

Memorandum

Date: July 9, 2026

To: West Linn Planning Commission

From: Darren Wyss, Principal Planner

Subject: Housing Production Strategy Implementation Project

At its July 15, 2026 meeting, the Planning Commission (PC) will hold a work session to discuss and provide feedback on implementation options for three of the adopted [West Linn Housing Production Strategy \(HPS\)](#) actions. The memorandum from the City's grant funded consultant team (MIG) is attached and outlines the issues, options, and provides recommendations for PC feedback. This information will be used to guide the discussion at the meeting. The three actions include:

Action 1: Rezone Land

- Explore rezoning commercial or other non-residentially zoned properties for residential uses, especially multi-family housing.
- Explore rezoning lower-density areas to allow higher-density housing or increasing allowed density in certain zones.

Action 2: Small Dwelling Unit Development

- Evaluate zoning/subdivision provisions that encourage or enable development of small single-family dwellings.
- Explore minimum lot size reductions or exceptions along with other development standards that ensure development of smaller single-family homes.
- Evaluate existing maximum footprint or floor-area-ratio (FAR) standards.

Action 9: Zoning Incentives for Workforce and Affordable Housing

- Explore allowing additional height, density, bonus floor area ratio (FAR), or relaxing other zoning standards for affordable housing.
- The City currently does not have any zoning incentives for workforce or affordable housing.

City Council appointed the PC as the review body for proposed zoning map and community development code amendments. Staff and the consultant team will work with the PC to develop a set of recommended amendments that will then be brought into the legislative adoption process.

The tentative schedule for the PC to review and make a recommendation for the proposed amendment package:

- July 15, 2026 – introduction of topics, initial discussion and direction, and identification of any additional information the PC needs to get to a recommendation.
- Winter 2026/2027 – review of proposed zoning map amendments and community development code amendments, and final feedback.
- Spring/Summer 2027 – work sessions to refine proposed amendment package and public hearing to make recommendation to City Council.

Background & Discussion

HB2003, passed by the Oregon Legislature in 2019 in response to the state’s housing crisis, requires jurisdictions to update their [Housing Capacity Analysis \(HCA\) and develop an associated Housing Production Strategy \(HPS\)](#). The aim is to help communities meet the housing needs of Oregonians.

The City completed its HCA and after a series of work sessions with the Planning Commission (PC) in Spring/Summer 2023, the PC recommended adoption of the HCA at a public hearing in August 2023. [City Council \(CC\) adopted the HCA in October 2023](#) to comply with state statutes and administrative rules.

The City was required to use the HCA to develop and adopt the HPS by June 30, 2025. The HPS must outline the specific tools, actions, and policies the City plans to implement to address the housing needs identified in the HCA, as well as the City’s plan and timeline for implementing each action.

The City received grant funds from the Department of Land Conservation and Development (DLCD) for consultant assistance in developing the HPS. A consultant team from MIG, who worked with the City on the HCA process, coordinated with a Council appointed work group to develop a recommended draft HPS document. The Planning Commission reviewed the HPS at a public hearing and recommended Council adoption. [Council adopted the HPS in May 2025](#).

The City will need to show progress on the adopted HPS actions over the six-year implementation cycle established by the legislature. Below is an excerpt from the HPS with adopted actions and recommended time frame for implementation.

Summary of Actions and Implementation

The table below shows the time frames, relative cost, and level of effort associated with each action.

Key

Cost	Effort
\$\$\$\$ Minimal Investment	● ○ ○ Minimal Effort
\$\$\$\$ Moderate Investment	● ● ○ Moderate Effort
\$\$\$\$ Significant Investment	● ● ● Significant Effort
\$\$\$\$ Major Investment	

Action	IMPLEMENTATION TIME FRAME		Cost	Effort
	Begin	Complete		
Housing Options and Choices Actions				
1. Rezone Land	2026	2028	\$\$\$\$	● ● ●
2. Small Dwelling Unit Development	2026	2028	\$\$\$\$	● ● ○
3. Update SDCs	2026	2030	\$\$\$\$	● ● ●
4. Multiple Unit Property Tax Exemption (MUPTEx)	2028	2029	\$\$\$\$	● ● ○
Affordable Housing Actions				
5. Tax Increment Financing (TIF) for Affordable Housing	2026	2030	\$\$\$\$	● ● ●
6. Surplus Land, Land Acquisition, and Banking for Affordable Housing	2025	2030	\$\$\$\$	● ● ●
7. Public-Private Partnerships (PPP) for Affordable Housing	2026	2030	\$\$\$\$	● ● ●
8. Low Income Rental Housing Tax Exemptions	2026	2027	\$\$\$\$	● ● ○
9. Zoning Incentives for Workforce and Affordable Housing	2026	2028	\$\$\$\$	● ● ○
10. Construction Excise Tax (CET)	2027	2030	\$\$\$\$	● ● ●
Equitable Housing Opportunities				
11. Homebuyer Opportunity Limited Tax Exemption	2026	2027	\$\$\$\$	● ● ○
12. Fair Housing Education, Referral, and Other Services	2026	Ongoing	\$\$\$\$	● ○ ○

The City has received additional grant funds from DLCD to work on implementation of six actions. An MIG consultant team is again working with the City on the project. The six actions have been divided into two categories with a different process for each. Detailed information on each action can be found in the HPS.

Zoning/Development Code Amendments

Action 1. Rezone Land

Action 2. Small Dwelling Unit Development

Action 9. Zoning Incentives for Workforce and Affordable Housing

SDCs/Tax Exemption Programs

Action 3. Update SDCs

Action 8. Low Income Rental Housing Tax Exemptions

Action 11. Homebuyer Opportunity Limited Tax Exemption

The Zoning/Development Code Amendments category will proceed through the standard land use legislative adoption process. This includes work sessions and a public hearing with the Planning Commission for a recommendation. Followed by work sessions and a public hearing with City Council for a decision on proposed amendments.

