

## Memorandum

Date: February 27, 2025

To: West Linn Planning Commission

From: Darren Wyss, Planning Manager

Subject: Housing Production Strategy

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At its March 5, 2025, meeting the Planning Commission will have the opportunity to ask any follow-up questions from the joint meeting with City Council on February 18<sup>th</sup> where the Housing Production Strategy – Public Review Draft was discussed. Staff and the consultant team can then ensure any additional information is provided to the Planning Commission as part of the adoption process, which is tentatively scheduled as follows:

Planning Commission Work Session – March 19, 2025  
Planning Commission Public Hearing – April 2, 2025  
City Council Work Session – April 21, 2025  
City Council Public Hearing – May 12, 2025

### 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 now needs 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 strategy.

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, is under contract. and has completed the required [Contextualized Housing Needs Assessment \(CHNA\)](#), which builds upon the HCA, and a Stakeholder Interview Summary. Both documents were reviewed at a joint work session with the Planning Commission on June 17, 2024.

The Council also appointed a Project Working Group to provide feedback and make a recommendation on proposed strategies. The working group held its [first meeting on June 10, 2024](#) and reviewed the same two documents (CHNA and Stakeholder Interview Summary). The working group held its [second meeting on October 8, 2024](#) to review draft recommended strategies and to review and provide

feedback on a list of strategies to consider. The draft recommended strategies and strategies to consider were distilled from the HB2003 [Housing Strategies Report](#) compiled by MIG during the HCA process that focused on options for West Linn and the DLCD [HPS Guidance Document](#) with possible strategy options for communities to evaluate.

Based on the feedback from the Working Group, MIG narrowed the draft recommended strategies down to 11 via combining some strategies together and moving several to the “not recommended” category. The list and details required to be included in the adopted HPS were presented to the Working Group at its [third meeting on November 13, 2024](#). The Working Group provided comment and found consensus on the strategies to move forward into the Draft Housing Production Strategy.

The City Council also met with the Planning Commission in a joint [work session on November 18, 2024](#) to review the same materials. At that meeting Council requested additional information on the Construction Excise Tax (CET) strategy and the tax abatement strategies. The consultant team has provided a report (Appendix C linked below) and will be prepared to discuss at the joint work session.

The Working Group held its final meeting on [February 11, 2025](#) to review the draft HPS report and provide a recommendation. The group found consensus support on 11 of the recommended strategies and were split in their support of implementing a construction excise tax (CET). The development community does not support CET, while the affordable housing providers do support CET.

The City Council and Planning Commission met again on [February 18, 2025](#) in a joint work session to review and provide final feedback on the recommended strategies in the draft HPS report (linked below) and provide guidance on any that should not be moved forward to the adoption phase.

The City will need to show progress on strategies adopted into the HPS over the six-year implementation cycle established by the legislature. You will see a recommended time frame for implementation associated with each draft recommended strategy. The legislature has dedicated funding for help with HPS implementation, but the City needs to ensure staff capacity to address all adopted strategies.

Once the Working Group recommendation and final CC/PC comments are incorporated, the HPS will be brought through an adoption process that will include a work session and public hearing with the PC and a work session and public hearing with the CC. The goal is for Council to adopt the HPS in Spring 2025 to meet the state mandated deadline of June 30, 2025.

[West Linn Housing Production Strategy – Public Review Draft](#)

[Appendix A – Contextualized Housing Needs Analysis](#)

[Appendix B – Future Strategies to Consider](#)

[Appendix C – CET and Tax Abatement Report](#)