



22500 Salamo Road  
West Linn, Oregon 97068  
<http://westlinnoregon.gov>

# **WEST LINN CITY COUNCIL MEETING NOTES May 12, 2025**

## **[Call to Order and Pledge of Allegiance \[6:00 pm/5 min\]](#)**

### **Council Present:**

Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.

### **Staff Present:**

City Manager John Williams, City Attorney Kaylie Klein, City Recorder Kathy Mollusky, Planning Manager Darren Wyss, Assistant City Engineer Clark Ide, and Special Counsel Ashleigh Dougill.

## **[Approval of Agenda \[6:05 pm/5 min\]](#)**

Council President Mary Baumgardner moved to approve the agenda for the May 12, 2025, West Linn City Council Meeting. Councilor Leo Groner seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: None.**

**The motion carried 5 - 0**

### [Public Comment \[6:10 pm/10 min\]](#)

Clyde Farris re: fire risk

### [Consent Agenda \[6:50 pm/5 min\]](#)

#### **Agenda Bill 2025-05-12-01: Meeting Minutes for April 14, 2025 Council Meeting**

##### [Draft Notes Information](#)

Council President Mary Baumgardner moved to the Consent Agenda for the May 12, 2025, West Linn City Council Meeting which includes the April 14, 2025, meeting minutes. Councilor Leo Groner seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: None.**

**The motion carried 5 - 0**

### [Business Meeting \[6:55 pm/90 min\]](#)

#### **Agenda Bill 2025-05-12-02: Public Hearing: West Linn Housing Production Strategy**

##### [HPS Information](#)

Mayor Bialostosky opened the public hearing on PLN-25-01, a proposal to adopt the West Linn Housing Production Strategy (HPS). The HPS identifies strategies the City will pursue over the next six-years to meet the community's housing needs and comply with ORS 197A.100. The Planning Commission made its recommendation on April 2, 2025. This is not a land use action, so the final decision by Council cannot be appealed. He explained how the hearing would proceed.

City Manager Williams introduced the topic reminding Council they have talked about this previously in at least one public meeting.

Consultant Matt Hastie, MIG, gave the staff presentation.

##### [Presentation](#)

#### **Public Comment**

None.

### Questions of Staff

None.

Mayor Bialostosky closed the public hearing.

Council President Mary Baumgardner moved to adopt Resolution 2025-02, adopting the West Linn Housing Production Strategy as required by ORS 197A.100 as recommended by Planning Commission with two minor changes (Strategies 2 and 9) to address accessible housing. Councilor Leo Groner seconded the motion.

Mayor Bialostosky noted this has been a lot of work for staff, funded by a grant. This is the City complying with a state mandate to adopt this Housing Production Strategy. It is important to talk about ways to bring in more housing because the cost of housing in West Linn is very high.

Councilor Groner noticed some of the infill is replacing one story buildings on moderate sized lots with multiple multistory buildings that are clustered together. One of the goals is for the elderly and handicapped to have housing appropriate to them. We're potentially replacing housing that is appropriate for them with housing that is not.

Council President Baumgardner has heard from people asking for clarification on what does affordable mean? In the presentation, staff made a point to address that and we have some work to do on that going forward. It is up to Council, staff, and consultants teaming up to create more housing options to get more young families to be able to move here so we don't have schools threatening to close due to low enrollment and other reasons, that is not the only one.

Mayor Bialostosky stated the Construction Excise Tax (CET) tax is one thing he is thinking about, he would like to keep it in as a potential strategy with delayed implementation. On one hand, the City is strapped for resources and we need to do what we can to generate revenue. On the other hand, this seems like we are increasing the cost of housing to try to get to more affordable housing. He would like to see more study on that as we move forward before we get to any potential implementation. There was huge outcry in Lake Oswego from the Homebuilders Association and others. Here, there hasn't been much of a debate, at least not at Council level; there was an extensive debate at the working group. He wants to make sure it is the right strategy before moving to adoption. He doesn't want to increase the cost of housing and then have to use half of the money to reduce the cost of housing in other ways. The City does need revenue and can use it for good things related to affordable housing. He is supportive of the Housing Production Strategy and wishes it was not mandated. The Housing Accountability and Production Office will be reviewing these and if you don't make progress on implementing, you can be subject to enforcement orders. We will do the best we can with the limited land and high cost here.

Planning Manager Wyss has been working on Housing Production Strategy for about 15 months. He has been working on House Bill 2003 since 2020.

Mayor Bialostosky wanted to recognize and thank Planning Manager Wyss for his work on this. He has become the de facto state mandate person that responds to the state mandates that come from Salem. His work has been great and it's a testament to the strain on the City resources that it causes when you have to put members of our planning staff working on these things when they could be working on City specific things, but it is important.

Planning Manager Wyss thanked Matt and his team for getting us through this and they also helped with the housing capacity analysis back in 2020/21 so they have been at this for a long time also.

Mr. Hastie stated this grant goes through June 30, so Council is six weeks ahead of schedule on adoption.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: None.**

**The motion carried 5 - 0**

**[Agenda Bill 2025-05-12-03: RESOLUTION 2025-01, ADOPTING THE CITY OF WEST LINN STORMWATER MANAGEMENT MANUAL](#)**

**[RES 2025-01](#)**

**[Stormwater Manual](#)**

City Manager Williams introduced Assistant Engineer Ide who has previously been before Council in work sessions and meetings to talk about this project.

Assistant Engineer Ide stated we are here to talk about the resolution to adopt the City's stormwater manual. At the March 3 Work Session, we discussed why the City was developing their own stormwater manual. The City has been using Portland's stormwater manual to manage post construction standards that are required by our Department of Environmental Quality (DEQ) permit. There are some minor discrepancies between what the DEQ permit required and what we were enforcing and the best way to address this is to develop our own manual that is tailored to West Linn's specific topography, constraints, and soil types. We can amend our own manual as needed to stay more current and saves us money. Staff put the draft manual out on March 17 for 30 days and did not receive any public comment. Staff made some minor grammatical changes; however, the final version is essentially the same as the draft version as sent out last time. The final draft was posted last week. He asked Council to formally adopt the stormwater management manual via resolution.

Council President Mary Baumgardner moved to adopt Resolution 2025-01, adopting the City of West Linn Stormwater Management Manual. Councilor Leo Groner seconded the motion.

Councilor Bryck thanked staff for all their work. Sometimes it is easier to say don't reinvent the wheel, let's just use what is out there. We do have some significant differences, and she appreciates staff taking them into account and providing a stormwater management manual that can be updated and meets the needs of the community. Mayor Bialostosky echoed those sentiments.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: None.**

**The motion carried 5 - 0**

**[Agenda Bill 2025-05-12-04: AP-24-02, Appeal of MIP-24-01/VAR-24-05 Planning Commission Decision](#)**

**[Appeal Information](#)**

Mayor Bialostosky previously recused himself from this decision due to his relationships with representatives of the property owner and public commentators who retained counsel. He recused himself, vacated his seat for the hearing, and handed the gavel to Council President Baumgardner to run this portion of the meeting.

Council President Baumgardner explained Council is here to deliberate to a final decision on appeal application AP-24-02, an appeal of the Planning Commission approval of MIP-24-02/VAR-24-05; a 3-Parcel Minor Partition and a Class II Variance at 2830 Coeur D Alene Drive. The Class II Variance is to allow five single-family homes to take access from a 20-foot shared private driveway. The appeal was filed by Gary and Susie Alfson. She explained this is a quasi-judicial decision which means the rulings must be grounded in the relevant code. The Council closed the public hearing and evidentiary record on April 14, 2025, and reached a tentative decision to approve the appeal and remove Condition of Approval 2. No further testimony or evidence will be accepted tonight. Council will continue deliberations and vote on a final decision.

Special Counsel Ashleigh Dougill explained any testimony, argument, or evidence in the record before the Council must be directed at these criteria, or at some other criteria in the code or comprehensive plan. Only those who have appeared before the City Council, in person or in writing, will have standing to appeal this item to the Land Use Board of Appeals (LUBA).

No Councilors had a potential or actual conflict of interest or bias.

No Councilors made a site visit; however, Council disclosed ex parte contact. Council received an email from the applicant/appellant. Council President Baumgardner and Councilor Bryck did

not open it because they were concerned it might contain information that would be ex parte. Councilor Bonnington received the email and also spoke with David Baker following the previous hearing about his concern of not understanding the situation, but not the actual substance of a decision. Councilor Groner opened and read the email. All the Councilors feel they can make an impartial decision.

There were no challenges to Council jurisdiction.