The SDCs/Tax Exemption Programs category will not require land use adoption. Staff and the consultant team will work with the City's Finance and Public Works Departments, County Assessor staff, affordable housing providers, and home builders to review proposals that will be brought forward to Council for consideration. Council and the PC will receive regular briefings on the proposals.

If you have questions about the meeting or materials, please feel free to contact me at dwyss@westlinnoregon.gov or 503-742-6064.



memo

to City of West Linn and DLCD
 from Brandon Crawford and Matt Hastie, MIG
 re Draft HPS Implementation Audit (Task 2.1)
 date 7/9/2026

Introduction and Background

The City of West Linn adopted its Housing Production Strategy (HPS) in 2025.¹ The HPS outlines a range of strategies the City plans to implement to address housing needs within the community. The purpose of the HPS Implementation Project is to implement six actions in the City’s adopted HPS. Three of the HPS actions will include preparation of hearings-ready amendments to the West Linn Community Development Code (Code) to implement Action 1 (Rezone Land), Action 2 (Small Dwelling Unit Development)², and Action 9 (Zoning Incentives for Workforce and Affordable Housing). As shown in Figure 1, the City intends on completing implementation of these actions earlier than many of the other HPS Actions. In addition to implementing these actions, the Project will also include additional amendments to comply with housing laws adopted by the legislature in recent years.

Figure 1. HPS Implementation Timeline

Implementation Timeline

	2024	2025	2026	2027 (Midpoint)	2028	2029	2030
1. Rezone land							
2. Small dwelling unit development							
3. SDC updates							
4. Multiple Unit Property Tax Exemption (MUPTe)							
5. TIF to support affordable housing							
6. Surplus Land, Land Acquisition, and Banking							
7. Public-private partnerships for affordable housing					Ongoing		
8. Low-income Rental Housing Tax Exemption							
9. Zoning incentives for workforce/affordable housing							
10. Construction Excise Tax (CET)							
11. Homebuyer Opportunity Limited Tax Exemption (HOLTE)							
12. Fair Housing education, referral, and other services					Ongoing		

This memo summarizes the HPS actions that are related to zoning map and Code amendments and provides a review of the relevant Code sections to identify potential amendments to support HPS implementation. A brief summary of “key decision points” for the City to provide guidance on implementation is included at the end of each section in the gray text boxes. This review is one of the first

¹ City of West Linn Housing Production Strategy, 2025.
https://westlinnoregon.gov/sites/default/files/fileattachments/planning/project/57023/west_linn_hps_final_draft_pc_review.pdf

² Note that “single unit” and “multi-unit” are used interchangeably with “single-family” and “multi-family” (respectively) throughout this document.

tasks of the West Linn HPS Implementation project, and the findings in this memo will guide Code amendment recommendations in later phases of the project. This project is funded by a Department of Land Conservation and Development (DLCD) technical assistance grant to help communities update policies and regulations to support housing production.

Audit and Implementation Options Summary

The following section summarizes the HPS Actions, the key issues identified from review/evaluation, and the implementation options for the City to consider.

HPS Action	Key Issues and Considerations	Implementation Options
<p>HPS Action 1: Rezone Land</p> <p>Rezone lower-density areas to allow higher-density housing or increase allowed density in certain zones primarily to encourage multi-unit housing development.</p>	<ul style="list-style-type: none"> • The City has three zones that allow multi-unit housing, which represent only about 5% of the City’s residential land. West Linn has a shortage of land zoned for multi-unit housing. • Existing standards, such as minimum lot size, maximum lot coverage, and maximum height can be barriers to development. • Site selection criteria can help the City prioritize areas for rezoning, including lot size and proximity to services. 	<ul style="list-style-type: none"> • Eliminate minimum lot size for R-2.1 and R-3 (multi-unit zones). • Remove maximum lot coverage for R-2.1 and R-3. • Remove single-unit detached housing as an allowed use in the R-2.1 and R-3 zones. • Increase maximum allowed height for multi-unit development. • Consider 34 potential parcels found in 11 locations (sites) for potential rezoning – see attached map series. Scoring criteria was used to help City prioritize which parcels to rezone to R-2.1 and R-3.
<p>HPS Action 2: Small Lot Single Dwelling Development</p> <p>Code updates to allow and encourage development of small single-unit detached dwellings that are suitable for first-time homebuyers and moderate-income households.</p>	<ul style="list-style-type: none"> • The City’s existing minimum lot sizes are generally impractical for cost-effective or financially viable development of smaller detached dwellings, especially the R-10 zone, which represents about 71% of all residential area. • Due to the City’s large lot sizes, detached plexes that undergo a middle housing land division result in relatively large single-unit homes on medium-sized lots (e.g., 4,000 to 5,000 square feet). New homes built on these lots are typically out of reach 	<ul style="list-style-type: none"> • Reduce minimum lot sizes in certain zones. • Create a new “small lot single-unit” housing type to allow in certain zones. • Reduce max lot coverage and/or FAR for detached plexes. • Scale lot coverage or FAR for detached plexes based on lot size (regardless of zone). • Set a maximum building size for detached plexes. • Include incentives for smaller detached plexes.

	<p>for first-time homebuyers and moderate-income households.</p>	<ul style="list-style-type: none"> • Use a sliding scale for maximum building size to incentivize smaller units and middle housing. • Eliminate maximum FAR and lot coverage standards for townhouses in the R-10 and R-7 zones.
<p>HPS Action 9: Zoning Incentives for Workforce and Affordable Housing</p> <p>Code updates to incentivize workforce and affordable housing development. These bonuses are primarily intended for multi-unit housing types. Some bonus guidelines for single-unit and middle housing from the Oregon Housing Needs Analysis (OHNA) Model Code may also be considered.³</p>	<ul style="list-style-type: none"> • The City does not have a definition for affordable housing or accessible housing. • The City’s Code is not consistent with state statute that requires bonuses for affordable and accessible housing units (see Statute summary at end of the memo). 	<ul style="list-style-type: none"> • Scale bonus level to the number of affordable and accessible units. • Consider bonus guidelines and best practices from the OHNA Model Code. • Reconcile applicability of affordable units vs. accessible unit bonuses. • Leverage bonuses to incentivize development in specific areas.

