



# PLANNING COMMISSION

## WEDNESDAY, MARCH 11, 2020

### **I. ADMINISTRATIVE MATTERS**

A. Consideration of the February 12, 2020 PC Minutes

**PLANNING COMMISSION  
WEDNESDAY, FEBRUARY 12, 2020  
6:00 P.M.**

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

*DRAFT MINUTES TO BE  
REVIEWED AND APPROVED  
AT THE MARCH 11, 2020 PC  
MEETING*

**Minutes**

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**I. CALL TO ORDER - ROLL CALL**

Chair Kamran Mesbah called the meeting to order at 6:00 p.m. Those present:

Planning Commission: Kamran Mesbah, Ron Heberlein, Jerry Greenfield, Phyllis Millan, Aaron Woods, and Jennifer Willard. Simon Springall arrived during Work Session II.A.

City Staff: Miranda Bateschell, Amanda Guile-Hinman, Daniel Pauly, Kimberly Rybold, and Georgia McAlister

**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.

Richard Truitt, representing North Willamette Valley Affiliate for Habitat for Humanity, stated he had been a resident of Wilsonville for 19 years and he thanked the Commission, Task Force, City Council and City Staff for their efforts on the Strategic Plan for Equitable Housing. He had reviewed the draft and had noted some very interesting and exciting prospects. He wanted to comment about how Habitat for Humanity could perhaps contribute to that effort.

- Habitat for Humanity had two programs that might play a minor role in the overall City strategy for equitable housing. Habitat offered assistance to primarily first-time homeowners, by providing a hand up through an opportunity to have a low cost mortgage for affordable housing. Prospective owners must put in 500 hours of sweat equity and then take on a long-term mortgage to cover the cost of the house. It was a great opportunity for people to get into homes who might not otherwise qualify for homeownership. Habitat for Humanity also had a program for home preservation that enabled people, typically seniors who own their own home but were facing major repairs or other challenges, and help them stay in their home.
- Habitat for Humanity had successfully partnered with other municipalities and developers to identify lots, which in some cases did not fit all the requirements for the developer. Habitat was able to build a home on such lots and make them a useable space.
- He encouraged the City to consider the other measures mentioned in the draft plan, such as waiving system development charges (SDCs), tax abatement, and other ways to try to help assure that at least a small stock of affordable housing. Those costs, of course, add to the cost for any family that would participate in the Habitat for Humanity program and would certainly be a cost they would face in other programs as well.
- The Habitat affiliate was in the process of updating its strategic plan and in greatly increasing the number of homes they were providing. Habitat was on its way to securing control for lots in two different municipalities for up to 18 new homes, and its goal to do the necessary measures to be able to build those homes in those communities. Habitat hoped to be able to play at least a minor role in the overall approach

to affordable and equitable housing in Wilsonville. He thanked the Commission for the opportunity and said he was happy to answer any questions about Habitat programs.

Commissioner Millan asked Mr. Truitt if finding lots that were essentially not desirable for one reason or another, such as not meeting setback requirements, had been a more successful strategy in terms of finding locations to build than where SDC's had been waived or lessened.

- Mr. Truitt said building on undesirable lots had been successful, noting Habitat had worked with some developers when a small plot of land was left after their developments were penciled out. In some cases, developers provided that land to Habitat at a very minimal cost or had actually donated the land. Habitat worked with cities to make sure a lot conformed to all of the city's requirements.
- He would not say building on undesirable lots was more successful than waiving or reducing SDCs. He believed each of those measures had a potential for success. Not every development had a piece of land that might lend itself to that. The overall strategy of reducing or eliminating SDCs and reducing taxes through abatement programs would apply generally to any affordable house that Habitat was involved with.

## **ADMINISTRATIVE MATTERS**

### **A. Consideration of the January 8, 2020 Planning Commission minutes**

Chair Mesbah noted there were missing words in the second bullet of Vice Chair Heberlein's comments on Page 4 of 10.

Vice Chair Heberlein clarified he had been looking for the total square footage of the commercial development in the Wilsonville Road Business Park to understand the threshold percentage and why the Jewart's expansion would be an issue.

- He agreed to the following correction to the second sentence in the second bullet of his comments on Page 4 as follows, "...it would be helpful to know the total square footage of **all** the **Commercial** in the Wilsonville Road Business Park,"

**Commissioner Greenfield moved to approve the January 8, 2020 minutes as corrected. Commissioner Millan seconded the motion, which passed unanimously.**

## **II. WORK SESSION**

### **A. Equitable Housing Strategic Plan (Rybold)**

Miranda Bateschell, Planning Director, stated Staff had spent a good part of 2019 working with a team of consultants on the Equitable Housing Strategic Plan, and conducted additional outreach in the later part of 2019 to supplement what was heard during the first survey. The latest Task Force meeting centered around the draft strategies and some potential measures that would enable the City to measure the success of implementing the different actions in the Strategic Plan. Tonight's presentation would update the Planning Commission on the details of that work, the input received by the consultant team, and what had been drafted in the Plan. Staff was seeking the Commission's feedback which would be presented to City Council in March.

Kim Rybold, Senior Planner, presented the Wilsonville Equitable Housing Strategic Plan via PowerPoint, reviewing the project's background and development process, and updating on the additional public outreach done in the Fall of 2019. Staff sought the Commission's feedback on the overall Plan, and particularly on the performance measures and indicators, as well as the new ideas and actions identified after feedback from the Commission in September, the additional input received, and through work with the Task Force.