There were no challenges to the impartiality or conflict of interest of any Councilor.

Councilor Kevin Bonnington moved to adopt the Final Decision and Order denying the appeal and modifying Condition of Approval 2, per the staff recommendation, of the Planning Commission approval of MIP-24-02/VAR-24-05. Councilor Leo Groner seconded the motion.

Council President Baumgardner thought this was a very complicated matter and it took quite a bit of processing of the information and from what she could tell and learned from further staff discussion. The matter seems to hinge on a discrepancy between the original developer agreement wording on parcel division and what parcels are allowed and a plat note that seems to contradict. She is hoping they can get clarification so people can go forward as best suits the legal confirmation which in this case she thinks is confusing. That is really what made it so difficult for Council as non-land use professionals to make a right and fair decision. Upon closer review of the images, the driveway has their main access onto the main road and an additional access onto the easement driveway which may be part of the complication. She does not know if that required a special permit when it was done. Most houses don't have two driveways from two different access points that are built into developments like this. That is an additionally layer of complexity for this situation. She hopes Council has been able to spend enough time with this to make a fair decision. It is not what everyone wanted as a result, sometimes Council is in a difficult position.

Councilor Bryck stated in reviewing the record which includes the original application and in discussion with staff, it appears to be a private property issue and the Code allows for four accesses from a private drive, so the private property owners need to come to agreement.

Councilor Bonnington felt this was extremely complicated, that is why he likes this motion as opposed to the tentative decision because the likely outcome of this will be decided by people who are skilled, have a good background in this. He has more confidence in people who do this every day to get it right.

**Ayes: Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: None.**

**The motion carried 4 - 0**

## Mayor and Council Reports [6:20 pm/15 min]

### Reports from Community Advisory Groups

This was missed on the agenda so was moved to here.

Councilor Groner stated the Arts & Culture Commission sculpture that is going to be a bike kiosk is in progress. They are going to have a booth at music in the park. The Highway 43 art corridor project and may require funding for design, planning, and advertising so they may come to Council to ask for funding.

Council President Baumgardner thanked everyone who worked so hard on the State of the City. It went well and she appreciated the offsite experience. It is quite an endeavor for CCTV. She attended the hearing on Friday at the state capital for the Ways & Means Subcommittee for the Capital Construction committee. There are some very worthy projects that are competing for the \$500 million dollars and there is about \$2 billion worth of projects. She lobbied on behalf of the Willamette Falls Locks and the Willamette Falls Trust intertribal public access project. She waited three hours to speak for one minute. She went to the waterfront planning and working group visioning meeting. We are getting closer to a form that can be adopted. Some people want to save and repurpose the old industrial buildings and others who want to see it without the old buildings.

Mayor Bialostosky had a great time at the State of the City. He appreciated everyone who came and all the staff work that went into it. It is a positive thing for the City. He went to a Clackamas County Coordinating Committee (C4) meeting, had lunch with the Oregon City mayor and talked about South Fork Water Board, met with Sara from Senator Merkley's office to talk about continuing the WIFIA funding for water infrastructure and asked about our federal waterline funding request. The senator's office offered to help us access the money that was allocated in a budget bill and signed into law for the Abernathy water line replacement. He is attending the Tualatin Valley Fire & Rescue (TVF&R) community academy. He was fitted in fire gear and had some pictures taken. He gets to do training, practice extraction from a car, put out fire, and go on calls with TVF&R. It is opened to councilors annually. Council President Baumgardner went last year. He met with Councilor Bonnington and Parks & Recreation Director Big John to discuss next steps on the Recreation Center. There are a lot of good ideas and they hope to get something going, maybe break it into phases to continue making progress.

Councilor Bonnington was encouraged about how many optimistic ideas there are regarding the recreation center, so many people want to contribute. He thinks we are going to have a run at doing something this time. The Mayor gave a great speech and he received really good feedback from the State of the City; he appreciates all the work from staff. The Parks & Recreation Board was updated on the parks department priorities. He mentioned plans for the Community Advisory Group (CAG) changes and they were excited.

#### **City Manager Report [8:25 pm/5 min]**

City Manager Williams went over the tentative agenda for upcoming Council Meetings. The library is hosting a Dungeon Masters class on Saturday. There are a lot of Neighborhood Association meetings and CAG meetings on the calendar and he encouraged everyone to check the website.

Council President Baumgardner noticed the Electric Vehicle (EV) charging station on Willamette Falls Drive next to the bicycle kiosk. Officer Goode is receiving an award at the Broadway Rose Theater on Saturday at 10 am. She is excited and grateful we have such deserving staff in the police department.

#### **Adjourn [8:35 pm]**

Minutes approved 6-16-25.





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## CITY COUNCIL AGENDA

Monday, May 12, 2025

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5:30 p.m. – Pre-Meeting – Bolton Room & Virtual\*

6:00 p.m. – Business Meeting – Council Chambers & Virtual\*

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1. Call to Order and Pledge of Allegiance [6:00 pm/5 min]
2. Approval of Agenda [6:05 pm/5 min]
3. Public Comment [6:10 pm/10 min]

The purpose of Public Comment is to allow the community to present information or raise an issue regarding items that do not include a public hearing. All remarks should be addressed to the Council as a body. This is a time for Council to listen, they will not typically engage in discussion on topics not on the agenda. Time limit for each participant is three minutes, unless the Mayor decides to allocate more or less time. Designated representatives of Neighborhood Associations and Community Advisory Groups are granted five minutes.

4. Mayor and Council Reports [6:20 pm/15 min]
  - a. Reports from Community Advisory Groups
5. Consent Agenda [6:50 pm/5 min]

The Consent Agenda allows Council to consider routine items that do not require a discussion. An item may only be discussed if it is removed from the Consent Agenda. Council makes one motion covering all items included on the Consent Agenda.

- a. Agenda Bill 2025-05-12-01: Meeting Minutes for April 14, 2025 Council Meeting
6. Business Meeting [6:55 pm/90 min]

Persons wishing to speak on agenda items shall complete the form provided in the foyer and hand them to staff prior to the item being called for discussion. A separate slip must be turned in for each item. The time limit for each participant is three minutes, unless the Mayor decides to allocate more or less time. Designated representatives of Neighborhood Associations and Community Advisory Groups are granted five minutes.

- a. Agenda Bill 2025-05-12-02: **Public Hearing:** West Linn Housing Production Strategy

- b. Agenda Bill 2025-05-12-03: RESOLUTION 2025-01, ADOPTING THE CITY OF WEST LINN STORMWATER MANAGEMENT MANUAL
- c. Agenda Bill 2025-05-12-04: AP-24-02, Appeal of MIP-24-01/VAR-24-05 Planning Commission Decision

- 7. City Manager Report [8:25 pm/5 min]
- 8. Adjourn [8:35 pm]



## **Agenda Bill 2025-05-12-01**

Date: May 11, 2025

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

From: Kathy Mollusky, City Recorder *KM*

Through: John Williams, City Manager *JRW*

Subject: Draft Meeting Minutes

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**Purpose:** Approval of City Council Meeting Minutes.

**Question(s) for Council:**

Does Council wish to approve the attached City Council Meeting Minutes?

**Public Hearing Required:** None required.

**Background & Discussion:**

The attached City Council Meeting Minutes are ready for Council approval.

**Budget Impact:** N/A

**Sustainability Impact:**

Council continues to present its meeting minutes online, reducing paper waste.

**Council Options:**

1. Approve the Council Meeting Minutes.
2. Revise and approve the Council Meeting Minutes.

**Staff Recommendation:**

Approve Council Meeting Minutes.

**Potential Motions:**

Approving the Consent Agenda will approve these minutes.

**Attachments:**

1. April 14, 2025, Council Meeting Minutes



CITY OF  
**West Linn**

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# **WEST LINN CITY COUNCIL MEETING NOTES April 14, 2025**

## **[Call to Order and Pledge of Allegiance \[6:00 pm/5 min\]](#)**

### **Council Present:**

Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.

### **Staff Present:**

City Manager John Williams, City Attorney Kaylie Klein, City Recorder Kathy Mollusky, Associate Planner Aaron Gudelj, Public Works Director Erich Lais, and Planning Manager Darren Wyss.

## **[Approval of Agenda \[6:05 pm/5 min\]](#)**

Council President Mary Baumgardner moved to approve the agenda for the April 14, 2025, West Linn City Council Meeting. Councilor Leo Groner seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: None.**

**The motion carried 5 - 0**

### [Public Comment \[6:10 pm/10 min\]](#)

Brian Greenwood re: gravel on the streets.

