Housing Production Strategy Working Group Meeting 3
Meeting Notes for November 13, 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), Darren Gusdorf (Icon Construction), Michelle Goldberg (NA Presidents), Karen Saxe (DevNW), Preston Korst (Home Builders Assoc.),
Members Absent:	Bayley Boggess (Community-at-Large), Nora Cronin, Michelle Goldberg (NA Presidents),
Project Team:	Darren Wyss (Planning Manager), Matt Hastie (MIG), Brandon Crawford (MIG), Brendan Buckley (Johnson Economics), Kelly Reid (DLCD)

Meeting Notes for August 8, 2024

Members approved HPS Working Group Meeting Minutes for 08/08/24.

Project Status and Timeline

Matt Hastie 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.

Summary of Strategies.

Matt Hastie discussed the changes that were made to the HPS strategies since the last time the PWG met. The changes are summarized in the table below:

Old #	New #	Strategy	Change
1.1	1.1	Rezone Land (A02)	No Change
1.2	1.2	Use Tax Increment Financing (TIF) to support affordable housing development (D10)	No Change
1.3	1.3	Modify System Development (SDC) fee schedule (C02)	Combine with “SDC Exemptions and Deferrals” – now “SDC Updates”
1.4	1.4	Surplus Land for Affordable Housing (F12 & F18)	Combine with “Land Acquisition/Banking”
1.5	1.5	Fair Housing Education, Referral, and Other Services (F20)	No Change
1.6	1.6	Small Dwelling Unit Development (A17)	No Change
1.7	1.7	Public-Private Partnership (PPP) for Affordable Housing (F04)	No Change
2.1	1.8	Low Income Rental Housing Tax Exemption (E01 and/or E02)	No Change
2.2	1.9	Multiple Unit Property Tax Exemption (MUPTE) (E04)	No Change
2.3	1.10	Homebuyer Opportunity Limited Tax Exemption Program (HOLTE) (E06)	No Change
2.4	2.2	Promote ADUs (A05)	Move to “Not Recommended”
2.5	1.11	Zoning Incentives for Workforce and Affordable Housing (A03)	No Change

2.6	1.3	SDC Exemptions or Deferrals (C01 and C03)	Combine with "Modify SDCs" – now "SDC Updates"
2.7	N/A	Land Use Permit Fee Reductions	May be accomplished through strategy CET if funds can be used to pay down permit fees.
2.8	2.5	Expedited Development Review (B03 & B06)	Move to "Not Recommended"
2.9	1.12	Construction Excise Tax (CET) (D09)	Combine "Land Use Permit Fee Reductions"
2.10	2.3	Accessible Design (A23)	Move to "Not Recommended"
2.11	1.4	Land Acquisition and Banking (F01)	Combine with "Surplus Land" and clarify that this strategy may only be possible if paired with CET or TIF funding.
2.12	2.4	Financial Assistance and Homebuyer Education Programs	Move to "Not Recommended"
4.1	2.1	UGB Amendments and Planning	No Change

Strategy Evaluation and Discussion.

NOT Recommended Strategies

- *UGB Amendments and Planning*
- *Promote ADUs*
- *Expedited Development Review*
- *Accessible Design*
- *Financial Assistance and Homebuyers Education Program*

Comments and questions:

- One member mentioned the potential staffing issues for implementing "Accessible Design" and was curious if the staffing issue extends to SDC updates. Could SDC reductions apply to accessibility improvements or features?
    - Accessible design is specific to code updates, which can be a big effort for city staff to undertake within the HPS planning timeline in addition to the other strategies.
    - The city should take caution that most accessible units that are supported by federal funding will likely be in multifamily development, which could exacerbate segregation of types of accessible housing between apartments and single-family homes.
    - The project team noted that the City could potentially explore opportunities to provide SDC credits or reductions for housing that goes above and beyond state or federal accessibility requirements as part of the SDC update strategy. The team will discuss that further as they refine the strategies and prepare the draft HPS report.
- For UGB planning, should the city elevate this strategy to advocate for an intergovernmental agreement (IGA)? City Council can be influential for advocating and coordinating with the other cities that are a party to the three-City IGA for the Stafford Triangle to continue to explore or push for a future UGB expansion in that area?
    - The city will already be a part of those discussions for UGB expansion and coordination in that region. Potential future changes to the IGA are still being determined, but the City will be a part of the concept planning for any UGB expansion in that part of the region.
    - A UGB expansion would be politically difficult. Kevin Bonnington is willing to be the voice for Council to advocate for UGB planning, including that the Stafford Triangle area.

