a bit challenging because it was kind of in an industrial area, and he believed it was zoned industrial. One could walk from Villebois to that area across the bridge, but the site itself was not in a residential area. The City needed to do a bit of rethinking about what it was doing with the area. The other consideration was the bridge proposed to cross over I-5, which would connect the WES property to Town Center. The Town Center redevelopment could provide an opportunity to continue the trail discussed in the Town Center Plan to the transit center. Right now, it was not a very attractive part of town and something needed to be done to improve it, though he did not know what or how that would come about.

Chair Greenfield noted the bridge landing on the west side of I-5 could provide that opportunity. With regard to parking, he noted that 80 percent of Wilsonville's workers drive alone to work, which was a large number of drivers, and they had to put their car somewhere. It did not seem reasonable to assume that lower income workers would be less likely to drive to work. It was an inconvenient fact Wilsonville had to deal with, that so many commuters were dependent on their cars, which had to be provided for.

- Commissioner Springall asked if that was something that would continue 10 or 15 years down the road, or would things change with short-term rentals, Uber, self-driving cars, and whatnot. What the City builds now would still be here in 20 years, and parking lots might not be as necessary. They could be built upon, noting they essentially planned building on what was currently parking lot in the Town Center today.
- Chair Greenfield said he would like to think there was a way out of car dependency, with automated vehicles, pods and so forth, but he believed that was a false expectation. He did not see Wilsonville's streets transforming within the 20 year horizon; it just did not happen that fast.

Ms. Juntunen stated as the project team began moving into the next phase of identifying actions, it would be helpful to walk through the tools with the most number of dots and hear what questions or concerns the Commissioners would have if they did end up in the Strategic Plan. At this point, the team had asked this

question of a couple different groups and the top items in those conversations were the SDCs, the WES, and land acquisition/land banking, which was an interesting one. If the tools were in the Strategy, what questions should the Strategy address and how far should the strategy go?

Discussion about the top ranked Building-Focused Implementation Actions was as follows:

- Reduced or Waive Permit Fees or Systems Development Charges (SDCs) for Affordable Housing. Many communities who have programs like this across the state, and affordable housing developers quite like them because it reduced their upfront costs and made it easier to figure out how to finance the housing being developed.
 - How much of a difference would it make in Wilsonville; what percentage per unit?
 - Another aspect was to have affordable units disbursed throughout the city to avoid having all the affordable units in one area, so not all of the services expected to be paid for by development were getting waived. The idea would be to have a mix of developments, so the difference was divided up on other, higher priced developments.
 - This was something the City could easily do, but the devil was in the details as far as how it would be implemented, which could change support for that implementation measure. What it would take to qualify for the SDC waiver was an important detail; how many would the City allow? At what point would the City be oversaturated and unable to afford the infrastructure improvements it needed that the SDCs were paying for.
- City-led Land Acquisition Strategy and Land Banking
 - Most people were not familiar with the history of development and planning and did not remember when the only development one could have was the development cities did and then sold. Things have since moved to a market approach, the downside of which was that it only supplied the top pay from the market. In some cases, the most effective solution to affordable housing was for the City to bank and buy the land, and sit on it until it could get into a public/private collaboration with developers to build on it. That also meant that the systems were installed at the city's cost. The land was improved acreage that was then built upon by developers in a public/private partnership.
 - Ms. Juntunen stated personally, she was a fan of this particular tool, though the City had to have some cash to acquire the land. However, it allowed the City to be able to act counter-cyclically, buying at a point and then holding and building at a later date when it made more sense from a market perspective. When the City controlled the land, it could control what was built on it and when. Most local governments did not do this on their own, because most they might not have the money or the patience required to hold land. There were non-profit entities that functioned like land banks. A community land-trust model was a land banking model in a certain sense. So the question for Wilsonville would really be a money – first are there other properties besides the WES property that the City already controls and owns that could be used strategically for affordable housing and/or did it seem like something the City would want to figure out how to fund, whether in partnership with another entity or not.
 - While considered an effective approach, there was some skepticism. Inevitably, they would have to consider a few of the tools together, like this with reduced SDCs. Any savings from some SDC forgiveness or waiver would have to be used in conjunction with other things, such as tax abatement programs and the like. A multi-unit project saving on some SDCs was a small percentage, but if coupled with tax incentives and the like, the project could probably get there.
 - Strategic combinations were needed, so there was reluctance to disqualifying any of the tools. Inclusionary zoning was a prime example of a tool that could be very effective, but it was not a silver bullet and needed to be a part of a bigger set of tools. Putting a red dot on something put it out of consideration prematurely; it might be a necessary one percent that would pencil out a development that otherwise would not.
- Property Tax Abatement Programs. Having some discussion ahead of time might have been helpful. The tax abatements category was one the Commissioners indicated as an effective tool, which was consistent with the Task Force as well. There were many kinds of tax abatement; those designed to support the

development of market rate housing as well as affordable housing. However, both functioned similarly in the development pro forma by reducing ongoing operating costs of the building once it was constructed, and both could be very effective in advancing a housing strategy. The City already had tax abatement targeted specifically at non-profit affordable housing developers that was renewed annually. Based on the number of blue dots tonight, the program would continue.