Rezone Land – HPS Action 1

HPS SUMMARY

This action involves rezoning lower-density areas to allow higher-density housing or increasing allowed density in certain zones primarily to encourage multi-unit housing development. The HCA identified a need for additional capacity in areas zoned for higher density residential development. The HPS provided some preliminary criteria for selecting areas for the City to rezone to a higher density, including the following:

- Proximity to existing residential and higher-density areas.
- Proximity to services (e.g., transit, schools, and parks)
- Size and ownership – larger properties will be more attractive for development.

The City should prioritize rezoning in areas with the greatest potential for higher density housing development or redevelopment, consistent with some of the criteria suggested above. The HPS notes that the City is exploring mixed-use residential rezoning efforts in other areas of West Linn, including along Highway 43 (Vision43 project) and the waterfront. The mixed-use rezoning in those areas will support implementation of this action, and the City also intends to rezone other lower-density areas to higher density designations. Some of these areas include properties with lower density zoning

³ The Oregon Housing Needs Analysis (OHNA) Model Code provides guidance and standards for cities to comply with state housing laws. The standards in the OHNA Model Code are also considered “promising practice” for supporting housing production.

https://www.oregon.gov/lcd/Housing/Documents/2025_LargeCities_HousingModelCode.pdf

designations than the corresponding Comprehensive Plan designation. This Action will also include upzoning those properties to align the zoning with the Comprehensive Plan.

ZONING/CODE EVALUATION

West Linn currently has three zones that permit multi-unit development outright. As shown in Table 1, these zones comprise of a very small portion of the City’s overall residential land base (~5%). Table 1 also includes the key development standards that influence the number of units a property can provide. Although this Action is primarily focused on rezoning properties to existing higher density designations and not on updating development standards in these areas, the City may consider minor amendments to simplify implementation and improve multi-unit housing development opportunities. Some options to consider may include using maximum density instead of minimum lot size per unit and increasing some of the maximum development standards that limit the number of units, including height, lot coverage, or Floor-Area-Ratio (FAR).

Table 1. Multi-Unit Zones Summary

Residential Zone Standard	R-3 (CDC Ch. 15)	R-2.1 (CDC Ch. 16)	Mixed-Use (CDC Ch. 59)
Percent of Residential Area	2%	3%	0.3%
Lot Size/Density	3,000 sf per unit (~15 units per acre)	2,100 sf per unit (~21 units per acre)	Min lot size: 4,500 sf Max lot size: 10,000 sf
Max Lot Coverage	50% [†]	50% [†]	None
FAR	0.45 [‡]	0.45 [‡]	Min: 0.3 Max: 0.4** Max building size 6,000 SF
Max Height	35'	35'	35'
**No max for cottage clusters			
†No max for plexes (attached or detached), townhomes or cottage clusters			
‡ No max for plexes (attached or detached), multifamily units, townhomes or cottage clusters			

REZONE CRITERIA AND OPTIONS

As mentioned, the HPS provided initial criteria for identifying and prioritizing areas to rezone to higher density zones. Those criteria were used to assign a score to each residentially zoned property over one acre in size, including neighboring properties under common ownership that are over one acre combined. Each criterion was also given a “weight” based on its importance for multi-unit rezoning based on city staff input. GIS/mapping analysis was used to calculate scores based on the criteria described below and outlined in Table 2:

- **Parcel or site size.** Larger parcels are more feasible for multi-unit development. This includes neighboring parcels under the same ownership.

- **Development status.** Parcels that are vacant or partially vacant are more feasible for multi-unit development than properties that have existing development. Therefore, vacant parcels should be prioritized for multi-unit rezoning.
- **Proximity to transit and other community assets.** Properties that are closer in walking distance to bus stops and key assets such as parks and schools received a higher score. It is important to site higher density residential areas closer to key community services and assets to increase overall access to these areas for more residents. However, these criteria were given a lower relative weight because of various factors that affect walkability in West Linn, including limited transit services, minimal commercial areas, topographical challenges, and overall suburban development form.
- **Utility serviceability.** Areas with available utilities and public facilities in place have greater opportunities for development.

Table 2. Multi-unit Rezone Site Selection Criteria

Criterion	1 (low)	2	3 (high)	GIS Data Source	Weight
Proximity to key assets (walking time): <ul style="list-style-type: none"> • Schools • Parks/open space • Commercial areas 	> 15 minutes	10-15 minutes	< 5 minutes	City of West Linn zoning Metro RLIS schools and parks	0.5
Proximity to transit (walking time)	> 15 minutes	10-15 minutes	< 5 minutes	Metro RLIS bus stops	0.5
Parcel size, including adjacent parcels of common ownership	1.0 acre	1.1 – 2.0 acres	> 2.0 acres	City of West Linn tax lots	1.0
Utility serviceability	No utilities	Some utilities	All utilities	City of West Linn utilities	1.0
Development Status	Developed or Constrained	Partially Vacant	Vacant	City of West Linn Buildable Land Inventory (BLI)	1.0

IMPLEMENTATION OPTIONS

Rezone Sites

Based on the criteria used above and City staff input, locations for the City to consider for rezoning was narrowed to 34 individual properties. Many of these properties are adjacent to one another and under the same ownership, and therefore the areas for rezoning consideration were further consolidated into 11 sites. These 11 potential rezone sites were compiled into a map series as an attachment to this memo and they are intended for Planning Commission input and review.

Of the 34 properties, 31 are currently zoned R-10 and 3 are currently zoned R-7. The R-10 parcels amount to approximately 61.4 acres, while the R-7 parcels are about 5.5 acres, bringing the total of all potential

rezone sites to about 66.9 acres. Each parcel was also assigned a rezone score based on the criteria described above, which may help the City determine which sites and/or properties to prioritize for multi-unit rezoning.