PWG supports removal of selected strategies.

- One member supported removal of the selected strategies with the modification for UGB planning. Although UGB planning will be moved to the "Not Recommended" category, the HPS should emphasize that the City will continue advocating for updates to and implementation of the Stafford Triangle three-party IGA and be an active participant in the regional coordination and planning for UGB expansion in that area and in other areas adjacent to West Linn.

Zoning and Land Use Strategies

- *Rezone Land*
- *Small Dwelling Development*
- *Zoning Incentives for Affordable and Workforce Housing*

Comments and questions: None

PWG supports Zoning and Land Use strategies.

Financial Incentives and Education

- *SDC Updates*
- *Fair Housing Education, Referral, and Other Services*

Comments and questions:

- One member mentioned that they agree with deferring SDCs for affordable housing but they disagree with updating the SDC schedule. Updating the SDC schedule will increase SDCs for more expensive and larger housing products or other housing which is not subject to a reduction in SDCs.

- Another member agreed with that comment and suggested that SDCs should be deferred for all housing types, regardless of size or cost. They also suggested that SDCs should be deferred until certificate of occupancy, and they noted that other cities are successfully deferring SDCs. They suggested that the City consider this as a short-term action.

- The City struggles with generating revenue, so there may be reluctance to reduce SDCs. But the City should explore SDC reductions nonetheless.

- SDCs are high in West Linn because of low property taxes. Due to state laws, the City is barred from increasing property tax rates, and SDCs help the City recoup lost revenue from low property taxes.

- The City has a very high parks SDC, and an SDC schedule modification could be used in part to reconsider the types of projects the City should collect SDCs on.

- SDC reductions should include accessibility incentives.

All PWG members support the Fair Housing Strategy and most PWG members support the SDC Updates strategy.

- A few members support the SDC updates with modifications – see comments above.

Financial Resources

- *Tax Increment Financing (TIF)*
- *Construction Excise Tax (CET)*

Comments and questions:

- A couple of members are opposed to CET, noting that Metro already has a CET and that this strategy adds to construction costs.
- CET can be re-invested back in the community for down payment assistance.
- Residents should also be aware of the Moderate Income Loan Revolving Fund.

Most PWG members support Financial Resource strategies.

Land Acquisition and Partnerships

- *Surplus Land, Acquisition, and Banking*
- *Public Private Partnerships*

Comments and questions: None

PWG supports Land Acquisition and Partnerships strategies.

Tax Abatements and Exemptions

- *Low Income Rental Housing Tax Exemption*
- *Multiple Unit Property Tax Exemption (MUPTE)*
- *Homebuyer Opportunity Limited Tax Exemption (HOLTE)*

Comments and questions: None

PWG supports Land Acquisition and Partnerships strategies.

Complete Package of Recommended Strategies

- Does the project team see these strategies working in tandem with the Vision43 or Waterfront projects?
    - Yes, the team anticipates that some of these strategies will be used or targeted for these areas. It usually takes a few years for development to catch up with these types of planning projects.
- If a strategy is included in the HPS, is the City obligated to implement the strategy or just consider the strategy?
    - Once adopted, it goes to DLCD for review. If anything changes that prevents implementation the City would be expected to determine whether other strategies in the HPS are adequate to address the same types of housing needs. If other existing strategies in the HPS are not adequate to address that need, the City may need to look at including other strategies in the HPS to address the need. There is a mid-point check-in to evaluate how implementation is going and whether the City needs to change course on any strategies.
    - The HPS is a commitment to taking actions to address the housing needs identified in its Housing Capacity Analysis. However, it may be modified based on changing circumstances.

- Can City Council select which strategies to adopt and remove others, or does the HPS need to be adopted as a complete package?
    - The project team will be meeting with City Council and Planning commission to brief them and get their input before adoption, so ideally would have council support for complete HPS at time of adoption. But Council ultimately has the decision authority on what does and doesn't move forward and they are able to modify the HPS as part of the adoption process.

PWG generally supports the complete package of strategies with the concerns and caveats described above for specific strategies.

Next Steps

Matt Hastie briefly discussed the next steps, including meeting with the City Council and Planning Commission to discuss the recommended strategies and brief them on the project on November 18. The project team will prepare a draft HPS over the next couple of months and meet with the PWG one more time to discuss the draft HPS in January or February. City staff will follow up with members of the PWG in the next few weeks to set a date for that meeting.

Public Comment

None.