

Work Session Agenda Bill

Date: April 10, 2025

To: Rory Bialostosky, Mayor
Members, West Linn City Council

Through: John Williams, City Manager *JRW*

From: Darren Wyss, Planning Manager *DSW*

Subject: Housing Production Strategy Project

Purpose:

Hold a work session to get an update on the City's Housing Production Strategy document as recommended by the Project Working Group/Planning Commission and provide feedback on the list of recommended strategies.

Question(s) for Council:

Does the Council have any clarifying questions about the project/process?

Does the Council have comments or questions about the recommended strategies?

Background & Discussion:

At its April 2, 2025, meeting the Planning Commission held a public hearing to consider the proposed West Linn Housing Production Strategy (HPS) as recommended by the project working group. After the public hearing, the Commission voted unanimously to recommend City Council adopt the HPS with a modification to the timing of the Construction Excise Tax (CET) strategy implementation. The Commission recommended moving the CET implementation from years 2026-28 to 2028-30.

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 DLCDC [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) on the topics.

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 and provide guidance on any that should not be moved forward to the adoption phase. The group asked for additional information on scaling SDCs and layering incentives for housing production. The consultant team provided a [memo addressing the topics](#) and it is linked below.

The Commission held a [final work session on March 19, 2025](#) to get any final questions answered prior to the public hearing. The [public hearing was held on April 2, 2025](#), where the Commission recommended adoption of the HPS with the minor modification to the CET strategy implementation timeline.

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.

The City is required by ORS 197A.100 to adopt the HPS by the state mandated deadline of June 30, 2025. This is not a land use action, so the final decision by City Council cannot be appealed.

Council Options:

Receive a briefing from the City’s project consultant, ask clarifying questions, request additional information, and prepare for the May 12, 2025, public hearing to adopt the HPS.

Staff Recommendation:

Receive a briefing from the City's project consultant, ask clarifying questions, request additional information, and provide guidance on the recommended strategies.

Document Links:

1. [West Linn Housing Production Strategy – PC Recommended Resolution 2025-02](#)
2. [Appendix A – Contextualized Housing Needs Analysis](#)
3. [Appendix B – Future Strategies to Consider](#)
4. [Appendix C – CET and Tax Abatement Report](#)
5. [Memo – Scaling SDCs and Layering Incentives for Housing Production](#)