[Public Comment - Brian Greenwood](#)

[Public Comment - Marylhurst NA](#)

[Public Comment - Teri Cummings](#)

### [Mayor and Council Reports \[6:20 pm/15 min\]](#)

#### [Appoint Community Advisory Group Members](#)

Mayor Bialostosky placed before Council appointing:

- o Kent Wyatt to the CCI Committee
- o Shannen Knight to the EDC
- o Rob Kugler to the SAB

Council President Mary Baumgardner moved to approve the Mayor's appointments. Councilor Leo Groner seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: None.**

**The motion carried 5 - 0**

#### [Reports from Community Advisory Groups](#)

Councilor Bryck attended the Utility Advisory Board (UAB) meeting and they discussed requirements of the system based on the Water System Master Plan, the funding needs, and how to accommodate to get all that work done. She attended the Vision43 meeting and there will be future open houses for community members to look at where we are. This has been created from a lot of community input over the last year. They are getting closer to having something to present to the Planning Commission and Council.

Council President Baumgardner and the Mayor had a positive call with representatives from Grand Rhonde who we are hoping to continue to have a good relationship with and improve our relationship.

Councilor Bonnington attended the Parks and Recreation Advisory Board (PRAB) meeting and he updated them on what Council is doing and they discussed the tree code. At the Economic Development Committee (EDC) meeting staff gave a Vision43 update.

Mayor Bialostosky met with staff to prepare for a joint meeting with the Transportation Advisory Board (TAB).

City Manager Williams is working to implement Council direction to work with the TAB on pedestrian traffic safety projects, prioritization, and cost estimates.

**[Earth Day Proclamation \[6:35 pm/5 min\]](#)**

**[Proclamation](#)**

Council President Baumgardner read the proclamation declaring April 22, 2025 Earth Day.

**[Consent Agenda \[6:55 pm/5 min\]](#)**

**[Agenda Bill 2025-04-14-01: Meeting Minutes for February 18, 25 and March 17, 2025 Council Meetings](#)**

**[Draft Minutes Information](#)**

**[Agenda Bill 2025-04-14-02: Agreement with Clackamas County regarding Plastic Pollution and Recycling Modernization Act](#)**

**[RMA Information](#)**

**[Agenda Bill 2025-04-14-03: Lake Oswego Communications \(LOCOM\) Intergovernmental Agreement](#)**

**[LOCOM Information](#)**

Council President Mary Baumgardner moved to approve the Consent Agenda for the April 14, 2025, West Linn City Council Meeting which includes the February 18, 25 and March 17, 2025, meeting minutes; an agreement with Clackamas County regarding plastic pollution and recycling modernization act; and the Lake Oswego Communications Intergovernmental Agreement. Councilor Leo Groner seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: None.**

**The motion carried 5 - 0**

**[Business Meeting \[7:00 pm/150 min\]](#)**

**[Agenda Bill 2025-04-14-05: Intergovernmental Agreement with the State of Oregon for Delivery of a Federal Project – Willamette Falls Dr. 16th St. to Ostman Rd](#)**

**[State of OR IGA Information](#)**

This item was moved up on the agenda.

Public Works Director Lais explained this is the second round of regional flexible funds that have been awarded, in 2016, the City was awarded funds for Highway 43. In 2022, the City was awarded \$3,497,580 through Metro's RFFA program for 2025 to 2027. RFFA identifies and distributes the region's federal transportation allotment of money. The guiding principles of RFFA are equity, safety improvements, it implements the regional climate strategy and congestion relief. To meet the Federal requirements, the City proposed multimodal improvements along Willamette Falls Drive from 16th St. to Ostman; continuing the Main Street project from 2018. The improvements will focus on separated bike and pedestrian facilities and implement the City's long range transportation plan of having those multimodal improvements from Highway 43 to Tualatin River. The City is coordinating with the Oregon Department of Transportation (ODOT). The City is not an authorized federal agency to manage and deliver a project with federal funding. This is why the City works with ODOT on these projects. The Intergovernmental Agreement allocates \$940,000 of federal funding and engineering design to Right-of-Way (ROW) acquisition. The City will match 10.27 percent of current phase which is \$1,047,669. The total phase is one million dollars, federal funds are \$940,000 and the City has \$100,000. The City is just starting this phase. Working with the state transportation agency takes longer. Construction funding will be in FY28/29.

Council President Mary Baumgardner moved to approve the proposed Intergovernmental Agreement (IGA) with the State of Oregon Department of Transportation to deliver the federally funded project for pedestrian and bike improvements on Willamette Falls Drive between 16th St. and Ostman Rd. Councilor Leo Groner seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: None.**

**The motion carried 5 - 0**

**[Agenda Bill 2025-04-14-06: Award of Contract for 2025 Waterline Replacement Project](#)**  
**[Waterline Replacement Information](#)**

This item was moved up on the agenda.

Public Works Director Lais stated this is the normal annual road program that has been on pause while the City waited to see what the ODOT waterline project on the bridge was going to be. This project includes replacing cast iron ductal and asbestos cement water lines - substandard water lines. The project is split up into three phases: 1) Arbor Dr., Highway 43 to Upper Midhill, Arbor to Marylhurst. In this area, there are a series of plastic services in backyards that we cannot always get into when there is a break. Those services are going to be relocated to come off Highway 43. 2) Parker Rd., Sunset, and Reed St. Reed St. has several

homes fed off a long 3/4" galvanized service, this is undersized for the amount of homes. The City will extend an 8' main up Sunset around Parker Rd., and down Reed St. 3) A small section on Dollar St. from Ostman to Fields Dr. and Santa Anita at Hidden Springs. There is an exposed main through a creek bottom that is vulnerable and difficult for crews to fix. That is going to be abandoned and rerouted to Santa Anita Dr. The project was advertised in accordance with the Local Contracting Review Board (LCRB) rules, the bid opening was March 20 and we received 10 bids. Icon Construction and Development (ICON) was the lowest responsive, responsible bidder with a bid of \$1,463,679. The water fund is budgeted for this project.

In response to Council questions, staff responded:

We have a communication plan. The communications coordinator will go door-to-door during the project to answer any questions.

After project kickoff, Staff will have a better idea what of ICONs plan is. They want to tackle this with two crews to get in and get it done. There will be 147 feet of new 6", 4,055 feet of new 8", and 450 feet of new 10" line.

After Council approval, staff will schedule a kickoff meeting. ICON wants to start by mid-May. Staff must approve submittals and get some bonds.

The increase in materials cost due to tariffs did not come up in the bid. There is always changing conditions, it is pipe per foot and they have the material on hand.

Council President Mary Baumgardner moved to Authorize the City Manager to sign a contract with Icon Construction & Development in the amount of \$1,463,679.04 for the 2025 Waterline Replacement Project. Councilor Leo Groner seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: None.**

**The motion carried 5 - 0**

**[Agenda Bill 2025-04-14-04: Public Hearing: AP-24-02, Appeal of MIP-24-01/VAR-24-05 Planning Commission Decision at 2830 Coeur D Alene Drive](#)**  
**[AP-24-02 Information](#)**

This item was moved down on the agenda.

Mayor Bialostosky stated tonight we are holding a public hearing regarding application number AP-24-02, a de novo hearing for the appeal of the Planning Commission approval of MIP-24-02/VAR-24-05; a 3-Parcel Minor Partition and a Class II Variance at 2830 Coeur D Alene Drive.



The Class II Variance is to allow five single-family homes to take access from a 20-foot shared private driveway. The appeal was filed by Gary and Susie Alfson. This is a quasi-judicial decision. Unlike in legislative hearings, where personal opinion may come into play, quasi-judicial rulings must be grounded in the relevant code. He abstained from participating in this hearing based on a potential for personal bias as he worked with the attorney representing the appellants and has a friendship with David Baker. He handed the gavel to Council President Baumgardner for the hearing and stated he has not discussed this case with any member of Council and left the room.

Council President Baumgardner repeated the public hearing information the Mayor said and explained how the hearing would proceed. The appeal is a de novo hearing, which means new facts or evidence may be submitted. All evidence presented to the lower approval authority shall be made part of the record. She called to order the public hearing.