Lorelei Juntunen, ECONorthwest, highlighted the Review Draft of the Wilsonville Equitable Housing Strategic Plan (Attachment 1), reviewing the Plan's purpose and structure, some additions and refinements made in the Draft Plan since the October worksession with City Council, noting the callouts throughout the document

identified the need for additional discussion. Key highlights included two modifications to the Policy Objectives in the Draft Plan (Slide 10) and the short- and long-term implementation actions. (Staff report, Page 18 of 63) She reviewed the short-term, high priority implementation actions that would occur in the next couple years, enabling the City to take action more immediately to address the critical need in the community. (Pages 20-29 of 63)

Ms. Rybold concluded the presentation by highlighting the recent feedback from the Task Force and reviewing Next Steps. (Slide 12)

Commissioner Greenfield commented that people tend to equate the concept of equitable with affordable and he believed that association was only partly true. He was reminded of the mantra of the civil rights movement back in the 1960's, when there was talk of separate but equal, and it was pretty well considered that separate was not equal. While not totally absent, he did not see enough about the notion of the distribution of housing types and affordability. A very current and important study by Dr. Raj Chetty on the effect of housing neighborhoods, in the sense of neighbors and the proximity of neighbors, in the early of development of children. To improve the well-being and performance of children, particularly school performance but later on in life as well, who they grow up with had a tremendous effect on the course of their development and later performance. The concentration of similar demographics did not permit the kind of vertical, as well as lateral, contacts important for a child's development and success later in life. He liked the notion of social equity and inclusion, but he did not want to lose the inclusion part when talking about social equity. In an established community with an established housing stock, it was very problematic to distribute different income levels and different types of construction to achieve this kind of inclusion, which was important.

- In the 1960's, Multnomah County had a strategy of buying up available properties throughout the city, preparing and renovating them as necessary for family subsidies. As a family case worker during that time, his case load included families in ordinary blocks who were living in the same kind of houses as their neighbors who were not on public assistance. It seemed to him then, and even more so now with his better understanding of the dynamics, that this was ideal. This was the exact opposite of what he was thrust into when he moved to the east coast and was faced with a different kind of social problem of housing projects, which were the exact opposite of what Chetty was discussing. While he did not think Wilsonville was in danger of having housing projects like that, the City needed to be conscious of the need to distribute the subsidies, or however the City provided for diversity in its housing, to the extent possible in an established town with an existing housing stock. He did not think this consciousness issue was really reflected in the report, but it should still be considered.

Chair Mesbah noted student performance was only one issue under the broader umbrella of social or urban resilience, which required inclusion. He was happy that inclusion had been included in the Strategic Plan, adding that most people did not think about the need for resilience, which was the ability to adapt when change happened. Having a mixture of younger people in an aging population provided resilience, because a younger neighbor could help do things an older neighbor could not. The same applied to various income levels and various cultural backgrounds, all of which provide the ability to solve problems in a variety of ways when change occurs and our go-to solutions did not work anymore; all it took was for somebody to share how something worked in their village, for example.

- This issue of resilience was being brought up in a lot of the literature, especially recently because everyone was dealing with all kinds of sped up changes that populations would have to deal with, and student performance was just one. A student in an upper class upbringing was being brought up with expectations that a student in a distressed family might not have. And just being in the same class created a sharing of vision that has been proven to create different outcomes, different ways of solving problems for the underprivileged children. The same thing applied in all manner of different things in the strata the Commission was dealing with.
- He was looking for some statement about urban resilience in the benefits of having an equitable housing plan, and the ability of Wilsonville to weather crises, sudden changes, and unpredictability better because it had a better housing mix. In dealing with both the short-term and longer term, lofty

goals, it was important to make sure the City did not paint itself into a corner and have to solve problems about becoming more inclusive later on because pockets of exclusiveness had been created.

Commissioner Woods:

- Asked what would encourage people of color to move into Wilsonville, because he did not see anything in the report about anticipating jobs that people of color could fulfill, not so much in the professional level, but otherwise. As a 24-year resident, he had hardly seen any growth, so he wondered what would bring individuals of color to Wilsonville.
  - Ms. Juntunen replied she would have to think about that a bit more. Her first thought was that the lens being brought to all of this regarded housing and making sure that housing available was affordable for a wide range of needs. Commissioner Woods' question might be more about city culture and the services that were provided; things that go beyond the housing, which was the focus of the report, but the project team could consider the matter further.
- Noted the report stated the affordability of individuals for housing was around \$200,000 and yet, housing in Wilsonville was around \$400,000 plus. It was important to be thoughtful about that balance in planning for the growth of these particular groups because it centered on housing. If people did not have a job, and it was not affordable for them to have a home here, what would draw them to want to be in Wilsonville?
  - Ms. Juntunen replied in that situation, it would be access to subsidized affordable housing.
- Believed that arena needed further exploration. He would love to see a bit more on that.

Commissioner Millan noted that Implementation Action 1A caused a visceral negative reaction because the project regarded equitable housing and inclusion, and yet the primary 1A action was locating housing in the middle of an industrial area, not in a residential area. While the financial advantages of doing so were understandable, the City would create affordable housing located not where other people lived. This sent an extremely prejudicial kind of message. Some ways around that might be affordable single houses or something, but if it was a large apartment complex or something like that, she had some real concerns. And, since it was the first, high-priority Implementation Action, it sent up red flags for her.

- Ms. Juntunen responded how that struck her was really good feedback. She explained that the project team imagined it as being mixed income housing that would be exactly the kind of inclusive communities being described, and if that was not coming through, the language would be revisited to make sure that was there.

Chair Mesbah said the mixed income housing concept had come through to him.

