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TO: Kim Rybold, City of Wilsonville  
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SUBJECT: Wilsonville Equitable Housing Strategic Plan - List of Potential Strategies

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To address the community's housing needs now and in the future, the City of Wilsonville has identified the need to establish a roadmap toward a more equitable housing system. This memorandum provides a menu of potential actions that the City can take to advance its Equitable Housing Strategy.

These are the draft policy objectives as of Summer 2019:

- Greater availability of a diversity of housing types.
- Increased partnerships with nonprofit and for-profit housing developers.
- New and expanded affordable homeownership opportunities, especially for first-time homebuyers.
- Reduced risk of housing displacement.
- Targeted housing opportunities in areas with access to services and public transit.
- Increased opportunities for Wilsonville employees to live in the city.
- Maintenance and expansion of quality subsidized affordable housing stock.

The tools outlined in this document fall under the following categories:

- A. Programs to Fund or Reduce Costs for Housing Development or Preservation
- B. Development/Permitting Incentives
- C. Outreach and Coordination
- D. Property Tax Abatement Programs
- E. Affordability Requirements
- F. Homeownership Programs
- G. Anti-Displacement and Renter Support Tools
- H. Ownership or Sale Requirements

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## A. Programs to Fund or Reduce Costs for Housing Development or Preservation

**Grants/Loans for New Development and Preservation.** Investments intended to help regulated and unregulated properties with development costs, pre-development assistance, loan recapitalization, and/or pay for necessary capital repairs so that land-owners can avoid selling to the private market for capital. Would need to determine funding sources – possible sources include urban renewal, CDBG, Section 108 (up to 80% of MFI).

**Reduced or Waive Permit Fees or Systems Development Charges (SDCs) for Affordable Housing.** An array of programs that offer reductions or waivers on a project's permit fees or system development charges in order to reduce the cost to build housing. The City already waives SDCs for Accessory Dwelling Units. One option would be to develop a separate fee schedule for the portion of rent-restricted affordable units within a project.

**Financed Building Permit and Planning Fees or SDCs.** Program to finance permit fees and/or System Development Charges for affordable housing developments.

**Expedited and Fast-Tracker Planning and Building Permit Review for Affordable Housing or Specific Housing Types.** Allows for faster development review for affordable housing, or for pre-approved housing development types, thereby reducing time and cost of new development to allow for lower rents to be charged.

**Community Land Trusts.** There are several community land trust models throughout the country. The model used in the Portland area involves a non-profit, municipal, or other organization that owns land and provides long-term ground leases to low-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms. The City could pursue discussions with Proud Ground, determine the sites it could offer for a CLT, and explore options agreements for voluntary inclusionary zoning in partnership CLT's as part of single family neighborhood development.

**SMART/WES Property Development.** The two- to three-acre City-owned property near Wilsonville's WES transit station is the City's main opportunity to promote Transit-Oriented Development for affordable and/or workforce housing. Potential support could include development/permitting incentives or a public-private partnership that would provide development or infrastructure subsidies in exchange for fulfillment of community goals.

**Land Acquisition Strategy and Land Banking.** City-initiated program to buy and hold land for future development opportunities. This supports affordable housing by reducing or eliminating land cost from development.

**City-supported Employer-assisted Housing.** Employer-assisted housing programs help employees meet their housing needs, which in turn helps employers to achieve their business

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goals. The City's role could be to provide subsidies, convene employers with other players in the housing sphere, or partner in development.

## B. Development/Permitting Incentives

**Development of Requirements and Policies for Master Planning Efforts in Frog Pond East and South.** Frog Pond East, West, and South are the main areas where the City expects new housing development. Frog Pond West has a master plan, but Frog Pond East and South do not. Those areas will likely be developed through a series of Planned Unit Developments. As part of its planning, the City should determine what kinds of affordability and unit type requirements to consider as a part of the master planning requirements for Frog Pond East and South.

**Implementation of Oregon House Bill 2001.** Oregon House Bill 2001 requires that local jurisdictions adopt zoning code regulations or comprehensive plan amendments to permit middle housing types in all areas that are zoned for residential use and allow for detached single-family dwellings. These changes will allow for a diversity of unit types throughout Wilsonville, but the City will need to assess its own plans for future planning areas for Frog Pond as well as the restrictions in each of its existing neighborhoods that have HOAs.

**Accessible Design Standards Incentives.** Incentives for visitability, adaptability, and accessibility. This could include incentives encouraging universal design.

**Incentives for Space-Efficient Housing.** Provides development standards that allow certain types of housing such as cottage clusters, internal division of larger homes, duplexes, and accessory dwelling units. This could include increased density and/or height for regulated affordable housing and/or for housing types that tend to be lower cost (e.g. cottage homes, duplexes/triplexes, etc.) Consider including as part of new development agreements. Follow up actions include fact-finding with existing HOAs about whether ADUs are allowed within CC&Rs.

**Reduced Parking Requirements for Affordable Housing or Housing near High-Capacity Transit.** Development standards that reduce the required number of parking spaces for affordable housing and/or housing near high-capacity or rapid transit. Potential to limit to subsidized units.