Special Counsel Ashleigh Dougill explained that the criteria that must be addressed in this hearing are Community Development Code:

- Chapter 12, Residential, R-7
- Chapter 48, Access, Egress, and Circulation
- Chapter 75, Variances and Special Waivers
- Chapter 85, Land Divisions – General Provisions
- Chapter 92, Required Improvements
- Chapter 99, Procedures for Decision-Making: Quasi-Judicial

As the City Council is sitting quasi-judicially, any testimony, argument, or evidence that speakers give the Council must be directed at these criteria, or at some other criteria in the code or comprehensive plan which the speaker believes should apply to this decision. Only those who have appeared before the City Council, in person or in writing, will have standing to appeal this item to the Land Use Board of Appeals. Failure to raise an issue accompanied by statements or evidence sufficient to allow the Council and the parties an opportunity to respond to the issue precludes appeal to the Land Use Board of Appeals based on that issue. Failure of the applicant to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the city or its designee to respond to the issue precludes an action for damages in circuit court.

None of the members of the Council declared a potential or actual conflict of interest or bias.

None of the members of the Council reported any site visits or ex parte contacts except Councilor Bonnington spoke to Mr. Baker about Oppenlander, not this project.

No members of the audience challenged the jurisdiction of the Council to hear this matter.

No members of the audience challenged a conflict of interest or impartiality of a member of the Council or ask questions about the ex parte disclosures of any member of the Council.

Associate Planner Gudelj gave the staff report.

### Presentation

#### Appellant Argument

Gary Alfson and Susie Alfson want to partition their property they have lived on for 40 years, which has had development all around it. They are appealing the Planning Commission decision dated November 6, 2024, regarding the shared access agreement on Coeur D Alene. The PC unanimously approved the request for a variance to allow one additional access for a total of five accesses to the private drive. They are required to get signatures from all lots using this access. The owners of Lots 22 and 23 refused to sign. Access for their 20,000 sq. ft. lot will be required to utilize Tract C at the east side of the lot. This will create limited access possibilities and hardship for the proposed partitioned lots and reduced safety. They request the requirement for signatures be waived and the variance request for one additional access to the easement between Lots 22 and 23 be approved. Their property is zoned R7 and could be divided into five lots; they are only requesting approval for three lots as they are trying to meet the tune of the neighborhood. Their access has changed three times due to development and their proposal will not alter the current access to Coeur D Alene.

In a letter to the City, Planning Commission, and Teresa Vineyard developer, dated June 27, 2007, they requested that a condition be included in the approval to allow access to Coeur D Alene Drive and to Tract C for future and existing vehicular and utility access to their property. These conditions were submitted and approved by the City, Planning Commission, and Teresa Vineyard representatives. The "Maximum of two" comment on the plat was never mentioned in discussions, written documents, or approved by the Alfsons. The access for Lots 22 and 23 are adjacent to Coeur D Alene and the three access to their property will be at the other end of the road. These accesses have clear visibility, while Tract C has limited visibility.

If new access is required to Tract C, it will need to be located on the east side due to the location of the house, shop, garage, and landscaping. The property slopes 10 percent and would require a steep driveway, retaining walls, easements on the adjacent property, removal of a three-foot diameter tree, removal of the garage, shop and relocation of the well. If access is from the north, this is less safe for pedestrians due to sharp curves creating less visibility. Tract C is used by children, walkers, delivery trucks, and local traffic. He estimates this would cost \$50,000 to put in the driveway, plus the cost to demolish and replace the shop and garage.

None of the surrounding property owners oppose this partition except Lots 22 and 23. They are not a part of the Teresa Vineyard subdivision nor the Homeowners Association. Access to the house can be routed to Tract C when the half acre lot is divided into two lots, the house is demolished and the 10,000 sq. ft. lots are developed.

City files and County records have conflicting information regarding access to Tract C and the

existing access to Coeur D Alene Drive. These notes conflict with Planning Commission comments, conditions of development, their letter, the plat, and other recorded documents in the files. The joint easement was in place before any other owners resided there.

The Alfson letter states they would appreciate consideration in including conditions of the approval of the proposed development to ensure adequate vehicular and utility access to their site for the current configuration and for potential future development. In response, the Planning Commission said the neighboring property at 3401 S. Haskins Lane has one exiting house and may develop into four lots in the future. Assurance is needed that all appropriate vehicular access and utility provision and access be provided by the applicant to sufficiently accommodate the current residence and all potential future lots at this property.

The Planning Commission Final Decision dated June 28, 2007 states the motion was passed to approve the application with four additional findings, two additional conditions of approval regarding utility provisions and vehicular access to the neighboring property at 3401 S. Haskins Lane. This information conflicts with notes 9 and 24 which state that a maximum of two accesses be allowed. The Alfsons were not informed of this condition so should not be held to this requirement that was created by the development of Teresa's Vineyard subdivision. This new access consists of a 20-foot-wide joint access easement constructed by Teresa Vineyard.

The Access and Utility Easement and Joint Maintenance Agreement grants to the present and future owners of Lots 22, 23 and Alfson property a non-exclusive reciprocal easement over and under Lots 22 and 23 to be used for ingress, egress, and public and private utility purposes as described on the Teresa's Vineyard recorded plat. The owners of Lots 22 and 23 shall provide reasonable access to owners of the other affected lots for purposes granted here and for maintenance and repair of access and utility easements as needed. There was no mention of the access limitation at the Planning Commission.

The Alfsons are requesting a Class one variance to allow one additional access for a total of five driveways, three currently use the access. This configuration will be safer due to improved sight distance. He asked Council to honor the Planning Commission's decision to approve the variance. This variance does not alter the value of Lots 22 and 23.

#### Public Comment

Carmen Timberlake and Rufus Timberlake are the property owner of Lot 23 in Teresa's Vineyard. They Co-own the private easement. They purchased their property in 2012. They asked Council to deny the appeal to remove condition 2 and overturn the Planning Commission decision to allow class 2 variance. The Utility and Access Agreement dated December 12, 2011 and Teresa's Vineyard Plat notes indicates if Alfson's lot was to be subdivided that a paved drive, Tract C, to the north would provide access to the maximum of two future lots and the private drive between Lots 22 and 23 would provide access to a maximum of two lots. The Access and Utility Agreement may be amended, modified, or terminated by unanimous consent of the owners of Lots 22, 23, and the Alfson's property or by court order.

The Grant of Easement refers to Ingress and egress and private and public utility purposes that are described on the Teresa's Vineyard plat. They received the December 23, 2024 letter from the Alfson's attorney. They disagree that the wording in the access agreement implies intent to provide access of up to four lots of a subdivided Alfson property. Teresa's Vineyard plat establishes it would provide access to a maximum of two lots and establishes they are responsible for their proportionate share of maintenance and repair cost. The Alfsons met with them on their plans to develop property and requested written consent to allow three lots from their property to use the easement between Lots 22 and 23. They declined their request. The Alfsons subsequently requested the variance from the Planning Commission. The Timberlakes continue to oppose the variance; they do not oppose the development of the Alfson's property. They expect that development of their property would comply with the framework and obligations established in the plat notes and shared access agreement. They feel traffic generated by the three proposed lots would be excessive. They ask Council to honor the framework and obligations established in Teresa Vineyard's plat notes and the 2011 shared access agreement.

Kyle Grant, representing David and Sarah Baker, owners of Lot 22. Based on the objective criteria in the Code, Council should deny the appeal and they asked Council to follow legal counsel's recommendation to modify the Planning Commission decision and deny the appeal. The modification should go further and deny the Class 2 variance. The two main criteria in the Code giving permission for a Class 2 variance, subsections A and C, state the variance must be the minimum necessary to make reasonable use of the property. This variance is not necessary to make reasonable and full use of the property because of Tract C on Teresa's Vineyard plat that is to the north of the property they wish to subdivide. Submitted Exhibit D represents the proposed variance which would direct traffic from five lots onto the shared access easement, there is no proposed access to Tract C. The Appellant's lobbied for and were involved in testimonies surrounding the initial approval of the Teresa Vineyard's plat to allow for access rights both on the shared access agreement and to Tract C. Exhibit D, Page 2 shows two alternatives that show it is not necessary to direct the traffic of the five lots through the narrow, nonstandard road in-between the two lots. One alternative is access being taken for two lots, so a total of four lots, using the south easement and any partition of the north lots would take access through Tract C. The Codes states the variance must be the minimum necessary and because they have shown an alternative access that the appellants can use, the Class 2 variance is not met. The second criteria has to show the appellant did not create the need for the variance. Both the combination of the appellant's involvement in the development of Teresa's Vineyard plat and their proposal to create three lots is what creates the need for the variance. On those two bases the appeal and the Class 2 variance should be denied which would be an overturning of the Planning Commission decision. Plat note 24 limits access to two lots and the lot owners do not wish to grant consent for five lots to be directed onto this nonstandard street. If five lots are going to take access through the road, it should be up to code.