As mentioned, there are several properties in the City that have a higher-density Comprehensive Plan designation than the existing zoning. There are also multiple existing multi-unit developments on properties that are not zoned for multi-unit housing. The City should rezone all of those properties to R-3 or R-2.1 to ensure consistency between existing development or Comprehensive Plan designations and the zoning.

Code Amendment Options

To improve multi-unit development opportunities, the City should also consider Code amendments to the R-3 and R-2.1 zones. Amendments that may increase development flexibility and remove barriers may include the following:

- **Eliminate minimum lot size.** It is common for cities to use maximum density standards instead of minimum lot size in higher density, multi-unit zones. This approach enables more site design options for multi-unit development.
- **Remove maximum coverage.** Relaxing or eliminating coverage standards will further promote site design flexibility and development feasibility for multi-unit housing. Middle housing is already exempt from maximum coverage standards in the multi-unit zones, so this amendment would extend this exemption to multi-unit development. The City may also consider removing maximum FAR standards for the mixed-use zone.
- **Remove single-unit detached as an allowed use.** This will help ensure that properties zoned for multi-unit development are not developed as another use.
- **Increase maximum height.** Increasing the maximum height for multi-unit housing in the R-3 and R-2.1 zones would improve development feasibility and increase unit capacity. The City may consider increasing maximum height to 45 feet, which is consistent with the maximum height for the existing General Commercial zone.

Summary of Key Decision Points

The City should determine which of the following options are most appropriate for implementing HPS Action 1 – Rezone Land:

- **Rezone identified lower-density properties to R-3 or R-2.1 zones [RECOMMENDED]**
- **Rezone identified properties to match Comprehensive Plan designation or existing development [RECOMMENDED]**
- **Eliminate minimum lot size for multi-unit in R-3 and R-2.1 zones [RECOMMENDED]**
- **Remove maximum coverage for multi-unit in R-3 and R-2.1 [RECOMMENDED]**
- **Remove single-unit detached as an allowed use in R-3 and R-2.1. [RECOMMENDED]**
- **Increase maximum height for multi-unit to 45 feet in R-3 and R-2.1 [RECOMMENDED]**

Small Lot Single Dwelling Unit Development – HPS Action 2

HPS SUMMARY

This action would involve implementing zoning/subdivision provisions that encourage or enable development of small single-unit dwellings, such as maximum coverage or FAR standards.

Local and regional stakeholders have indicated the city lacks housing that meets the price points for first time homebuyers. This action may help with production of starter level homes that are more affordable to low- and moderate-income households.

The City currently allows detached duplexes, triplexes, and quadplexes. Local developers have utilized this allowance along with the City’s Middle Housing Land Division (MHL) process to effectively develop single-family homes on lots that are below minimum lot size requirements. Given the relatively large lot sizes in the City, these MHLs for detached plexes have not produced small single-family homes that are affordable to first time homebuyers or middle-income residents. The City may consider specific standards that will help ensure detached plexes help meet West Linn’s needs for starter homes.

Small dwelling units are expected to provide greater homeownership options for moderate-income households. The City’s 2021 Housing Capacity Analysis (HCA) indicates a need for 679 new ownership units (68% of new needed housing) over the 20-year period. The HCA also indicates that 15% of all new needed units will need to be affordable for moderate income households (80-120% of area median income, aka AMI). Small dwellings will also help the City provide more accessible housing options for seniors, particularly if they are one-story homes and/or include primary bedrooms on the main floor.

ZONING/CODE EVALUATION

Table 3 lists each of the West Linn’s existing residential zones and their key development standards for single-family detached housing. Although a couple zones already allow relatively small minimum lot sizes (R-4.5 and R-3), those zones are comprised of a very small portion of the City’s overall residential land supply. To encourage greater small lot development opportunities in more areas, the City should consider allowing small lot development in residential zones that comprise a greater area, such as the R-10 or R-7 zones.

Table 3. West Linn Residential Zone Standards

Residential Zone	R-20	R-15	R-10	R-7	R-5	R-4.5	R-3	R-2.1*
Percent of Residential Area in West Linn	3%	5%	71%	8%	5%	4%	2%	3%
Min Lot Size (for single-family)	20,000 sf	15,000 sf	10,000 sf	7,000 sf	5,000 sf	4,500 sf	3,000 sf	4,000 sf
Min Lot Width	100 ft	45 ft	35 ft	35 ft	35 ft	35 ft	35 ft	35 ft

Residential Zone	R-20	R-15	R-10	R-7	R-5	R-4.5	R-3	R-2.1 *
Max Lot Coverage	25%	30%**	35%**	35%**	40%†	40%†	50%‡	50%‡
Max FAR	0.45	0.45**	0.45** 0.6 for plexes	0.45** 0.6 for plexes	0.45†	0.45†	0.45‡	0.45‡
Min Front Yard	20'	20'	20'	20'	20'	20'	15'	15'
Min Side Yard (interior)	7.5'	7.5'	7.5'	7.5'	5'	5'	5'	5'
Min Rear Yard	20'	20'	20'	20'	20'	20'	15'	15'
Min Side Street	15'	15'	15'	15'	15'	15'	15'	15'
Max Height	40'	40'	35'	35'	35'	35'	35'	35'

*R-2.1 zone does not permit single-family detached units unless they are created from a middle housing land division of a detached -plex. The dimensional requirements in 16.070 list single-family detached minimum lot size as 4,000 square feet. This contradicts the “permitted uses” and may create confusion and impractical options for middle housing land divisions in this zone (e.g., each middle housing child lot would need to be 4,000 square feet, which implies the parent lot needs to be 8,000 square feet for a detached duplex, 12,000 square feet for a detach triplex, and so forth).