Discussion and feedback from the Planning Commission was as follows with input on Implementation Actions 1A and 1C as well as the Performance Measures and responses to Commissioner questions as noted:

- The only trends provided for the Wilsonville population regarded the Latinx population. Was there any data about age or income trends in the last 20 years? Was Wilsonville's population getting younger or older, wealthier or poorer? The information included in the appendix on the market assessment was for the county.
  - Ms. Bateschell noted Wilsonville had a fairly large portion of senior population that was aging in Wilsonville and was expected to stay. The city also had a large growth of millennials and that was expected to continue. She confirmed the average age was decreasing.
  - Ms. Juntunen remarked that was consistent with national demographics. Wilsonville's population was generally younger than its surrounding cities.
  - Income was as variable as housing cost; maybe because Wilsonville was not as affordable, and income was increasing because that was who could afford to live here. Was there any data to show whether incomes over the past 20 years were increasing or staying the same?
    - Ms. Bateschell said according to work on the annual Housing Report, the average income in Wilsonville was increasing and tended to be slightly higher than the county average area median

- income. However, there had also been a significant increase in housing costs. While the median income for Wilsonville had gone up over the last 10 to 20 years, it was difficult to say whether households were actually increasing in wealth or proportionately with housing.
- Ms. Juntunen added cost burdening was a significant issue in Wilsonville. Nearly all of the people below 80 percent of the median family income were cost burdened or severely cost burdened as a result of housing. They were spending more than 30 or 50 percent of their income on housing.
  - Data over the last 10 to 15 years could show whether the city was gentrifying, however, employment data might also be a variable. More upper level software jobs in the city, for example, would be a reason for the increased income. Employment data was difficult to pin down because people living outside the city came to work in Wilsonville, and some city residents work outside Wilsonville. Knowing about some of these trends would indicate whether or not displacement had already been a problem because people were moving towards higher incomes and able to pay; therefore, the market was going in that direction. It would indicate what the City was fighting against in creating this wide range of available housing.
  - Ms. Juntunen understood that more information about demographic trends and projections should be brought forward; that maybe the summary was a little too light and did not tell enough of the story about the kind of need the City was facing.
  - The issue that would come up from citizens during the public hearing and other things was that Wilsonville already had the type of housing the City was trying to create and that more single and million dollar houses would be built. The City needed evidence and data showing the demand and the existing supply; that million dollar houses were inadequate supply. In the Madison area, the data showed there was plenty of different single-family housing choices available, but no middle housing available for the market or the demand. Was there any evidence for the residents who were rightly asking if this was a real problem or just the City being overactive about something that would take care of itself?
    - Ms. Rybold said the market report was more snapshot-in-time data of the different income tiers as well as where there were deficiencies in housing cost and the ranges of housing types where there was a surplus and a deficit; however, the market report did not account for a time shift. The project team could see what information could be pulled together regarding trends over time and whether the trends were changing or not.
    - Ms. Juntunen added the trends were driven by regional market changes that all pointed toward increasing challenges with housing affordability, housing availability, and access to housing that was well-located. She believed more could be done to tell that story and having a bullet point summary of some of that analyses pulled forward into the body of the report would be helpful.
  - Understandably, when dealing with a small piece of the larger metro area, it was more difficult to come up with city specific data.
  - On Page 51 of 63 in Appendix D of the Equitable Housing Strategic Plan, below the Multiple Unit Tax Exemption, the last three lines of the first paragraph were replicated in the next paragraph.

#### Implementation Action 1A: Explore Implementation of Transit-Oriented Development (TOD) at City-owned Wilsonville Transit Center Property

- Was the City losing the nonprofit benefits that would come from maximizing the number of units the City could build on its own, as opposed to partnering with a for profit developer where some of that money would become profit. It was a mix of whether it was exclusive or inclusive. It also depended on what else was in the Strategic Plan. A TOD was a good step into the city. For those who did not have a job here and were commuting from wherever, they could jump on the rail or bus and get to work without needing a car. And then, depending on what other steps of housing were available in the community, in a few years they could go there. The TOD could be a door to the community.
- The TOD site needed some consideration. The site was actually very small, so the number of units would probably be small and yet the City was creating a big message about it. The adjacent sites were currently

industrial, which was problematic, but the location was right between Villebois and Town Center. Villebois was obviously residential, and Town Center was being redeveloped for multi-use. Perhaps there was an opportunity to extend the Town Center thinking to the area and develop the entire stretch of Barber St between the new bridge, Town Center, and the connection to Kinsman and the Barber Bridge over to Villebois. That area seemed ripe for a different approach from what existed; it should not be just purely industrial. Maybe they could start with this TOD with perhaps something bigger in mind that connected to Town Center. Perhaps the Planning Commission should suggest that Staff consider rethinking the approach to that area, and the narrow band of Barber St itself might be enough.

- Ms. Juntunen noted the questions from the Commissioners were the exactly the kind of questions that would need to be answered in order to move forward with this action. The immediate next steps in the development opportunity study would be used to understand the size of the site, how many units it could meaningfully accommodate, what its connections to the surrounding area were that would need to be exploited, what the right mix of affordable to market rate unit types would need to be, and how to position the property to attract a private developer or whether the City would work with a nonprofit. Those questions were not resolved yet and were outlined in the action as a set of next steps that would need to be taken within the outlined timeframe to advance toward developing the site as a TOD site.
- Ms. Bateschell said she did not have an answer quite yet as to the timeline for the development opportunity study. The implementation actions outlined in the Plan could be considered in the next couple years and would be items that would go to City Council once the Council adopted the Strategic Plan. Staff's work program was set by City Council, and one of Council's goals was the Equitable Housing Strategic Plan, which would be adopted this year. The next time Council sets goals, it was quite possible that Council could identify implementation items within the Plan for Staff to flesh out, assess, and implement. It could be all of the high-priority action items or a portion of them and as mentioned, a number require extra exploration in order to know the policy to adopt, the program to adopt, or the development action to take on the site. Timelines would be associated with that work as well. Staff also had a number of other items on the work program, so it was a balancing act that occurred through the direction Staff received from Council on or after adoption of the Strategic Plan.
- The Equitable Housing Strategic Plan pertained to the entire city, not just the TOD, and touched on a number of projects which were quite active, even within the two-year frame. Frog Pond would most certainly have some infill going on, but the big thing in terms of the variety of projects that would occur was development in Town Center, which would be amenable to mixed use, vertical solutions, and so forth. The Strategic Plan should be an overarching concept that informs all of the residential planning in Wilsonville.
  - Ms. Bateschell confirmed the TOD was just one of the action items identified in the Strategic Plan. A number of other projects were citywide or were aimed at other areas of the city.
- Having a satellite residential or mixed residential development, like the TOD, and then opening that corridor between two other very active potentially residential areas would create a corridor of more intensive, redesigned development in that area. Part of the analysis would be to figure out what to do with that parcel because opportunity for that whole corridor would be wasted if the City just focused on that island and missed everything else.
  - With a satellite development, like the TOD, and a financial kind of impetus in an area, surrounding properties start feeling like they want to do something as well. If the properties were more commercial or industrial, they would become more intensively commercial and industrial, and not necessarily residential unless the City thought ahead of time and designed for it, and lead that opportunity.
  - TOD was a great concept and the site was a great start, but that concept could be extended to create a node along that entire little corridor, connecting it to Town Center and to Villebois.
- Ms. Juntunen confirmed exploring the possibility of that concept would be reflected in the description of the next steps.