[Exhibit D](#)

### Applicant Rebuttal

Mr. Alfson didn't design nor did he have any input on the design of Teresa's Vineyard, he just said he needed to have access to his property, that was the extent of his involvement. Regarding the plat, he addressed with his letter in granting access to Tract C on Coeur D Alene Drive. The plat talks about limit access to Tract C and Cour D Alene Dr. Why should they be restricted to access, it doesn't make sense. Tract C is built to 20 feet wide which is the public standard as required by the City, they are not alternating those. If they have to access to Tract C, it will impact the garage and shop on their property. This can be avoided by granting one more access on the private drive. Two lots and all they are asking for is one more lot to put in. The easement, access, utility easement and joint maintenance agreement - there is no information about properties impacting limiting access to their parcels. We weren't aware of these two lot fixtures on access points and had no input on that. Track C is a poor design for an access road. He is a Civil Engineer so he is aware of design issues. It would not be a safe road. A better place for the additional traffic is one more lot to have access. Their house has too much value to demo.

Mrs. Alfson added that later, if someone developed the third lot, that's when the other access should be put in and utilized.

### Questions of staff

In response to Council questions, Staff responded:

This property is in an R7 zone. With current middle housing state and local standards, without an actual plan, an estimate of 25 town homes with a minimum lot size of 1,500 sq. ft. each is the maximum potential there.

Currently, the shared driveway easement is 20 ft. wide so if was to serve five lots, it would have to be widened to 24 ft. That would encroach into Lots 22 and 23. It would take an agreement of those property owners and a modification of the easement.

Special Counsel Dougill reminded that while hypothetical situations are interesting, when it comes to making a final decision, Council should stick to the criteria in the Code and any potential development will come before Council in the future.

A couple to a handful of Class 2 variance come up a year in West Linn.

The Final Decision and Order from the Planning Commission has variance findings which they found to be adequate.

The Code has four criteria for variances. The Planning Commission found this application met those criteria. There are other criteria such as public notice, zoning, and density requirements. The Planning Commission found the applicant met the criteria and approved this application.

In this case there is no physical development with this application. The Planning Commission felt that is the minimum necessary variance to qualify.

Regarding the physical limitations of this site, the development was built around the Alfson's property. This situation was not something they brought onto themselves.

The steep slope from Tract C to the Alfson's property would create substantial construction and would require demolition of the garage.

Special Counsel Dougill clarified the standard for granting variance Sub A is the minimum to make reasonable use of the property. When Council is looking at the criteria, consider what is the minimum use and variance required, if any, to make the reasonable use that is proposed here, i.e., the access for these five legal lots.

The Alfsons use the shared driveway to access to their current home between Lots 22 and 23. They are proposing to divide the property and want those two additional lots to use the shared driveway for a total of five lots. The Code allows four lots maximum. They are seeking an additional lot; this is where the Class 2 variance comes into play.

This application for divided lots is the variance. It is in tandem with use of the shared accessway. The two different land uses have two different processes.

If the applicant just proposed subdividing the two new lots, it is permitted in the Code. They wouldn't have to come to Planning Commission or Council. The existing easement plat notes describe that. Because they are requesting an additional lot, that is why all the discussion is happening.

There are five proposed lots total, the Bakers, Timberlakes, Alfsons, and two new proposed parcels requesting access to the shared driveway. Currently there are three lots using the shared driveway.

Council President Baumgardner closed the public hearing.

Councilor Bryck feels like the condition of approval from the Planning Commission was essentially saying no since the residents of Lots 22 and 23 have already said they are not going to approve it.

Councilor Carol Bryck moved to approve the appeal and remove Condition of Approval 2 from the Planning Commission approval of MIP-24-02/VAR-24-05. Councilor Leo Groner seconded the motion.

Special Counsel Dougill reminded Council this is to make a tentative decision.

Councilor Carol Bryck moved to make a tentative decision to approve the appeal of AP-24-02 and overturn the Planning Commission approval of MIP-24-02/VAR-24-05 for the reason that the applicant met the conditions for the variance and direct staff to bring back the findings for adoption on May 12, 2025. Councilor Leo Groner seconded the motion.

Councilor Bonnington inclination is that the criteria for the new lots is not met. There is no requirement to provide access to lots that don't exist yet. He is more inclined to deny; however, would like more time.

Councilor Bryck feels if this didn't require a variance, it would be a Planning Manager decision. The criteria for the variance has been met primarily because the access to Tract C is essentially not doable and would require the applicant to tear down a building. The creation of the lots and asking for the variance is all one thing.

In response to Council questions, Associate Planner Gudelj responded: The two new lots being created would be required to have access from a public street regardless of any land use decision. Because these land use decisions are tied together and being heard concurrently, the motion you would make would be approving the partition of the land and then granting access because of that partition if that is what Council chose. Council's current motion removes the condition of approval the Planning Commission put on there. It is not altering the partition, lot sizes, or the variance findings. Council is saying they believe the variance findings are met and condition two can be removed.

Condition two requires signatures of the neighboring lots that share that driveway because it does not meet Code. The shared driveway is shared ownership between the neighbors and the Alfsons so those property owners must agree with this. The variance would grant the Alfson's the use of the shared driveway in absence of the landowners.

Councilor Bonnington does not see why this meets criteria. The neighbors have rejected and that is a requirement. By creating two more lots, the vote more becomes three versus two; it changes the balance of the votes.

Associate Planner Gudelj stated the parcels can be owned by anybody in future and the application needs to be signed by all property owners.

Councilor Bryck stated it is not adding anything once the variance is approved, then the variance exists, no one else gets to weigh in. It is Council making a tentative final decision without condition two that the Planning Commission put into place. The Planning Commission was not saying they cannot have the variance, they just put a condition on it. Council's motion is to allow the variance without the condition.

Associate Planner Gudelj stated the Planning Commission is subject to approval criteria in our Code, state, and federal code. Their decision should be based in those code findings. It is staff's

job to present the current rules to decision makers. Staff regularly deal with neighbors who don't like something their neighbors do. The rules and laws allow private landowners to use their property in certain manners. The Planning Commission ruled that the application met the rules and Code so they approved it.

Special Counsel Dougill clarified it is a private easement that currently names the existing parties. Part of this condition says that before recording the plat, there must be evidence that everyone is on same page regarding the private access.

Associate Planner Gudelj said if Council were to approve the partition without granting the variance, they would have to show where they are providing access to all three of their lots; where their exiting home is and the two new homes. If they could show that, it would be granted by right.

Special Counsel Dougill added Council would have to point to evidence in the record of how the applicant demonstrated access for the three lots without involving the private access road.

**Ayes: Council President Mary Baumgardner, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: Councilor Kevin Bonnington.**

**The motion carried 3 - 1**

Council President Baumgardner thanked everyone who testified and informed them if they would like to appeal this decision, that they must appeal to the Land Use Board of Appeals (LUBA) in accordance with LUBA's rules and any applicable provisions in the CDC.

[Oregon Legislative Session Update \[6:40 pm/15 min\]](#)

[Legislative Update Information](#)

This item was moved down on the agenda.

Doug Riggs explained how the legislative session works. There were around 4,000 bills introduced. They are down to 1,400 bills so approximately half did not make the deadline.

The transportation package raises about \$1.9 billion. They are trying to diversify revenues for e-transportation funding. We rely on gas tax mileage and weight miles for trucks. Recent court decisions have put this system in some fluidity or chaos so this attempts to level out funding sources including state fees on sales of new vehicles of 1 percent, increases in gas taxes over a four-year period, title registration fees, as well as a road usage fees on electric vehicles, delivery vehicles, and high efficiency vehicles to make sure everyone paying.

A controversial issue is the bill that allows public employees to go on strike and collect unemployment.



The items being tracked for West Linn are:

Jurisdictional Transfer of Highway 43. There is going to be a process in place for ODOT to consider applications for cities who would like to engage in discussion about jurisdictional transfer. There might be some discussion of funding to be used to upgrade state highways so cities would feel comfortable taking them over.

Recreational immunity passed the senate and is on its way to the house. Feeling confident this bill will get through. If cities cannot get insurance to cover injuries in parks, they have no choice but to close them or raise taxes on residents.

Middle housing mandates on cities are in the process of being implemented. Cities are pushing back stating they are trying to implement what they have been told to do in the last three or four sessions. With limited staff, it is difficult to move forward.