**No max for cottage clusters

†No max for plexes (attached or detached), townhomes or cottage clusters

‡ No max for plexes (attached or detached), multifamily units, townhomes or cottage clusters

CASE STUDIES

Cities across Oregon are increasingly considering strategies for encouraging development of smaller, more affordable single-family dwellings:

- **Bend** allows “small dwelling units” in single-unit and medium-density zones.⁴ Small dwelling units (up to 800 square feet) and ADUs (up to 600 square feet) have smaller minimum and maximum lot sizes and no maximum lot coverage.

⁴ Bend Municipal Code 3.8.300 – Small Dwelling Unit Development. <https://bend.municipal.codes/BDC/3.8.300>

- **Lebanon** allows small-lot detached single-unit dwellings (maximum lot size of 2,500 square feet) in their medium- and high-density residential zones. Less than a year after adoption, planning commission approved a 52-lot small-lot subdivision.⁵
- **Albany** uses allows incrementally smaller minimum lot sizes – as detached single-unit dwelling size decreases – across multiple zones. Size categories are:
 - Units over 1,250 square feet
 - Units 800-1,250 square feet
 - Units less than 800 square feet
- **Beaverton’s** Residential Mixed A (RMA) zone allows has a minimum lot size of 1,500 square feet for detached single-unit dwellings. However, without a maximum lot size or reduced FAR limit this may not be effective.

Table 4. Small Lot Implementation Examples for Select Oregon Cities

Standard for Small Lot Development	Lebanon*	Bend [†]	Albany [‡]	Beaverton**
Lot Size	Max: 2,500 SF	Min: Small Dwelling: 1,500 SF Min: Med-density res. zone: 2,500 SF	Min: 1,500-6,500 SF (varies by zone)	Min (Residential mixed A zone): 1,500 SF
Min. Lot Width	30 ft	Small Dwelling: 20 ft Med-density res. zone: 30 ft	20-50 ft (varies by zone)	14 ft
Max. Lot Coverage or Floor-Area-Ratio (FAR)	Lot coverage: 60%	Lot coverage: Small Dwelling: none Med-density res. zone: 50%	Lot coverage: 50%-70% (varies by zone)	FAR: 1.4
Min. Front Yard	10’	10’ (20’ for garages)	10’	10’
Min. Side Yard (interior)	5’	Small Dwelling: 3’ Med-density residential zone: 5’	5’	5’
Min. Rear Yard	10’	Small Dwelling: 3’ Med-density residential zone: 5’	8’ – 15’ (varies by zone)	15’
Min. Side Street	10’	N/A	N/A	N/A
Max. Height	25’	Small Dwelling: same as underlying zone RM: 40’	30’	40’

⁵ “Lebanon Planning Commission: More lots OK, housing height size denied,” Lebanon Local, April 7, 2026. <https://www.lebanonlocalnews.com/lebanon-planning-commission-more-lots-ok-housing-height-size-denied/>

Standard for Small Lot Development	Lebanon*	Bend [†]	Albany [‡]	Beaverton**
<p>*Lebanon Municipal Code 16.05 – Residential Zones. https://library.municode.com/or/lebanon/codes/code_of_ordinances?nodeId=TIT16DECO_ART2LAUSZO_CH16.05RELAUSZO</p>				
<p>[†]Bend Municipal Code 2.1 – Residential Districts. https://bend.municipal.codes/BDC/2.1; Bend Municipal Code 3.8.300 – Small Dwelling Unit Development. https://bend.municipal.codes/BDC/3.8.300</p>				
<p>[‡]Albany Development Code 3.190 – Residential Development Standards. https://albanyoregon.gov/images/stories/cd/planning/development_code/03-Article%203-Residential%20Zoning%20Districts.pdf</p>				
<p>**Beaverton Development Code 20.05.15 – Site Development Standards. https://online.encodeplus.com/regs/beaverton-or/doc-viewer.aspx#secid-121</p>				

IMPLEMENTATION OPTIONS

The City has multiple options for implementing small lot single-unit development. The options described below are some initial approaches for the City to consider for this HPS Action based on existing housing conditions and zoning standards. The City’s input and preferences on these options will inform the Code amendments for small lot single-unit development.

New Standards for Detached Plexes. As discussed, the existing maximum coverage standards and FAR for detached plexes can enable construction of fairly large detached homes. If the City wishes to adjust detached plex standards to encourage small single-unit dwellings, the following options should be considered:

- **Reduce maximum lot coverage and/or FAR thresholds for detached plexes** only for lower density zones (specifically R-10 through R-5) and consider *increasing* (or adding) maximum lot coverage or FAR for detached plexes in more compact zones .
- **Scale maximum lot coverage or FAR for detached plexes** based on lot size, regardless of zone. For example, a 20,000 square foot lot in the R-10 zone would have a lower maximum lot coverage/FAR than a 10,000 square foot lot in R-10. The FAR/coverage for detached plexes should target dwelling sizes the City considers “small” (e.g., 1,200 sf or less, 1,000 sf or less, etc.).
- **Set a maximum building size for detached plexes**, regardless of zone or lot size. This approach is consistent with the OHNA Model Code guidance, which suggests that “no more than one detached unit on a lot exceeds 1,200 square feet.” It is worth noting that recent legislation updated the state’s definition for middle housing to include detached plexes,⁶ and therefore development standards that apply to detached plexes generally cannot be more restrictive than the standards that apply to single-unit detached homes in the same zone. However, the state is currently undergoing a rulemaking effort to set the standards and regulations for implementing the new state statute and some of those recent standards appear to set a precedent for applying stricter standards to detached plexes.