- The TOD would be an island and if something more radical was done to make it part of a larger plan that was great. Was there a better piece of city-owned property better suited for development that was still transit-oriented being on a current line, but was more in line with having opportunities, services, and amenities. The transit center site had transit, but was a half-mile from the closest park and three-quarters of a mile from the closest grocery store. It did not have access to everything else that would be considered a community.
  - Ms. Rybold noted one longer-term action looked at taking stock of city-owned properties and considering if any opportunities for housing might exist on city-owned land or maybe at some point to develop a strategy to acquire land to facilitate the development of housing in the future. The concept was reflected in the Plan and fell in that longer-term category because currently nothing was available to immediately get the ball rolling on in the next couple of years.
    - For example, the City owned a lot of land in the general City Hall complex area, but there were existing leases and plans for other City agencies to ultimately relocate. Staff had accounted for the land in the Plan to keep it on the radar, especially in light of the Town Center Plan and the opportunities that would come about with that. It was kind of a distinct and separate idea from the one raised on the TOD site.
  - The concern was that by focusing the City's efforts on the TOD, a larger opportunity would be missed to make a more impactful development with more of the qualities expected from a development in Wilsonville.
    - Ms. Rybold suggested that longer-term action be highlight a bit more, noting that opportunities to future and current services that might exist.
- Ms. Rybold confirmed the new Vertical Housing Development Zone (VHDZ) was being proposed as a potential tool, but not defined within the adoption of the Plan. Certain areas in the city could be identified where vertical housing might be a good funding mechanism to encourage that type of mixed-use development.
  - The new zone was especially applicable to Town Center.
  - She suspected that projects in the vertical housing development zone could not qualify until the project was under construction because the developer had to get certainty regarding the tax abatement. Staff could look into that a bit more to figure out the specificity of it. [Appendix D]
  - Ms. Juntunen believed it might refer to the establishment of the VHDZ, and not to the project under construction creating uncertainty for developers. She believed there was something wrong with that bullet, which the team would review and figure out.

#### Implementation Action 1C: Define Equitable Housing Approaches in New Urban Growth Areas

- Implementation Action 1C included, "Add sidebar information on Villebois' history." Villebois was initially conceived as having many different, evenly distributed housing types, including affordable housing, but that somehow fell apart during the implementation. Although Villebois had different kinds of housing, they were all about the same price and on the higher end. The vision had a lot more diversity in terms of the type and pricing of homes, but that was not the result. The project team needed to determine what went wrong in order to put some things in place to keep that from happening with new development.
  - How do you build a little more solidity into a master plan to keep that idea in place and not have it lost based on the market? It seemed the Villebois developers took advantage of the market. In the past, it did not matter what they were charging in Wilsonville, people came because it was a desirable community.
    - Mr. Pauly clarified that eleven of the thirteen housing types were actually built in Villebois. The two that were not had to do with redoing the old Dammasch building and building condos, which ended up not being feasible, and the buildings had to be taken down.
  - The issue had to do with something more than the market pushing the costs up there versus the variety. Should a row house cost the same as a single-family house? And yet, they do. There was something to learn there that might be useful when the City looked at future master plans to solidify the housing mix



a bit more and ensure that it happened. That might occur with partnerships with nonprofits or maybe some other things, but there needed to be some firmer guidelines in the master planning.

- Ms. Rybold stated that was helpful and actually captured one of the questions the team had about how to look at, not only planning for the mix, but really focusing on unit type and configuration, so that was a really good suggestion.
- When selecting options, including the cost variables that set the price for a unit, such as the land, density and type of construction, would be helpful. A couple of the options noted land as a significant cost for housing, which led to the consideration of land banks and so forth. However, there was no statement discussing the cost proportionalities. Was land half of the cost variable or only a quarter?
  - These three variables interacted with one another and how many could the City control? Owning the land would give the City control, but if \$200/ sq. ft. worth of improvements was put into an affordable unit built at \$200/sq. ft., it would not be affordable for the next buyer. How could the City control that?
  - Having a picture or something of the interaction between these variables would be helpful for public outreach, and so that the control strategies could be tied to those variables. For example, explaining that a control for land value would be important at a certain level, and why controls for ownership and maintaining affordability for a certain number of years or perpetuity were important. Including educational outreach was also important to provide clarity for those trying to wrap their head around the Plan.
- Town Center and Frog Pond East involved different factors as Frog Pond East was on former farmland and Town Center was on currently developed and occupied income-producing land.

