



Housing Production Strategy Working Group Meeting 2 Meeting Notes for October 8, 2024

Members:	Kevin Bonnington (City Council), Tom Watton (Planning Commission), Gloria LaFleur (Housing Authority of Clackamas County), Samuel Goldberg (Fair Housing Council of Oregon), Erin Maxey (Habitat for Humanity), Darrren Gusdorf (Icon Construction), Nora Cronin
Members Absent:	Bayley Boggess (Community-at-Large), Michelle Goldberg (NA Presidents), Karen Saxe (DevNW), Preston Korst (Home Builders Assoc.)
Project Team:	Darren Wyss (Planning Manager), Lynn Schroder (Mngt. Analyst), Matt Hastie (MIG), Brandon Crawford (MIG), Brendan Buckley (Johnson Economics), Mari Valencia-Aquilar (DLCD)

The meeting recording is available [here](#).

1. Welcome and Introductions

Planning Manager Darren Wyss welcomed the group and led a round of introductions.

2. Project Status and Timeline

Darren Wyss provided updates on the project status and timeline, discussing the work that has been to date and what the team has completed since the last Working Group meeting. He also provided a brief summary of the off-street parking amendments that were completed for compliance with the Climate Friendly Equitable Communities (CFEC) rules. Darren also briefed the group on the Middle Housing Two-Year Check-in Report.

3. Evaluation and Refinement of Initial Strategies.

Matt Hastie provided an overview of the recommended strategies and discussion strategies and asked for comments and questions about the strategies, with a focus on the appropriateness or priority for including specific strategies in the West Linn HPS for future implementation. Group members had the following comments and questions about the strategies.

Recommended Strategies

- Most members generally supported all the strategies.
- How will SDCs be implemented and what would the timeline look like?
 - Implementation primarily will be determined once the City adopts the strategy. An implementation approach may be a little more clearly defined in later phases of this project as well.
 - The SDC methodology would likely re-evaluate the approach for determining SDC rates and how they relate to the size or type of housing units. For example, the SDCs could be tied to the square footage or number of bedrooms in a given housing unit.
- The City should consider accessibility. Buildings with four or more units already require accessibility features. The City should consider tailoring this requirement based on type of housing.
- The City should consider increasing height limits, which may help promote housing production.

- Does tax increment financing (TIF) require a set aside for affordable housing?
 - The City only has one adopted TIF district and it does not currently include a set aside for affordable housing. However, the City likely will revisit whether the existing TIF district should include funding directly for affordable housing. The City also is going to do a TIF feasibility study for Vision43 corridor, and affordable housing will be a part of the evaluation.
 - Rental and ownership housing should be considered for that affordable housing set aside from TIF revenue.
- If the City adopts SDC waivers or deferrals for affordable housing, the income eligibility threshold should be below 80% AMI (instead of 50% AMI), which is in-line with the State's Lift program.

Discussion Strategies

Accessory Dwelling Units (ADU)

- The City adopted several amendment to promote ADUs a couple years ago. Has the city seen any uptick in ADU development since those updates?
 - The City has seen several more ADU applications in the last couple of years, which is largely the result of removing the "30% of primary dwelling" area restriction and the half street improvements requirement.
 - SDCs are now the biggest impediment for constructing ADUs.
 - Several cities have adopted pre-approved plan sets for ADUs. Eugene is a good example where other cities have replicated their pre-approved ADU programs from.
 - If the City adopts pre-approved ADU plan sets, they should incorporate accessibility features.
 - Any pre-approved ADU model that the City replicates would have to be adapted for consistency with West Linn's Development Code.

Financial Assistance Programs and Education

- The Clackamas County Housing Authority has some financial assistance programs and refers people to DevNW for implementation of selected programs. The City could do something similar by referring residents to DevNW or the County Housing Authority. The City could also consider a savings matching program (e.g., similar to the County's FSS).
 - The City could either promote the County's program or adopt their own program. The County's program only applies to homes/properties in the county outside the incorporated cities.

Home Owner Limited Tax Exemption (HOLTE)

- Habitat for Humanity uses the HOLTE program to help connect clients to housing. The program provides eligible users a lot of buying power without having to provide subsidies. 70% of buyers who used HOLTE in Portland are under 60% AMI.
 - The time limit for HOLTE in Portland is 10 years, which is consistent with state statute. There is no annual renewal requirements.
 - The reason there is no annual renewal is because the assumption is that a buyer's finances will improve over time which is part of the intent of the program.
 - The HOLTE exemption follows the unit, not the buyer. If the unit is sold before the 10-year period ends, the new buyer must qualify for the HOLTE exemption based on their income in order for the exemption to continue.

Construction Excise Tax (CET)

- Does the 1% tax include SDCs and/or permit fees?
 - The tax is based on the value of the development at the time.
- CET doesn't reduce the cost to the end user. It is typically passed on from the developer to the homeowner.
- CET benefits different end users. The purpose is to benefit low-income renters or owners. The amount of money that goes into a CET goes back into the community for affordable housing

and can help subsidize homeownership. It has significant benefits for creative affordable housing development.

- The idea is to redistribute costs from higher-income households to lower-income/affordable households to allow for those lower cost units to be built.
- The City is primarily residential and therefore does not generate much tax revenue associated with commercial or industrial development, so a CET may not generate much revenue. The City is unique in how they need to find funding, so some of the CET examples from other cities may not apply to West Linn.

Land Acquisition and Banking

- CET could be used for land acquisition.
- Land acquisition is a huge incentive and significantly improves the feasibility for affordable housing development.

4. Next Steps

Matt Hastie briefly discussed the next steps, including drafting a “Required Strategy Elements” memo and meeting again in November to discuss the strategies further.

Darren Wyss suggested each group member send a list of which strategies they think will be the most impactful, which will help the project team narrow down the list of strategies to be included in the HPS.

5. Public Comment

None.

6. Adjourn

Chair Watton recommended the group visit the Vision43 Project Website and then adjourned the meeting at 4:00 pm.