⁶ House Bill 2138, 2025. <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/MeasureDocument/HB2138>

- **Include incentives for smaller detached plexes**, which could include lower System Development Charges (scaled with unit size), which is also being considered under HPS Action 3.
- **Apply maximum lot coverage/FAR exemptions for lots with an existing dwelling.** This may provide flexibility for existing lots that undergo a middle housing conversion (i.e., add detached units to a lot with a larger existing single detached home that consumes most of the allowed lot coverage/FAR).
- **Use a sliding scale for maximum building size caps based on housing type.** The City of Portland uses a sliding scale for maximum building size to incentivize middle housing and smaller detached single-unit dwellings. For example, the City could cap detached single-unit dwellings at 1,500 square feet, duplexes at 2,000 square feet, triplexes at 2,500 square feet, and so forth. This model encourages developers to provide more units while also limiting single-unit home sizes to help ensure new housing development is within reach for moderate-income homebuyers.

Reduce Minimum Lot Size for Certain Zones. This approach would simply reduce the minimum lot size for some of the City's zones, specifically the zones that already allow smaller lot sizes and compact development (e.g., R-4.5, R-3, or R-2.1). This may be the simplest and most straightforward approach. However, it is unlikely to result in many opportunities in small unit development due to the relatively small supply of residential land with this zoning designation, particularly of lots that are considered vacant or partially vacant as of the latest BLI (2021). At the same time, implementing the rezoning strategy described previously would expand these opportunities to some degree.

Create a New "Small Lot Single-Unit" Housing Type. This approach would create a new "small-lot" housing type that is allowed in a broader range of residential zones, including R-10 and R-7. This new housing type would be distinct from the existing detached single-unit housing type and would effectively allow an exception to the minimum lot size provided that the dwelling meets certain standards (e.g., maximum unit size, lower maximum height, different maximum FAR/lot coverage standards, etc.). This would be a similar approach to Albany and Lebanon's implementation of small-lot dwellings, as described above. It is worth noting that these new small-lot standards would also need to apply to duplexes for the City to comply with OAR 660-046 (Middle Housing Rules).

Eliminate Maximum Lot Coverage and FAR for Townhouses in R-7 and R-10 zones. Townhouses (i.e., single-unit *attached* dwellings) are typically smaller and more affordable housing options than single-unit detached. This type of housing offers great homeownership opportunities for first-time homebuyers and moderate-income households. The City had previously considered exempting townhouses from maximum FAR and lot coverage standards in the R-7 and R-10 zones during original implementation of middle housing updates. Townhouses are currently exempt from maximum lot coverage and FAR in the higher density residential zones. The FAR and coverage requirements in R-7 and R-10 have been a barrier to townhouse projects, as some proposals were unable to meet the standard, which ultimately prevented their development. Therefore, eliminating maximum FAR and lot coverage for townhouses in R-7 and R-10 would expand townhouse development opportunities in the City. Increasing townhouse development in West Linn will help expand homeownership options for first-time homebuyers and moderate-income households.

Summary of Key Decision Points

The City should determine which of the following options are most appropriate for implementing HPS Action 2 – Small Lot Single Dwelling Unit Development:

- **Reduce maximum lot coverage and/or FAR thresholds for detached plexes [RECOMMENDED]**
- **Scale maximum lot coverage or FAR for detached plexes based on lot size, regardless of zone [RECOMMENDED]**
- **Set a maximum building size for detached plexes**
- **Apply maximum lot coverage/FAR exemptions for lots with an existing dwelling [RECOMMENDED]**
- **Use a sliding scale for maximum building size based on housing type (Portland model for middle housing)**
- **Reduce minimum lot size for certain zones**
- **Create a new “small-lot single-unit” housing type to allow in R-10 through R-2.1 zones.**
- **Eliminate maximum lot coverage and FAR requirement for townhouses in the R-10 and R-7 zones. [RECOMMENDED]**

Zoning Incentives for Workforce and Affordable Housing – HPS Action 9

HPS SUMMARY

This action involves allowing additional height, density, or floor area ratio (FAR), or relaxing other zoning standards for affordable housing. The City currently does not have any zoning incentives for workforce or affordable housing. As described in the HPS, these zoning incentives may support affordable housing developers to make more efficient use of land and potentially better compete for land with market-rate developers. Non-profit housing providers have indicated that such bonuses can be very effective in improving the financial feasibility of their developments. The HPS also recommends further consultation with affordable housing providers to determine what type(s) of incentives would be most beneficial in supporting their work.

West Linn has a significant need for affordable and workforce housing, as identified in the HCA and HPS. Specifically, the HCA indicates that 33% of future needed housing units by 2040 will be needed by low-, very low-, or extremely low-income households, and also identified a current gap in supply of affordable units. In addition, the City’s OHNA production target for households below 80% area median income (AMI) is 1,971 over the next 20 years. Implementation of affordable housing zoning incentives will help the City meet housing needs and targets for low-income households and other priority populations. These incentives are also consistent with recently adopted Comprehensive Plan goals and policies for the City to increase affordable housing production and opportunities.⁷

⁷ Comprehensive Plan Chapter 10 – Housing.

<https://www.codepublishing.com/OR/WestLinn/#!/WestLinnCompPlan/WestLinnCompPlan10.html>

In addition to workforce and affordable housing, the City has also committed to providing incentives for production of accessible housing. DLCD required West Linn to adopt and implement a committal action to increase production of accessible units as a condition of approval for the HPS.⁸ The City chose to add code bonuses/incentives for accessible units and universal design as part of implementation of HPS Action 9.

ZONING/CODE EVALUATION

Affordable Housing Definition

The City does not have a definition or any code standards for affordable housing. Several recent pieces of legislation and updates to state statute have included various definitions for affordable housing based on housing being available for families below an Area Median Income (AMI) threshold. Some of these statutory definitions include the following:

- Each unit is available at 80% AMI or lower, or the average of all units are available at 60% AMI (ORS 197A.445(a)).
- Each unit is available at 60% AMI or lower for at least 30 years (ORS 197A.449(a)).
- Housing is affordable to those earning 80% AMI or higher (ORS 197a.465(a)).
- Housing is affordable to those earning 60% AMI or lower for at least 60 years (ORS 197A.470(a)).