Willamette Falls Locks funding. Council has lobbied for this. The locks authority has communicated the importance of completing the upgrades, making sure the construction dollars are allocated and getting effective use of tax dollars for reopening the locks for recreational and commercial benefit, and seismic benefits. It is a tough time to ask for money; however, since the State has already invested half of the money, it would be a mistake to delay the project as construction costs go up.

Willamette Falls Trust is asking for \$75 million for land acquisition.

Transient Lodging Tax flexibility – not just for advertising, but other uses. The City does not have high levels of tourism; for cities that do there is a high impact on public safety, police, fire, parks and recreation, public restrooms, and sidewalks. This bill did not pass.

Shelter funding didn't get passed.

Tolling. This council uncovered the egregious cost of tolling financial elements. It is an inefficient way to raise money and appears to be dead at this point. It does not make financial sense and he does not foresee it coming back this session.

It is always good to have Council advocating in Salem and he will work with staff to provide opportunities.

The gas tax penalizes people with larger vehicles because they buy more fuel versus an electric or lighter vehicle. They are trying to have the heavier electric vehicles pay more akin to the impact they have on the roads. He has not seen a proposal for a higher weight mileage tax on individuals, just delivery vehicles, 18 wheelers, and heavier trucks.

Council asked Mr. Riggs to continue to monitor the jurisdictional transfer bill. The City is not going to take Highway 43 over unless they get a substantial financial commitment from the

state. It's important for cities to get a substantial invest in city highways and reducing regulation and the cost of city projects on those highways.

[Agenda Bill 2025-04-14-07: 2025 Planning Docket Projects](#)  
[Planning Docket Information](#)

This item was moved down on the agenda.

Planning Manager Wyss gave the staff presentation.

[Presentation](#)

In response to Council questions, staff replied:

In the mid-1990s, Metro and all the cities in the Metro region agreed upon the 2040 plan which set a map that identified regional centers, town centers, main streets, and transit corridors that was intended to drive more dense and urban development to those areas. They adopted a plan that set rules around the 2040 plan. The City is not required to change any codes or zoning; it is to adopt those boundaries and make the City eligible for Metro funding. It will make the City comply with CPAC and set up Bolton town center in Highway 43 vision. Most of the Willamette town center is in the Taxing Increment Financing (TIF) adopted by Council a couple of years ago.

Parks oversees issuing tree permits; this is outside of the development process. The Parks Department is working with the attorney to improve Municipal Code language regarding permits - how they are issued and regulated to clarify for applicants who want to remove a tree outside of development process. What is in the docket is when a development application comes in to remove trees as part of subdivision during the land use process. They are two separate codes.

The Sustainability Advisory Board (SAB) wants to mandate protection of certain trees. This triggers the State Goal 5 process. The City would have to hire a consultant and it is a long process. They are interested in Milwaukie's tree code. The City of Tigard doesn't mandate protection, just a final canopy coverage. That is the routes some cities are going; it does not require Goal 5 process because you are not mandating protection. It does not stop someone from removing trees, you can remove up to a certain percentage and then must replant or pay a fee. It will still take time, money, outreach to the community, and a consultant. The current codes says you must save up to 20 percent of significant trees which can be interpreted in many different ways.

Council President Mary Baumgardner moved to Set the 2025 Planning Docket as recommended by the Planning Commission and add an update to the Economic Opportunities Analysis as a prioritized project. Councilor Leo Groner seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Kevin Bonnington, Councilor Carol Bryck, and Councilor Leo Groner.**

**Nays: None.**

**The motion carried 5 - 0**

Mayor Bialostosky added it is interesting how much on staff time is spent on state mandated projects.

**[City Manager Report \[9:30 pm/5 min\]](#)**

City Manager Williams informed Council the Environmental Services crew and the areas Mr. Greenwood mentioned are on list for this week street sweeping. In the past, the City has hired contractors to sweep up the gravel after storms and they have added this to their action review list. He summarized the future Council Meeting agenda topics. Community grants are due April 30.

**[Adjourn \[9:35 pm\]](#)**

Draft Minutes.

**Agenda Bill 2025-05-12-02**

Date Prepared: May 1, 2025

For Meeting Date: May 12, 2025

To: Rory Bialostosky, Mayor  
West Linn City Council

Through: John Williams, City Manager *JRW*

From: Darren Wyss, Planning Manager *DSW*

Subject: West Linn Housing Production Strategy Public Hearing

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**Purpose:**

To hold a public hearing and consider adoption of the West Linn Housing Production Strategy (HPS) as mandated by HB2003 (2019) via Resolution 2025-02.

**Question(s) for Council:**

Should Council adopt the HPS recommended by the Planning Commission?

**Public Hearing Required:**

Yes (this is not a land use action and cannot be appealed)

**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.

Subsequent to the Commission recommendation and the April 21, 2025 City Council work session, Department of Land Conservation and Development (DLCD) staff requested additional information regarding accessible housing. Staff and the consultant team responded by adding statements in the "Opportunities, Constraints, or Negative Externalities" section of both Strategy 2 (Small Dwelling Unit Development) and Strategy 9 (Zoning Incentives for Workforce and Affordable Housing). Staff is confident the added language will adequately address the DLCD comments.

**Strategy 2**

"Many of West Linn's aging residents face challenges to downsizing due to a lack of smaller units available in the community. Encouraging small unit development can increase opportunities for seniors to downsize and age in place. In addition, small dwelling development may support the accessibility needs for senior residents, as small single-unit homes are typically one story."

### Strategy 9

“The City may consider pairing affordable housing incentives with zoning/development bonuses for housing that incorporates universal design or accessibility features.”

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) 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 held a [work session on April 21<sup>st</sup>](#) and received a briefing on the Planning Commission recommendation. Staff recommends Council also includes the two statements outlined above to address the DLCD comments regarding accessible housing.

**Budget Impact:**

None anticipated.

**Sustainability Impact:**

The intent of the HPS is to reduce increase the supply of housing choices and promote more equitable land use planning outcomes.

**Council Options:**

1. Adopt Resolution 2025-02 as recommended by Planning Commission with two minor changes (Strategies 2 and 9) to address accessible housing; or
2. Adopt Resolution 2025-02 with additional changes; or
3. Do not adopt Resolution 2025-02 and continue the hearing to a date certain.

**Staff Recommendation:**

Adopt Resolution 2025-02 as recommended by Planning Commission with two minor changes (Strategies 2 and 9) to address accessible housing.

**Potential Motion:**

1. Move to adopt Resolution 2025-02 as recommended by Planning Commission with two minor changes (Strategies 2 and 9) to address accessible housing.

**Attachments:**

1. Resolution 2025-02
2. Resolution 2025-02 Exhibit A
  - a. West Linn Housing Production Strategy
  - b. West Linn Housing Production Strategy Appendix A
  - c. West Linn Housing Production Strategy Appendix B
  - d. West Linn Housing Production Strategy Appendix C

## **RESOLUTION 2025-02**

### **A RESOLUTION ADOPTING THE WEST LINN HOUSING PRODUCTION STRATEGY AS REQUIRED BY ORS 197A.100**

**WHEREAS**, in 2019, in response to the state's housing crisis, the Oregon Legislature enacted House Bill 2003 to require communities to address needed housing; and

**WHEREAS**, House Bill 2003 required the City of West Linn to adopt a housing capacity analysis and a follow-up housing production strategy; and

**WHEREAS**, the City of West Linn adopted the 2021 West Linn Housing Capacity Analysis and Buildable Lands Inventory (Ordinance No. 1747) in October 2023; and

**WHEREAS**, the City Council appointed a working group in May 2024 to make a recommendation on strategies to include in the West Linn Housing Production Strategy and comply with ORS 197A.100; and

**WHEREAS**, the working group met four times and made a recommendation on a list of strategies to include in the West Linn Housing Production Strategy; and

**WHEREAS**, the City Council and West Linn Planning Commission met three times in joint work sessions during the process to review materials and recommended strategies; and

**WHEREAS**, the West Linn Planning Commission held a work session on March 19, 2025 to discuss the West Linn Housing Production Strategy; and

**WHEREAS**, the West Linn Planning Commission held a public hearing on April 2, 2025 and recommended adoption of the West Linn Housing Production Strategy; and

**WHEREAS**, the West Linn City Council held a public hearing on May 12, 2025 to consider the recommendations, receive public testimony, and render a decision.

### **NOW, THEREFORE, THE CITY OF WEST LINN RESOLVES AS FOLLOWS:**

**SECTION 1.** The West Linn Housing Production Strategy (2024-2030), attached as Exhibit A, is hereby adopted.

This resolution was PASSED and ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2025, and takes effect upon passage.