Performance Measures. [Page 39 of 63 of the Staff report; Task Force summary on Page 60 of 63 (Attachment 2)]

- Ms. Juntunen noted the list of approximately thirteen performance measures was probably more than the City would want to track, so knowing which were not useful would also be helpful. The Task Force had a robust conversation about potential suggestions for additional measures, which were included in the packet as well.
  - Overall, the measures should indicate whether the policy objectives were being achieved. The measures should be tracked with relative simplicity and with the data available, partially to measure success, but also to ensure things were headed in the right direction and to identify where more action would be needed in the later phases of implementation.
- With seven policy objectives, there should be a minimum of seven performance measures, one for each policy objective, and some objectives might require more. Having a direct correlation between the policy objective and performance measure would be nice.
  - The policy objectives were great, but discrete goals were needed in terms of what was meant by greater diversity of housing types, for example. If a performance measure looked at number, location, and types of homes produced, what was good or bad? What did the City want to see, 5 or 5,000 new homes produced? How would they know what success was without a number to bound it?
- The City would have to spend money in some way, shape, or form, whether by tax abatements, SDCs, etc., so how much did the City want to spend? What was the goal and was that being tracked as a performance measure. If the City expected to spend \$50,000 a unit and end up spending \$100,000, that was something to pay attention to so it could be corrected sooner rather than later.
- Indicators and metrics provided opportunities to learn. It was an iterative goal setting and some cost effectiveness needed to be associated with the Plan. If the City was spending \$100,000 instead of \$50,000, was the City getting twice as much for it? What was the cost benefit? Maybe the \$100,000 provided three times more, so it was worthwhile. But, in order to correct or adjust it, they needed to be in a learning mode, so the metrics for these indicators needed to tell how well the City was doing.
  - The City had been inching toward having a trends analysis capability in Wilsonville's annual housing report, which was already tracking many of these things that could then produce metrics related to the specific goals of the Strategic Plan. But, it needed to be actively tracked and reevaluated on an

annual basis, and the goals reaffirmed or adjusted and then affirmed, so that in ten years, the City realized it was all wishful thinking and it did not happen after spending a lot of effort doing it.

- Associating indicators and metrics with the policy objectives was a great idea. The Task Force had a lot of great ideas about the performance measures, and some Task Force suggestions were quite reasonable and helpful, but some might be very specific and less applicable, generally.
  - Metrics tend to generate a lot of nitty-gritty, but the experts could reduce a list of ten into one metric that addressed them all and also tied to one of the options.
    - Ms. Juntunen replied those were always ratios and not just one metric. There were many metrics or indices.
- Having objectives and then a metric for measuring how well they have met them was important. The metrics they be easily updatable and paid attention to on an annual basis.
- Ideally the goals or metrics should have some teeth to them because very well-intended policies have loopholes where they did not get met. Having 'enforceable metrics' was suggested.
- Nothing in the Plan discussed one of the key findings from the public outreach regarding concerns about HOA fees and property taxes pushing housing outside of affordability. Although it was difficult to come up with a metric around, the City ought to at least acknowledge it was aware of it, if there was not an implementation measure.
- With regard to the new State housing bill, was the City within a good timeframe to be able to implement its own housing strategy as opposed to what the State might dictate?
  - Ms. Bateschell noted the next agenda item would go into great detail about that question.

Ms. Rybold invited the Commissioners to email any comments about the additional questions in the PowerPoint handout to Staff directly. (Slides 14-17) The project team would get more input from City Council in March. Even though the Planning Commission sometimes went a bit off script, all the ideas and comments the Commissioners shared were really valuable and important and would be worked into the final version of the Strategic Plan.

- The specific action questions were posed to try to generate more ideas for any key steps. Mr. Pauly would have a lot of opportunities to talk about financial and other incentives for missing middle housing as he got into that project. (Implementation Action 1B) The Commission had touched on new urban growth areas (1C) and Staff would hone in on some of that language a bit more. Those areas would be a factor in Frog Pond, and the City wanted to be very thoughtful about such things so that a different outcome might be achieved than that experienced in Villebois. The accessibility and visibility standards (2G) stemmed from the aging-in-place component. There were a number of varying degrees of standards that could be applied, required, and/or recommended. And so they have heard that this is important, we just need to bolster for the final plan, some of the questions staff thinks they want to ask.

Ms. Juntunen noted Implementation Action 2G fell in the 'to explore' category, not the two-year timeframe, but the team still wanted to address questions that need to be asked and answered. They were happy to take the Commissioners' comments by email or whatever.

Chair Mesbah noted accessibility and visibility standards were also a long topic of discussion with regard to the Town Center redevelopment. As people get older, they did not want to be in single-family housing, but rather in some condo downtown that was within walking distance of all kinds of amenities. The Town Center Plan and this Strategic Plan project would tie together. But, if people insisted on being able to maintain a single-family home as they got older that was a different question.

- Ms. Rybold believed there was place for both. There were certainly people who wanted to stay in their home and there are things they could do and ways to design a single-family home to make moving not have to be a consideration. Access standards were potentially really important when thinking about new areas and the new standards being created. The actions did overlap in a way, but just as with a multi-family building, even if it was a one-level living situation, the City would still want to have features that make it easy for someone to get around, which was really what 2G addressed.

Commissioner Greenfield suggested adding 'well distributed in the community' to the equitable housing definition on Slide 3.

- Ms. Juntunen responded, the notion of inclusion. She confirmed 'high quality' meant good design as well.

Commissioner Heberlein asked if there had been enough discussion around the Plan before it went to Council, or should the Commissioners revisit and answer the rest of these questions, and respond via email.

- Ms. Rybold responded the project team would ask similar questions of Council. The big goal for Council would be to focus on the performance measures and objectives. Staff would be able to summarize what they had heard and include that information in the draft plan provided to Council on March 2nd. She believed the team had what they needed, but Staff was happy to hear any comments from the Commissioners over the next couple weeks as they moved forward with finalizing the draft.
- Ms. Juntunen noted the questions posed in the PowerPoint were the ones the project team considered might show up for the Planning Commission in the future should Council adopt the Strategic Plan. The project team wanted to make sure that the pieces most likely to have nexus with the Commission's work plan and decision making process made sense. If there was anything in the Plan that the Commissioners would not like to see a year from now, that was the kind of stuff the team wanted to hear about.