These definitions implement different statutes that have different purposes, and therefore the City should use a definition that aligns with the intent of HPS Action 9. For example, the definition under ORS 197A.449 is specific to conversion of hotels and motels to affordable housing, and the 197A.445 definition is specific to commercial conversions to affordable housing. Specifically, the HPS suggests that HPS Action 9 is intended to help meet housing needs at the 0-80% AMI level, and therefore the City's definition for affordable housing should reflect that affordability threshold. However, if the City chooses to adopt Code provisions that implement different affordable housing statutes, then it is recommended to embed each different affordable housing definition in each respective Code section rather than having a single definition that applies broadly.

The City may also consider the more detailed OHNA Model Code definition, which uses "10-year," "20-year," and "30-year" affordable housing definitions, which are also generally tied to different statutes. The affordable housing statutes that the city should consider incorporating in the Code are discussed in more detail in the State Statute and Legislative Summary section below.

Accessibility Definitions

The City also does not have any definitions or specific residential standards for accessibility. The City should use definitions that are consistent with International Building Code guidelines, which are also reflected in the OHNA Model Code definitions. These include the following:

- "Accessible unit" means a unit of housing that complies with the "Type A" requirements applicable to units as set forth in the Standard for Accessible and Usable Buildings and Facilities published by the International Code Council and as referenced by the state building code.

⁸ City of West Linn HPS Conditions of Approval.

https://www.oregon.gov/lcd/Housing/Documents/2026_03_HPS_Condition-of-Approval_3-4_Decision_Letter_West-Linn_FINAL-CombinedwAttachmentA.pdf

- “Adaptable unit” means a unit of housing that complies with the “Type B” requirements applicable to units as set forth in the Standard for Accessible and Usable Buildings and Facilities published by the International Code Council and as referenced by the state building code.
- “Accessible walkway” means a walkway designed and built according to the Americans with Disabilities Act (ADA) standards to ensure it is usable by people with disabilities, particularly those who use mobility devices.

Zoning Incentives and Bonuses

Senate Bill 8 (2021 session, encoded as ORS 197A.445) requires cities to allow affordable housing that meets specific criteria on a wide range of sites and to provide height and density bonuses. The required bonuses are tied to allowed local densities as follows:

- 16 or fewer units per acre: 200 percent of the existing density and 12 additional feet in height;
- 17 to 45 units per acre: 150 percent of the existing density and 24 additional feet; or
- Over 46 units per acre: 125 percent of the existing density and 36 additional feet.

These bonuses applied to the City’s R-2.1 and R-3 zones would yield the following densities and heights as shown in Table 5.

Table 5. SB 8/ORS 197A.445 Density and Height Bonuses Applied to Existing Multi-unit Zones (State Requirement for Existing Zones)

Development Standard	R-3 Existing	R-3 Bonus (200% Density, 12’ Height)	R-2.1 Existing	R-2.1 Bonus (150% Density, 24’ Height)
Density	15 units per acre	30 units per acre	21 units per acre	31.5 units per acre
Max Height	35’	47’	35’	59’

The City should consider additional development standards to relax in exchange for affordable and/or accessible housing, such as increases in height, FAR, or lot coverage. It is common for cities to offer various development bonuses for a minimum amount of affordable units (e.g., 10-25% bonus for a minimum 25% affordable units). Table 6 shows how different bonus levels would increase/decrease existing development standards that are commonly used for affordable housing bonuses.

Table 6. Multi-unit Standards and Bonus Scenarios (option for PC to consider)

Development Standard	R-3 (CDC Ch. 15) and R-2.1 (CDC Ch. 16) Base Standards	10% Bonus	25% Bonus	50% Bonus
Max Lot Coverage	50%	55%	62.5%	75%
Min. Landscaping Area (reduction)	25%	22.5%	18.75%	12.5%

As shown in Table 6, a 10% bonus applied to the City’s existing development standards yields very little additional allowance and therefore would not be an effective incentive to entice a developer to include affordable units. The City should utilize a bonus level that provides enough incentive for developers to include affordable and accessible units in their projects. Note that if the City chooses to eliminate maximum lot coverage for multi-unit housing consistent with middle housing (see HPS Action 1 implementation options), then these bonuses will not apply. The City should only consider these bonuses if the maximum lot coverage standards are retained for multi-unit housing.

IMPLEMENTATION OPTIONS

The City has a range of options to consider for implementing HPS Action 9. As mentioned for other HPS Actions, the City should follow an implementation option that enables West Linn to meet affordable and accessible housing needs and targets. As such, the City should consider the following options:

- **Scale Bonus Level to the Number of Affordable and Accessible Units.** The City should consider scaling the bonus percentage with the number/percentage of affordable or accessible units provided (i.e., the more affordable or accessible units, the higher the bonus). The City of Lebanon recently adopted a scaled bonus approach for maximum lot coverage:⁹

% of affordable units	Maximum Coverage ¹⁰
5-10% affordable units	70% max coverage
10%-25% affordable units	80% max coverage
>25% affordable units	90% max coverage

- **Use Minimum and Maximum Density Standards for Multi-Unit Development.** Using density standards will enable and help leverage bonus allowances for affordable housing units, consistent with ORS 197A.445 (see Table 5). This approach would need to be coordinated with implementation of HPS Action 1, which includes options for eliminating minimum lot size for multi-unit development.
- **Consider Guidelines in the OHNA Model Code.**¹¹ The OHNA Model Code includes extensive affordable and accessible bonus standards for multiple housing types, including single-unit, middle housing, and multi-unit. Including bonuses for single-family and middle housing will improve development opportunities for workforce housing and more affordable homeownership.

⁹ Lebanon Development Code Table 16.05-14 Lot Coverage Bonus.
https://library.municode.com/or/lebanon/codes/code_of_ordinances?nodeId=TIT16DECO_ART2LAUSZO_CH16.05R_ELAUSZO_16.05.150OPSPSIDEREMUHO

¹⁰ This implementation option is contingent on whether the City chooses to retain maximum coverage standards for multi-unit housing.