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RORY BIALOSTOSKY, MAYOR

ATTEST:

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KATHY MOLLUSKY, CITY RECORDER

APPROVED AS TO FORM:

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CITY ATTORNEY



# HOUSING PRODUCTION STRATEGY

WEST LINN, OREGON

FINAL DRAFT

2024 – 2030



CITY OF

West Linn

CITY HALL & ADULT COMMUNITY CENTER

*Welcome To The*



CITY OF

West Linn

# Acknowledgements

## CITY COUNCIL

Mayor Rory Bialostosky

Mary Baumgardner

Leo Groner

Carol Bryck

Kevin Bonnington

## PROJECT WORKGROUP

Kevin Bonnington (City Council)

Tom Watton (Planning Commission)

Michelle Goldberg (Neighborhood Associations President)

Gloria LaFleur (Housing Authority of Clackamas County)

Samuel Goldberg (Fair Housing Council of Oregon)

Erin Maxey (Habitat for Humanity)

Karen Saxe (DevNW)

Darren Gusdorf (Icon Construction)

Preston Korst (Home Builders Association Portland Metro)

Bayley Boggess (Community-at-Large)

## PLANNING COMMISSION

John Carr, Chair

Joel Metlen, Vice Chair

Gary Walvatne

Tom Watton

David D. Jones

Kathryn Schulte-Hillen

Jason Evans

Kris Kachirisky

## CITY STAFF

Darren Wyss, Planning Manager

Lynn Schroder, Community Development  
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# EXECUTIVE SUMMARY

## Overview

Oregon Statewide Planning Goal 10 requires cities to plan for the housing needs of all community members. As a city within the Portland Metro area, West Linn must complete a Housing Capacity Analysis (HCA) every six years as well as a Housing Production Strategy (HPS) to implement specific actions that address the identified needs. The HPS implementation timeline for West Linn is from 2024 to 2030.

West Linn's Housing Production Strategy outlines a range of actions the City plans to implement to address housing needs within the community. The HPS prioritizes current and future housing needs identified in the HCA and outlines actionable policies, actions, and implementation steps to encourage the production of housing. These include things like changes to how the City zones land and regulates development of housing, financial incentives, funding sources, partnerships, and other tools and policies.

This HPS Report includes information about the City's critical housing needs and summarizes public engagement activities that informed and shaped the housing actions recommended for implementation. The document also summarizes how the HPS will help achieve fair and equitable housing outcomes for the community – especially for low-income households, communities of color, people with disabilities, and other state and federal protected classes. Lastly, this document describes how West Linn will monitor the implementation and progress of the actions recommended in the HPS.



# Recommended Actions

The actions are organized by the primary housing need that they address. However, some actions address housing needs across multiple categories.

<b>HOUSING OPTIONS AND CHOICE</b>	Enable and encourage production of housing that can meet a full range of household needs and preferences. This includes producing a wider variety of housing types and sizes, and housing to meet particular needs such as aging in place and accessibility.
<b>AFFORDABLE HOUSING</b>	Facilitate development of government-subsidized housing that meets the needs of low- and moderate-income households.
<b>EQUITABLE HOUSING OPPORTUNITIES</b>	Provide resources and support to help ensure equitable access to the housing opportunities that are available in West Linn.

More details about the implementation time frames and cost/effort estimates in the table below are provided in the **Actions** section of this report.

Action	IMPLEMENTATION TIME FRAME (2024 – 2030)			
	Begin	Complete	Cost	Effort
<b>Housing Options and Choices Actions</b>				
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	\$\$\$\$	● ● ○
<b>Affordable Housing Actions</b>				
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	\$\$\$\$	● ● ●
<b>Equitable Housing Opportunities</b>				
11. Homebuyer Opportunity Limited Tax Exemption	2026	2027	\$\$\$\$	● ● ○
12. Fair Housing Education, Referral, and Other Services	2026	Ongoing	\$\$\$\$	● ○ ○

# PROJECT OVERVIEW

## Purpose and Background

Oregon Statewide Planning Goal 10 requires cities to plan for the housing needs of all community members. As a city within the Portland Metro area, West Linn must complete a Housing Capacity Analysis (HCA) every six years as well as a Housing Production Strategy (HPS) to implement specific actions that address the identified needs.

The West Linn City Council adopted an updated HCA in 2023. The HCA looks at the community's 20-year housing needs and whether there is enough residential land in the city to meet those needs. Under Goal 10 and state statutes and administrative rules, the City is required to adopt measures that will increase the likelihood that development of needed housing will occur and to work towards addressing any deficiencies in land capacity necessary to meet its housing needs. As a Metro jurisdiction, West Linn is also part of a regional process that ensures there is a 20-year supply of land to accommodate future growth in the region.

The Housing Production Strategy outlines a range of actions the City of West Linn plans to implement to address housing needs within the community. The HPS prioritizes current and future housing needs identified in the HCA and outlines actionable policies, actions, and implementation steps to encourage the production of needed housing. These include things like changes to how the City zones land and regulates development of housing, financial incentives, funding sources, partnerships, and other tools and policies.

The HPS process focuses on actions related to the production of new housing, recognizing the significant shortfall of housing produced in Oregon during the last two decades. However, it also will be important for the City to work with its community partners to help conserve, maintain, and rehabilitate existing housing in West Linn, particularly where such housing also is affordable to people with low and moderate incomes.

## West Linn's Housing Needs

The project team used the findings from the HCA, as well as additional information from the Census, other data sources, and from stakeholders involved in housing production in the city, to put West Linn's housing needs into context with current demographic and development trends. Below are some key findings from the HCA and Contextualized Housing Needs Assessment (Appendix A).



## Current Housing Needs

**While West Linn is generally considered an affluent community, not all households are wealthy.** Approximately 40% of households in the city earn less than \$100k and nearly 20% of households earn less than \$50k per year.



**Nearly 20% of households earn less than \$50k per year**

**Homeownership costs have increased significantly in West Linn, consistent with national trends.** The median home sale price in West Linn has risen sharply in the last few years, increasing from \$585k in 2021 to \$790k in 2024.



**Nearly half of renters are cost burdened**

**Over half of the existing housing need in West Linn is for low- to extremely low-income households.** Approximately 30% of the units needed are for low-income households, 16% for very low-income households, and 9% for extremely low-income households.

**Nearly three-quarters of renter households in West Linn are cost burdened,** meaning they pay more than 30% of their income for housing. Approximately one-third of all households in West Linn, including renter and owner, are cost burdened.

## Future Housing Needs

**Based on the City's adopted HCA, West Linn will need approximately 1,000 new housing units over the next 20 years to meet projected demand.** Housing will need to be produced across the income spectrum to meet these needs. Future projections prepared as part of the Oregon Housing Needs Analysis (OHNA) process and Metro may indicate the need for even more units.



**1,000 new housing units needed**



**One-third of new housing will be needed by low-income households**

**A range of housing types are needed to meet the range of household sizes and incomes.** Approximately one-third of new needed homes are projected to be attached housing – this includes about 23% as middle housing units (townhomes and “plexes” with two to four units) and about 14% as multi-family housing (e.g., apartments).

**Approximately one-third of new housing units over the next 20 years will be needed by “low-income” households** – those earning at or below 80% of the area median income (AMI).

**The private market will not deliver housing that is needed by low-income households on its own.** Housing that is affordable to those earning below 80% MFI typically requires government subsidy and partnerships with affordable housing providers.

## Key Housing Gaps

Based on the results of the HCA and input from key stakeholders involved in local housing production, the following housing types have been identified as key gaps in West Linn's housing market. The HPS will work toward meeting these housing needs and filling these gaps.

- Affordable housing for low-income households.
- Greater housing choices within neighborhoods, including middle housing (e.g., townhomes, duplexes, cottage clusters).
- Homeownership opportunities for middle-income and low-income residents (e.g., small single-family homes, condos, and middle housing).
- Multi-family housing and housing in mixed-use developments.

## Engagement Summary

The City of West Linn is committed to reaching a broad range of community members to consider all perspectives related to housing within the city. The City values openness and transparency, recognizing that successful public engagement leads to better local decisions and outcomes.

The public engagement for the West Linn HPS allowed community members, stakeholders, and interested parties to share their perspectives and input. This project was developed through a collaborative process among the community, City staff and decisionmakers, stakeholders, and consultants to ensure that multiple points of view were considered and understood. These engagement efforts provided initial guidance related to a variety of housing actions that were evaluated during the HPS process. Below is a summary of engagement activities and outcomes for the HPS.