- It was short-sighted to only provide tax abatement programs to non-profits as private developers also use that incentive successfully. Opening it up to for profits, would attract developers. Because the City did not have SDCs waivers or tax abatement available to for profits, they were just not looking in Wilsonville.
 - All payment deferrals would go to the rest of the taxpayers. At some point, people would not like how much tax was being put on their property. The question is how much taxpayer property tax money should be sent to developers in order to make affordable housing possible?
- Federal tax abatement programs had some pretty severe and long running restrictions as to how long those units must be available as affordable units; tax abatement could go away if certain requirements were not met, and it would certainly sunset at some point in time. They were efficient at doing this and could make it work, so the City should not foreclose that possibility. The sensitivity about taxpayers complaining about their tax dollars going to some guy making a profit by renting units out was understandable, but it was not much of a profit; the program sunsets and a lot of regulations were included.
 - That transparency would go a long way to create an environment of trust amongst other taxpayers. A measure of cost-effectiveness would be helpful in all these things. Statistics could be provided that showed a for profit entity was basically operating the same way as a non-profit. Performance oriented standards could be used so it was transparent. If coupled with federal programs, some of that transparency was already there.
- Tax abatements and other programs and strategies needed to focus on keeping existing housing affordable. The City still had a couple of mobile home parks, and when such parks were yanked out, it displaced a lot of people on fixed incomes. In all these strategies, the Commission could not forget what already existed.
- With regard to anti-displacement and renter support, there were certain things that might not be appropriate for the government to get involved with as stated; other organizations had that as their charter or mission.
 - The City's involvement with Thunderbird, while as very necessary and effective, did happen after the fact, but led to the development of a low-income facility for those displaced residents.
- Renter support and anti-displacement efforts should not be ruled out completely. While there were limits to what could be done as a city, it might be done best through supporting non-profits or other organizations that could deal more effectively with these complex issues.
 - Commissioner Postma disagreed, noting that a lot of legislation had tipped the scale in the other direction; that was what government should be doing. There were non-profits for a reason, and if individuals could and should support non-profits in that effort if they felt it necessary, but tax dollars did not need to be used for picking sides between landlords and tenants, which did not seem fair. The City having a referral program was fine.
 - Commissioner Springall sought something more than a referral program, but he was not sure what. He wanted to look more at dealing with displacement; people had to leave town because they were being priced out of their apartments, so what could the City practically do?
- Cities do have homeless programs for people who were being evicted and provide support so they could get back into housing units and those kinds of things as well.
- Ms. Juntunen noted no dots were placed next to Grants/Loans for New Development and Preservation, which was a way to directly address displacement by acquiring or investing in existing buildings that need renovation in exchange for maintaining affordability within them. She guessed there were no dots because of concerns about funding availability, but it was an important tool that could be used to address exactly the kind of issues being raised.

- She clarified that none of the strategies were in opposition to HB2001 in anyway; but just tackled the housing question from a different angle. House Bill 2001 regarded a zoning question.
- With regard to cities not being able to afford buying land or units that need preservation and so forth, typically that was successful when cities start accumulating funds at a trickle, so that when recession happens or a lot of foreclosures; the city could pick them up cheap, not at the top market rate. The whole idea was to buy cheap, fix them up, and then maintain them for affordable housing. This was a long-range program, not something the City would do in the next five years, but a strategy for the City to consider as part of its growing pains.
- Multnomah County once had a program of acquiring properties all across the city as they became available, and in effect, land banking them and making them available as subsidized housing, but it required Multnomah County's deep pockets to pull it off. It was hard to see Wilsonville actually being able to do anything significant in that respect without some substantial reserves.
 - Ms. Juntunen replied this was one area where increasing connection with Clackamas County as it implemented Metro's bond could be very helpful. It was not on this list of tools because it was not something the City could control that was specifically about building units. It was more people oriented because it was a Clackamas County program, but \$500 million was available in the region as a result of the voters passing the bond to acquire land and to preserve units and construct new ones and it would be flowing through Clackamas County. Paying attention to that could jumpstart something that could become a longer term program for Wilsonville, especially if the City had some seed money to match funds, or if the City had land, the bond money could provide for construction of the units.
- Parking. At the 2018 New Partners for Smart Growth Conference a speaker discussed the impact of parking requirements on the cost of affordable housing and a success story about affordable housing for seniors who did not, for the most part, have cars or drive. They had enough parking for visitors, but requiring a minimum two parking space per unit standard was unnecessary; so, there were housing categories where not requiring parking could make perfect sense. Some of the discussion included just globally not requiring parking simply because something was affordable housing. More targeted solutions might be available that work very well, so the City should not shy away from talking about parking in those specific cases where these issues were not germane.
 - Ms. Juntunen said it would take some work to figure out how to frame up all of this, but her hunch was there would be a category of tools where there was mixed interest or specific questions that needed to be addressed before the City could move forward. That category of tools might need some more definition and parking could end up in that category, meaning there was something to be done about it in the near term, but they would not just bulldoze straight into adopting a plan; they would think about what it would look like.
 - The topic of parking availability can be sensitive for some and so providing discrete examples, like noting areas where it could work, would be the only way to get any agreement or consensus from the community as to something it could support.