## C. Outreach and Coordination

**Track Market Conditions.** To support its programs, the City can enhance its tracking of the residential real estate market, such as RMLS, Zillow, Multifamily NW, and Co-Star.

**Outreach with non-profit affordable housing developers.** Proactively seek out connections to regional developers looking for infill and other development opportunities. Potential organizations include: REACH CDC, Habitat, Northwest Housing Alternatives.

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**Outreach with market-rate developers.** Proactively seek out connections to regional developers looking for infill and other development opportunities. This could include a public relations strategy about possible opportunity sites available, developer tours, and increased participation in housing-related real estate events so that the City can better understand development activity within the region.

**Better connections to Clackamas County's Housing Bond Implementation.** Increase coordination and communication on the Metro Affordable Housing Bond.

## D. Property Tax Abatement Programs

**Multiple-Unit Limited Tax Exemption Program.** Incentivizes high-quality, mixed-use, and diverse housing options by selecting a development to award a property tax exemption.

**Vertical Housing Tax Abatement.** Subsidizes mixed-use development by providing a partial property tax exemption on increased property value for qualified developments.

**Tax Abatement for New and Rehabilitated Multifamily Rental Housing.** Offers a full property tax abatement for up to 10 years for multifamily rental housing affordable at up to 120% of Area Median Income. City sets length of exemption based on percent of units meeting affordability criteria.

**Nonprofit Affordable Housing Property Tax Abatement.** The Oregon legislature authorizes a property tax exemption for low-income housing (60% MFI and below) held by charitable, nonprofit organizations only.

**Low Income Rental Housing Property Tax Abatement.** The Oregon legislature authorizes a property tax exemption for new rental housing exclusively for low-income households (60% MFI and below). Housing need not be owned or operated by a nonprofit entity.

## E. Affordability Requirements

**Inclusionary Zoning.** Incentivizes or requires developers to set aside a certain share of new housing at a price affordable to people of low or middle income.

## F. Homeownership Programs

**Education on Home Ownership Preparation.** Help first-time homebuyers learn the basics about the home buying process in classes taught by experienced professionals who specialize in helping first-time homebuyers. Special topics on HOAs can be included. The City could coordinate with existing organizations such as the Portland Housing Center to facilitate this training or develop its own program.

**Alternative Funding Sources for Down Payment and Mortgage Assistance.** Expand financing options to low-income and middle-income households who plan to purchase a home.

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## G. Anti-Displacement and Renter Support Tools

**Create Better Linkages to County Support Services for Renters.** Create formal structures with County to better provide resources and technical assistance for tenants: (1) Provide connections to the County mediation process in which people work with a neutral professional to facilitate a mutually beneficial, binding resolution, (2) work with County on trainings, counseling services, resource fair, website resources to help residents to gain familiarity with landlord-tenant law and information needed to know their rights, (3) provide information on existing local rent assistance programs.

**Monitor Implementation of State Rules on Rent Control and Evictions.** City staff can monitor and understand how Senate Bill 608 is being implemented within the City. This landmark law fundamentally changes landlord-tenant laws by regulating how and when Oregon landlords can increase rents, sets limitations on when landlords can use evictions, and requires landlords to pay relocation payments to tenants in certain circumstances.

**Mediation that Supports Residents to Remain in Their Homes.** The City could provide its own mediation services for homeowners facing foreclosure to resolve the issue with the mortgage by mutual agreement before a default judgment or foreclosure sale is reached.

**City-Led Landlord Counseling.** Support landlords towards successful property management by providing education services that inform landlords of their rights and responsibilities, coach them on best practices, and assist in solving disputes. This could also incorporate better connections to County resources.

**Landlord Accountability and Support.** Explore options to partner with – and hold accountable – landlords whose properties generate disproportionate complaints from tenants. Examples include strong code enforcement and a rental housing inspection program.

**City Database of Rental Buildings.** The City could create a database of rental buildings to provide data for programs to (1) support renters and (2) watch for opportunities to preserve housing that may be sold or may see rents increase.

**Short-term assistance for upfront rental assistance.** Create a Wilsonville-specific program for upfront rental costs.

**Platforms to More Easily Find a Place to Live.** Create a single place in which to find housing and submit a rental application, such as OneAppOregon.com.

**Designate “Front Door” Staff at City Hall.** Designate staff that are available for referrals, community housing training, etc. A possible role could be connecting employees to housing opportunities.

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## H. Ownership or Sale Requirements

**Policies Requiring or Incenting Purchase Rights to Nonprofits or City (First Right of Refusal Policies).** Policy that would require landlords to notify cities and/or nonprofits of the intent to sell so that the cities/nonprofits have the ability to purchase land/properties before they turn to market rate (important for low-cost market-rate housing).

**Policies Requiring Notification of Expiring Contracts.** Policy requiring that rent-regulated properties coming upon their regulatory expirations notify cities or nonprofits (again to enable cities/nonprofits to purchase the properties before they turn to market rate).