Ms. Rybold noted the questions and next steps being posed were not set in stone. As with any project going forward, particularly those related to construction, building, or planning, there would be more in depth conversations and more opportunities for the Commission to ask questions. Staff just needed enough of a framework in the Plan to know the key considerations and questions to guide them moving forward. There would always be more questions because things change constantly and the situation two years from now could be different than what they were dealing with now. There were always going to be more questions or thoughts to consider. The Commission always had the opportunity to completely change its mind at the public hearing, including any changes or even wording modifications, as a part of its final recommendation. Staff would be able to incorporate those into the final document.

Chair Mesbah commended the work by the project team, noting the Strategic Plan was developing very nicely.

#### B. Wilsonville Housing Variety Implementation Plan Kickoff (Pauly)

Miranda Bateschell, Planning Director, summarized the background on House Bills 2001 and 2003 that were passed last year in the State legislature to address some statewide housing needs, which some might call a housing emergency. While some communities had two distinct zoning types, Wilsonville had a lot of neighborhoods with detached, single-family alongside a lot of middle housing types, so that had not been an issue with much of the City's zoning. However, that was not necessarily the case statewide. HB 2001 looked at how to increase the variety of middle housing or housing types in neighborhoods traditionally zoned single-family. With the passage of HB 2001, every jurisdiction in the state had to review their zoning code and identify any limitations and how their zoning and development codes needed to change in order to encompass the middle housing types the State legislature wanted cities to allow.

- The City was very supportive of the overall goal of the bills and was involved in the process of forming those bills, helping to formulate and modify the language for a best case outcome. The State had guided the City to either adopt something by June of 2022, or use the State's model code.
- Staff had spent the last four months reviewing the bills as well as the City's Code to determine how best to approach this project handed to them by the state. Staff was working to fulfill Council goals and on other projects the City had been pursuing over the last few years. Staff wanted to build on the great work done with the Equitable Housing Strategic Plan and Town Center Plan, as well as the work done throughout the city over the years to try to create a diversity of housing types and take that information into this project. The City's MO was to do more than what was needed to simply check the box, to really think about and figure out what made the most sense for the community and to follow best practices moving forward.

- Staff would discuss how the City would bridge this work with the work being wrapped up now on housing, as well as the future planning work in Frog Pond East and South, and how this project would connect the two. Tonight, Staff would provide some context to inform the Commission about Staff's thought processes around this project and to outline the general approach and timing of how Staff expected the project to roll out. Part of this project would be dependent on funding, as the project was not in the work program. There were funding resources with the State, and the grant application was currently open, so Staff was looking to the State and other sources to try to find funding for some of this project.
- Tonight's presentation would update the Planning Commission on the project and Staff also sought the Commission's input on the approach, especially given all the multiple pieces moving in the city related to this issue, and to add anything that might be missing from Staff's approach, especially if the City was able to get funding to do the work.

Daniel Pauly, Planning Manager, presented the Middle Housing Project Scope (HB 2001) via PowerPoint, reviewing the background and requirements of the project, options for compliance, the audit and recommendation processes, interrelated project timelines and deadlines, as well as possible funding sources. He highlighted Staff's discussion regarding the project so far, noting Staff recommended the City use a locally tailored Code for compliance with HB 2001.

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

- Mr. Pauly explained DLCD staff would be comb through the City's documents and determine if the City was in compliance. Staff anticipated the State would be reviewing any proposed changes to ensure they were in compliance.
  - He clarified the City would conduct the audit internally, looking through the lens of the State requirements, as well as other things, such as components of the Equitable Housing Strategic Plan could be incorporated into the audit process. The City would hire a consultant, similar to what was done for having commercial recreation in the industrial zone, to identify the issues in the Code that the City needed to address.
- Mr. Pauly confirmed Staff had considered different phasing and different alternatives on what to prioritize based on funding, and was ready to have those conversations in case of a funding shortfall.
- Ms. Bateschell clarified that the first critical step for the City was the Code audit, which would provide a good understanding of any changes that had to be made. And then, the goal was to make modifications in order to come into compliance.
  - Staff hoped to receive funding to get that piece done at minimum or be able to do with Staff funding or other funding through the budget process. If the funding fell short and the City did not have an alternative in place by June of 2022, then the State's model code would come into place.
  - The other pieces of the work program were additional components Staff believed were necessary in order to really make this up to best practices and get the City where it want to go; not just to adopt language that allowed, but that actually promoted that diversity of housing types with architectural design standards that were also affordable to make sure the City was trying to remove barriers as much as possible. Those were the additional pieces Staff hoped to receive additional funding for in order to go that extra step. That was the breakdown of what Staff saw as the order of magnitude if the City did not receive all the funding.
- Commissioner Greenfield applauded Ms. Bateschell for her comments and asked for clarification that the project referred to future development and redevelopment and would have no impact on existing stock.
  - Mr. Pauly clarified the project could have an impact on the existing housing stock as it would apply everywhere in the city. Granted, a majority of the city, the Planned Development Residential Zones, already allowed a variety and were tied by previous land use approvals and many by private covenants that would limit the impact of any Code changes. Similar to how the Code changes on the residential modernization project, technically, it would apply to all those zones but it would not have an impact because of the existing land use approvals, etc.