¹¹ OHNA Large City Model Code.
https://www.oregon.gov/lcd/Housing/Documents/2025_LargeCities_HousingModelCode.pdf

Note that many of the bonus provisions in the OHNA Model Code are intended to implement affordable housing bonus standards that are required by statute. The accessible and adaptable bonus provisions in the Model Code are not based on statutory requirements.

- **Reconcile applicability of affordable units vs. accessible unit bonuses.** The City should also consider whether development bonuses should apply equally to affordable and accessible units. For example, does it make sense to only provide a lot coverage bonus for affordable housing and not for accessible housing? Are there enough distinctions between the form and function of these housing types that would justify applying bonuses differently, or should the bonuses be applied interchangeably between affordable and accessible housing (e.g., if the development provides 25% affordable units or accessible units in any combination, they are eligible for 25% coverage bonus).
- **Leverage bonuses to incentivize development in specific areas.** The City may consider applying bonuses to specific areas of the City, particularly for key sites that may be a priority for redevelopment or revitalization. Incentivizing development bonuses can support the City's goals for these priority areas, including the Waterfront and Highway 43 Corridor. The Highway 43 Corridor project (VISION43) will include adoption of a new mixed-use zone that will allow increased building heights in certain areas along the corridor, and targeting height bonuses for this area can further encourage new development and redevelopment opportunities.

Summary of Key Decision Points

The City should determine which of the following options are most appropriate for implementing HPS Action 9 – Zoning Incentives for Workforce and Affordable Housing:

- **Scale bonus level to the number of affordable and accessible units [RECOMMENDED where required by statute]**
- **Adopt the bonus standards for affordable and accessible housing in the OHNA Model Code. Affordable bonuses from the Model Code implement state statute [RECOMMENDED]**
- **Apply bonuses equally for accessible and affordable housing [RECOMMENDED]**
- **Use density standards for multi-unit development to help leverage affordable housing development [RECOMMENDED]**
- **Apply bonuses to specific areas of the City**

State Statute and Legislative Summary

One of the goals of this project is to update the Code to comply with state housing statutes and various pieces of recent housing legislation. The state has passed several new laws in recent years that are intended to promote housing production, affordability, and options. Some of the recent legislation and associated statute requirements the City should consider are summarized Table 7.

It is worth noting that most of these state statutes and recent legislation do not require cities to update their development codes for the requirements to apply locally. If not addressed in local ordinance, cities must apply the statute directly, and state requirements take precedence wherever local standards conflict with statute. The recommendation to local jurisdictions to consider and ultimately adopt updates to local ordinances for consistency with state law is to avoid potential confusion and to aid efficient local housing permitting.

The primary goal of the HPS Implementation Project is to implement some of the near-term actions identified in the City's 2025 HPS. This project has limited time and resources to address additional items beyond the HPS implementation actions described in previous sections of this memo, and it is unlikely that the City will be able to address each statute within the project scope and timeline. As such, the table below includes an initial "priority" level to help the City prioritize the statutory consistency amendments to incorporate as a part of the HPS implementation project. Note that some of the statutes that are specific to affordable housing also support implementation of HPS Action 9.

Table 7. Housing Statutes and Recent Legislation for West Linn to Consider

Statute/Rule	Related Legislation	Summary	Priority
ORS 197.478 and 197.485	HB 4064, 2022; HB 2347, 2025	These rules update definitions and regulations related to manufactured homes and dwellings, prefabricated structures, and manufactured dwelling parks, including changes to ORS 197/197A that limit the types of standards that can be applied to those housing types. HB 4064 removed obstacles to the use of prefabricated structures on residentially zoned land and within manufactured dwelling parks.	High
ORS 197A.470	SB 1051, 2017 (Section 1)	This rule requires cities to take final action on affordable housing projects within 100 days after the application is deemed complete	High
ORS 197A.470(5)-(6)	HB 2008, 2021	This rule requires cities to approve affordable housing development under the following conditions: <ul style="list-style-type: none"> • The property is owned by a religious non-profit corporation • The property is contiguous to property zoned for residential use, and; • The property is not zoned for industrial use 	High
ORS 197A.445	SB 8, 2021; HB 4051, 2022; HB 3151, 2023; HB 4037, 2026	This rule requires cities to allow development of certain types of affordable housing without requiring a zone change or conditional use permit if the following criteria are met: <ul style="list-style-type: none"> • The property is publicly owned, as defined by ORS 174.109 • The property is owned by a owned by a religious non-profit • The property is zoned for commercial use • The property is zoned to allow for religious assembly • The property is zoned for public use 	Low

Statute/Rule	Related Legislation	Summary	Priority
ORS 197A.430	HB 3395, 2023; HB 2138, 2025	This rule requires local governments to allow the following: <ul style="list-style-type: none"> • Affordable housing (< 60% AMI) in commercial zones. • Single-Room Occupancy (SRO) anywhere single-family detached housing is allowed. • Emergency shelters in all zones. 	Low
ORS 197A.445 (3-6)	HB 2984, 2023	This rule requires local governments (>10,000) to allow the conversion of a building or a portion of a building from a commercial use to a residential use without a zone change or a conditional use permit. The City can implement this requirement by adding residential uses to the uses that are approved in commercial zones through the Ministerial Review process, where residential units are the result of the conversion of an existing commercial building.	Low
ORS 092.031 & ORS 197A.140 – 142	SB 458, 2021; HB 4063, 2024; HB 4037, 2026 HB 2001, 2023 HB 2138, 2025	These rules include several provisions and procedural requirements for cities to allow “Expedited Land Division” (ELD) and “Middle Housing Land Divisions.” West Linn has previously adopted code amendments to implement these statutes, however recent legislation included minor changes to land division procedures, allowances, and standards. The City may consider minor amendments for consistency with the recent updates to these statutes.	Low