Ms. Rybold said the project team would have the Task Force review the draft Strategic Plan document, which would be presented to the Planning Commission during a work session tentatively scheduled in December. In the intervening months, the survey results would be published on the City's website. The Commissioners were encouraged to visit the *Lets Talk, Wilsonville!* website and take the survey if they had not already done so. There was also a Stories function where people were prompted to share why they chose Wilsonville as their home.

III. INFORMATIONAL

A. Clackamas County Housing Needs Analysis

Kimberly Rybold, Senior Planner, noted a couple of references were made in the Housing Market Research Report to the countywide Housing Needs Analysis (HNA), a project undertaken by the County to look at doing the required HNA for unincorporated parts of the county. She understood there was interest in actually inviting some communities to be involved that might want more detailed work done as part of that process. So, Wilsonville had

been involved and Appendix A to the Market Research Report was a baseline HNA for Wilsonville that built on the work done back in 2014, when a larger HNA was done for the city. Appendix A really just served to provide some updated information and projections, which was that 20 year look ahead played in. For the Commission's information item, the first three chapters of the report for the countywide document were included. The final document had not yet posted on the website as it was only recently wrapped up. At the C4 meeting last week, discussion regarded how to disseminate that information on a larger level among the various communities. In December, they would discuss how they might create a presentation that could be given to City Council.

- While she was uncertain when the link would be provided on the County website, she could provide a link to the full document included in the C4 packet last week, a 500 page packet with a lot of appendices the Commissioners might find interesting.
- The first three chapters had been provided because Staff thought the Planning Commission might find some of the information interesting.
- Generally speaking, with the recent urban growth boundary (UGB) expansion efforts and thinking how Wilsonville would grow in the next 20 years or so, the analysis noted the city did have an adequate land supply to accommodate that future growth. She noted Wilsonville tended to grow larger than Metro's forecasts assumed, which had been historically documented, so the City would want to keep an eye on it when tracking new development coming into Frog Pond to see how quickly the City went through that land supply.

Chair Greenfield reiterated the importance of keeping the County's HNA distinct from the City's specific Equitable Housing Strategic Plan, otherwise they might invite alarm.

B. City Council Action Minutes (Aug. 5 & 19, 2019)

Daniel Pauly, Planning Manager, noted DRB-Panel A Chair JoAnn Linville was appointed as the new City Councillor.

C. 2019 Planning Commission Work Program

Commissioner Springall noted the Urban Forestry Plan scheduled for November and asked if the tree survey was part of the plan. The Commission had talked previously about how the survey might affect Code in the future, such as in places where the wrong tree was in the wrong place.

Daniel Pauly, Planning Manager, replied the data from the tree survey the students did about a year ago was put into the City's asset mapping software. The Urban Forestry Plan was not at a point to determine any changes to the tree ordinance; however, different programs were possible.

Amanda Guile-Hinman, Assistant City Attorney, noted the City recently contracted with Friends of Trees for a street tree program.

Mr. Pauly added that since the Urban Forestry Plan project was being led by Kerry Rappold, staff could ask him to talk about the history and status of the City's SROZ regulations as an informational item in connection with the Commission's open space discussion

- He explained another work session was scheduled next month on the Residential Code Modernization Project to discuss setbacks and lot coverage, and whether they should be regulated by zone or lot size. Following some direction from the Planning Commission, Staff would take the Code Project to the development community and other interested parties for feedback. A final work session would be held with the Commission in December to respond to any of the feedback from that outreach, ask any other questions, and tie everything up to move toward a public hearing in the beginning of 2020.

Commissioner Heberlein suggested having pictures and examples, which would be greatly appreciated when getting into details and specifics.

Commissioner Springall asked about the status of Frog Pond East and South as well the UGB application mentioned in the information about Housing Needs Analysis, but not included as part of future growth.

- Mr. Pauly replied it was approved by the Land Conservation Development Commission in July. There were still ongoing legal proceedings, but once finalized, it would be in the Work Program, but it was not an immediate project.
- He confirmed the City would then launch into master planning once it was finalized. Previously, only the Concept Plan had been adopted, and the Master Plan adoption was only for Frog Pond West. So, a full master planning process would be needed for East and South and some of the issues that got parked there would be revisited.
- He clarified that HB2001 and the master planning would likely be separate projects because of certain timeframes driven by the legislation. With the different timelines and funding, there might be some efficiencies in combining some of that work, but some might have to be separate as well.

IV. ADJOURNMENT

Chair Greenfield adjourned the regular meeting of the Wilsonville Planning Commission at 8:27 p.m.

Respectfully submitted,

By Paula Pinyerd of ABC Transcription Services, Inc. for
Tami Bergeron, Administrative Assistant-Planning