- Ms. Bateschell noted there was a component of HB 2001 that the State would be working on Building Code related to conversions, but that was still in progress.
- Mr. Pauly explained that basically, anything beyond two units got into commercial building code and how to address that barrier if someone had a 3,000 sq. ft. house and wanted to turn it into a triplex and not be pushed into a much more complicated, expensive building code. These were big questions that need to be answered in that realm and the State's Building Code Division had been directed to work on it.
- The goals of HB 2001 relating to middle housing were around middle price point, as well as size, shape, and function, but was additional language needed in the description about the emphasis on price point. As noted, one could have a duplex with high end finishes that completely changed the price point.
  - Mr. Pauly understood the State law did not particularly address price point, but made some assumptions that unit type and size would, to some level, drive price point.
  - Adding language regarding price point might be a priority if it was a goal for the City and for best practices.
- The goal of the State in all of this was really not that different from where the City viewed itself at this point. Wilsonville did not seem that far out of alignment.
  - Mr. Pauly acknowledged the City was already doing a lot on housing, especially with regard to HB 2003, the Housing Needs Analyses and Housing Production Strategies. As far as HB 2001, the City already allowed a variety of housing, as well as in Villebois. The audit would likely show some areas that need to be affected. For example, a lot of Frog Pond West was identified for single-family, and if every lot in the City that allowed single-family needed to allow a duplex, that would be one example that would need to be addressed.
- As far as how Wilsonville was doing compared to its neighbor cities, it depended on neighbor city. Some cities did not have done much, while other cities, like Beaverton and Tigard, were well along on this path. In January, Tigard adopted new development code that addressed a lot of the requirements in terms of different housing types, and Beaverton also had an active project on this matter.
- In Attachment 1, the third paragraph of Section A. Draft Project Goals and Objectives, stated, "A major component of the recommended project is to modify the 2017 Frog Pond West Master Plan to comply with House Bill 2001..." The report noted 197 of 500 planned lots. Was that current state? Had almost half of the development already been permitted?
  - Mr. Pauly confirmed that was correct, and agreed the City's ability to influence Frog Pond West, or revise it, was quickly disappearing. He added if something ended up being advantageous to a developer, there was nothing saying they could not come back and revise their plan. Whatever applications come in for land use approval prior to the effective date of these ordinances, prior to March to April of 2022, would be under the current standards.
- Mr. Pauly clarified that before getting input from developers about the City's potential changes or the impact to Frog Pond West and potential build options, the audit was needed first to really understand the scale of what was involved. Part of the Phase 2 outreach would perhaps be to the neighbors and developers currently involved or those who were involved in that master planning process. No developers had approached the City about the bill's changes.
- Mr. Pauly confirmed the Commission should anticipate revisiting topics like setbacks and parking. He believed siting and design standards would absolutely look at those sorts of issues, particularly parking, and how parking could be designed to be compatible to a lot with multiple units and work without being overly onerous. He agreed it would involve a robust community conversation
- This project essentially dealt with density or the perception of density, which was perhaps why price point was not included. Was Staff leaving that open?
  - Ms. Bateschell said it was not a requirement by the State legislation, but Staff understood the action item coming out of the Equitable Housing Strategic Plan would be to look at it with that lens going into this work. So if when looking at design standards, Staff was not looking at things that would add a lot of cost to the middle housing types, and that they were aware of the implications of those decisions. While the City did not control the market, Staff would hopefully be mindful so these housing types

would have more affordable price points based on the City's requirements. However, the City did not control the market

Chair Mesbah said he was seeing these as distinct elements of a whole. They were dealing with them separately because they had to, because of the number of planners the City had, and the time, money and this, that, and the other thing. Otherwise, the Commission would be looking at the whole thing holistically. The issue of the development of a fast growing urban area, in all of its aspects was hard to deal with, so it ended up being segmented. He did not want to have arbitrary lines between these things when they were supposed to be integrated. The Equitable Housing Strategic Plan basically said any decision made on housing would have a lens of equity, not just what the City was requiring, because planning decisions go beyond what the City required as an element of zoning or whatever.

Ms. Bateschell asked if the Commission had ideas about how to integrate the Strategic Plan into the work program. Obviously, there was the State component the City had to address, but Staff would like to go beyond that and get the resources to do that, which could involve getting additional funding and pause other priorities in order to make it happen. Staff was trying all of those things.

- If the Commission had ideas on how to approach this in a way that addressed affordability or equity and inclusion to a greater extent than it would otherwise, those were things Staff wanted to hear. Staff would like to integrate that into the work program, if possible because the City was on the record, testifying in front of the State that Wilsonville believed in this. Producing middle housing types did not necessarily result in affordable housing, or even housing at more affordable price points, as seen all over Portland. The overall goal, however, was good. The more supply and the more supply of diversity would result in more availability across the board, eventually. And, people living in a more affordable house, who could afford to be in a townhome, even if it was on the expensive side, could do that, which would open up that more affordable house to somebody that really needed that price point. It was all interrelated, but there was also a way of doing middle housing that was more affordable, and that was what the City wanted to do. This was the time to be creative and think about how to integrate what they were learning through the Equitable Housing Strategic Plan into this work program as much as possible. Staff wanted this dialogue with the Planning Commission to continue.

Chair Mesbah stated that was why he raised the cost factors during the Equitable Housing work session. It created openings for the City strategically. The City could not control the market, but if the City could buy land and partner with nonprofits to build middle housing affordably it would create within that range of housing an affordable section not subject to market forces. Otherwise, the City might not see that as a strategic opening.

- In some applications in the country, the same single-family house in the same neighborhood with the same design had four units in it. There were ways of dealing with design and position as Staff was working on here. The missing variable was whether a developer would want to do that, which led to thoughts about Habitat and other nonprofits, as well as the cost of land. If the City owned it, maybe the development costs were different as well because it was a City project. A number of things start leading to one another.
  - Mr. Pauly agreed there was a lot of interrelation.

Commissioner Willard noted she was not familiar with all the planning tools available, and asked if any variable incentives based on the market had ever been explored for developers to build a certain housing type. What levers did they have to pull, based on the market at the time of the development, to incentivize one type of construction or one price point over another?

- Mr. Pauly replied that historically, the City had not really used that type of tool, but it was certainly something that was identified in the Equitable Housing Strategic Plan to explore. SDCs were a large ticket item, so they would certainly consider how SDCs and variable SDCs could affect what developers chose to build and could make a profit on.

Commissioner Heberlein:

- Referred to the questions on Slide 14, noting he could not think of key stakeholder groups to engage. Staff was asking for overlooked concerns and priorities, but he did not recall any priorities or concerns being listed to add to or know what had been overlooked.
  - Mr. Pauly explained the presentation was a summary, but Attachment 1 discussed the concerns about barriers a bit more and included public opinion and perception, design compatibility, policies in need of updating, provision of adequate infrastructure, parking and transportation, etc.
  - Ms. Bateschell added that whether listed or overlooked, Staff was interested in whether the Commissioners have specific concerns or priorities for what Staff looked at through this work program.
- Stated his only priority would be to make sure Staff did what was right for the city and that was in line with Wilsonville's beliefs, which should be achievable given a lot of what the City was doing was already in line with HB 2001 in trying to provide for diverse housing types to begin with. He did not believe he had any specific concerns that there would not be robust public discussion about, like parking and all the typical things the Commission saw. He had no idea for a project name.

Chair Mesbah:

- Asked how HB 2003 fit into this work.
  - Mr. Pauly replied that HB 2003 was not about Code standards. The City would have to do the Housing Needs Analysis (HNA) at a certain time, and the State was ramping up enforcement of HNA. Staff would also need to follow that up with a Housing Production Strategy, which probably had some similarities to what was being worked on now. City Staff was staying engaged in the rulemaking. Ms. Bateschell was on the Technical Advisory Committee for the Housing Production Strategy. Otherwise there were no work program items the City needed to do regarding the level of changes or efforts required by HB 2001.
- Explained he was thinking more about the target numbers. If the City did its best, the merits should get Wilsonville to the target numbers if the target numbers for affordable housing were fairly distributed. Wasn't that the eventual outcome of HB 2003?
  - Ms. Bateschell noted the interesting thing was that the Housing Production Strategy was not even specific to affordable housing. When the State looked at when cities most recently adopted their HNA, a number of cities had not had a recent HNA. She believed part of the objective of HB 2003 was to essentially try to reinstate that regularity and ensure every city was actually taking stock of their housing demand and supply and whether that matched up. HB 2003 was related to housing diversity and should hopefully be looking at affordability. It did put in new requirements of looking at price points and market, but she understood that would feed into the Housing Production Strategy. What needed to go into a Housing Production Strategy was not very well defined yet which was the purpose of the Technical Advisory Committee that was serving as the rulemaking committee that she was participating in. There was a lot more to come and HB 2003 was not as clear as HB 2001, except that the City knew when it would be expected to do the next HNA.
  - In some ways, the timing fit well because in the last HNA, the City was looking at expansion into Frog Pond and redevelopment of Town Center and the HNA identified those as areas of need. As seen in tonight's presentation, there was kind of a nexus between Equitable Housing feeding into this work, and this work feeding into the master planning and development for Frog Pond East and South. The next step would to look at the HNA and now that the City had done planning work for the Frog Pond area as well as Town Center, what were the housing needs and what targets had been set? But a whole new analysis, in terms of the City's demand, supply, market shifts, demographic shifts, and where Wilsonville was trending in terms of the next set of needs for housing production and supply, would evolve into a Housing Production Strategy after the HNA was adopted.

Commissioner Millan asked about Town Center fitting in and needing to comply with this component. Was it under a different Code structure given the Town Center Master Plan? Where did it fall in the middle housing piece?

- Ms. Bateschell replied it would probably not be affected because the area already called for multi-family. Town Center was not zoned for single-family residential. She confirmed single-family was not wanted and not called for in the Town Center Plan.

Commissioner Springall stated HB 2001 did affect existing neighborhoods in the Town Center area. In some of the older neighborhoods in Wilsonville, like Courtside for example, some older houses might redevelop. The Old Town Master Plan was another one that Staff would definitely need to include in the umbrella. They have already talked about that a lot with the updates to the Old Town Design Standards.

- Mr. Pauly noted Old Town already had duplex design standards.

Commissioner Millan understood the duplex design standards would have to be looked at in terms with how they fit in with HB 2001.

- Mr. Pauly noted the HB 2001 Code changes were specific for Old Town and the different styles. There was a lot of conversation that the neighborhood really did not want duplexes, but the City saw the writing on the wall for this sort of requirement at that point, and encouraged them to include it in their design standards because they would be required to have them.

Commissioner Greenfield suggested Housing Production Strategies as a project title, noting it had a neat acronym, HPS.

Mr. Pauly explained as far as the next, immediate steps, he would be finishing a number of grant applications with upcoming deadlines this month and next month, and once that funding was solidified, the next step would be to get a consultant on board his spring to do the Code audit and audit all these documents.

Ms. Bateschell added the other immediate item was that Staff was currently going through the budget process, and these projects would be part of that larger discussion on the budget.

Commissioner Heberlein:

- Asked if Staff had identified any key stakeholder groups.
  - Mr. Pauly replied that if any drastic changes were identified for the Frog Pond Area Plan and Frog Pond West Master Plan, certainly those people that were engaged there would be stakeholders. The grant and Metro's requirements for the grant and additional funding opportunities were tied to the outreach to communities that had been historically marginalized. So, in addition to the equity lens, that was certainly a group the City wanted to make sure was included. The outreach that had occurred with Equitable Housing related to the next steps with this project.
- Believed it would make sense to ensure that input was received from a diverse group of stakeholders, such as homeowners and renters, and to make sure a vocal minority was not driving the responses, which could happen from time to time, especially on contentious issues like parking. Making sure the City found a way to engage all of those different types and to hear from everybody would be beneficial.

### III. INFORMATIONAL

- A. City Council Action Minutes (Jan. 6 & 23, 2020)
- B. 2020 PC Work Program

Commissioner Greenfield reminded that the Open House for the I-5 Pedestrian Bridge was next Wednesday.

Daniel Pauly, Planning Manager confirmed the Residential Zoning Standards Modernization Project would be ready for public hearing next month. He noted he had reached out to that group as directed and had not received a great response or a lot of interest.

### IV. ADJOURNMENT

Chair Mesbah adjourned the regular meeting of the Wilsonville Planning Commission at 8:34 p.m.



Respectfully submitted,

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