### Housing Production Strategy Project Work Group (PWG)

#### PWG Summary

This advisory group included a variety of housing stakeholders, producers, and consumers. This included realtors, local and regional home builders, affordable housing developers (including Habitat for Humanity and DevNW), and representatives of the City's Planning Commission, City Council, neighborhood associations, Fair Housing Council of Oregon, and Clackamas County Housing Authority, among others. The PWG members were selected to participate in the HPS due to their understanding of local housing conditions and needs as well as their expertise regarding potential housing solutions. The variety of perspectives represented on the PWG helped to ensure that a range of options or issues associated with HPS implementation was considered.

The PWG met a total of four times and was instrumental in shaping the City's approach to the HPS and the actions ultimately selected. They reviewed materials created by the project team at each step of the process and provided important information and feedback. PWG members also participated in a brief email survey to provide more information regarding implementation. The survey results are weaved into the broader PWG summary here. This was especially beneficial in informing decisions by the Planning Commission and City Council.

#### PWG Key Themes



- The Contextualized Housing Needs Analysis (CHNA) was shared with the PWG for their review and comments early in the project. The PWG generally agreed with the identified housing needs in the CHNA and did not have additional comments on West Linn's housing needs.
- There was particularly strong support for SDC modifications among several PWG members. Most PWG members agreed that the City's high SDCs can be a significant financial barrier to housing production. Many of the questions, comments, and discussion items were related to SDC implementation to promote housing production.
- Some of the affordable housing developers/providers on the PWG shared resources and tools for the City to consider, including recommendations for referring residents to regional organizations such as DevNW or Clackamas Housing Authority for financial assistance programs.
- Several PWG members have either directly utilized the Home Owner Limited Tax Exemption (HOLTE) program for their clients or have witnessed its effectiveness in supporting affordable homeownership throughout the region.
- PWG members had mixed support for Construction Excise Tax (CET). Affordable housing developers/providers supported the action and commented on its crucial role in funding affordable housing in the cities where it has been adopted. Home builders generally opposed this action, suggesting it would add to the already high development costs in West Linn and deter any type of housing production.
- Most PWG members supported land acquisition and banking as a tool that provides significant incentives for affordable housing production.
- The project team and the PWG examined a list of 20 potential actions to include in the HPS. Due to the City's limited staff capacity to implement these actions over a six-year period, the project team removed five actions from further consideration. Several of these actions were removed because certain aspects may be implemented through other actions (e.g., updating SDCs for ADUs and to incentivize accessibility features). In addition, the PWG identified the other actions as a higher priority. The actions that were removed include:
  - *UGB Amendments and Planning*
  - *Promote ADUs through additional code updates*
  - *Expedited Development Review*
  - *Accessible Design*
  - *Financial Assistance and Homebuyer Education Programs*
- Some actions were consolidated to reduce the number of final actions for the City to adopt. All PWG members ultimately supported the final twelve actions except for CET. CET had mixed support among PWG members.

### **PWG Influence on HPS**

The PWG reviewed and supported each of the actions included in the HPS. The PWG provided additional recommendations and considerations for the following actions:

- SDC updates. Consider SDC reductions/deferrals for accessibility features and add more information regarding funding/revenue, capital improvements, and taxing districts. Consider SDC deferrals until certificate of occupancy.
- Tax Increment Financing. Apply this action to the Riverfront TIF and the Highway 43 Corridor.
- Low Income Rental Housing Tax Exemption. Include more context/info regarding the applicability and taxing districts.
- Multiple-Unit Property Tax Exemption (MUPTE). The City should consider 60% AMI instead of 80% AMI for MUPTE.

- Construction Excise Tax. Clarify flexibility for applicability and possible exemptions.
- Land Acquisition/Banking. Target areas in TIF districts, particularly before the TIF district is adopted.
- Public-Private Partnerships. Consider the Moderate-Income Revolving Loan Fund to implement this action.



## Stakeholder Interviews

### Summary

The project team conducted interviews with a variety of key stakeholders involved with the provision of needed housing in West Linn. The interviews were conducted with 10 individuals, with a focus on the diverse housing needs, underrepresented communities, and affordable housing development. These stakeholders were selected due to their familiarity with local housing needs and their experience with regional housing production. The stakeholders included representatives from the Clackamas County Housing Authority, DevNW, the Planning Commission, local homebuilders and developers, the West Linn Alliance, the Portland Metro Homebuilders Association, and Fair Housing Council of Oregon. In addition, many of these stakeholders responded to a survey on the Public Review Draft HPS to solicit feedback on recommended actions, including an additional stakeholder from Metro's affordable housing team. The input received from the stakeholders was also summarized in the "Existing and Expected Barriers to Developing Needed Housing" section of the CHNA (Appendix A).

The stakeholder input helped inform actions included in the HPS. For example, stakeholder feedback on the demand for moderate income homeownership opportunities supported identification of the Small Dwelling Unit Development and Homebuyer Limited Opportunity Tax Exemption (HOLTE) actions, among others. A major barrier that was raised by several stakeholders includes high SDC costs in West Linn, which influenced identification and refinement of the Update SDCs action. Also, incentives and other actions that support affordable housing development (tax abatements, CET, TIF funding, partnerships) were informed by these interviews.

### Key Themes

- The City has an aging housing stock and limited land availability.
- West Linn has market potential for infill and middle housing production.
- The community faces housing cost/affordability barriers stemming from a variety of factors, but particularly due to high SDCs and high land costs.
- City staff and decision-makers have generally been easy to work with; however some review/approval procedures, clarity, and timelines could be improved and expedited.

### Influence on HPS

- SDC updates. The high costs of SDCs that were reported by several stakeholders was a key determining factor for including SDC updates in the HPS.
- Small Dwelling Unit Development. Stakeholder feedback on the strong demand for moderate income homeownership opportunities supported the identification of this action.
- Homebuyer Limited Opportunity Tax Exemption (HOLTE). Similar to small dwellings, strong demand for affordable homeownership opportunities influenced selection of this action.

- Affordable housing developers emphasized the importance of incentives, funding sources, and partnerships to help attract affordable housing development to communities. This input helped inform selection of the CET, TIF, PPP, and tax abatement actions.



## City Council and Planning Commission meeting and hearings.

### Summary

The project team held joint work sessions with the City Council and Planning Commission at key points in the project. Adoption hearings with both bodies were held in spring 2025.

Planning Commission and City Council provided important direction to the project team at key points in the HPS development. Work sessions with both bodies were used to review, refine, and prioritize specific actions included in the HPS. Each of these meetings provided opportunities for community members to provide public comment as well. Ultimately, the Planning Commission and City Council provided direction on which actions to include in the draft HPS and approved the final HPS via adoption hearings.

### Key Themes

- The City Council and Planning Commission acknowledged that home prices have been out of reach for first-time homebuyers.
- They are aware of the low housing inventory and limited land supply in West Linn.
- They strongly support a land acquisition action to support affordable housing.
- They are excited about the potential synergy between the HPS and the Waterfront and Vision43 projects.
- The City Council and Planning Commission requested more information specifically for CET, tax abatement, and SDC actions. They want to be careful to not jeopardize some of the city's key sources of revenue.
- They are concerned about school enrollment and how the lack of affordable homeownership opportunities will affect young families who may be interested in West Linn.
- The City Council and Planning Commission generally supported all of the proposed HPS actions and had little specific direction on HPS implementation. They largely relied on guidance from the project team the PWG recommendations/priorities.

### Influence on HPS

- The City Council and Planning Commission's strong support for acquisition influenced selection of the Land Acquisition and Banking action.

## Future Engagement Considerations

The project team worked closely with the PWG, local/regional housing stakeholders, the Planning Commission, and the City Council to identify and customize the actions included in the HPS. However, to help ensure a broad range of the community is reached for future engagement efforts, the City should consider the following:

- Conduct initial community surveys and engagement with specific groups early in the project to better understand housing needs from the community’s perspective. Groups that West Linn should target includes:
  - City Boards and Commissions
  - Neighborhood Associations
  - Youth and youth-focused organizations (e.g., Youth Advisory Council or high school civics class)
  - Older adults (e.g., Adult Community Center, retirement communities)
  - Business community – (E.g., West Linn Chamber of Commerce)
  - Equity-focused groups (e.g., High School DEI groups)
  - Communities with limited English proficiency
  - Accessibility advocacy organizations and individuals experiencing limited mobility and disabilities
  - Community-based organizations (e.g., The West Linn Alliance, Faith-based groups)
- Coordinate engagement activities with other concurrent planning projects, particularly those with a heavy engagement focus. For example, the Vision43 project had a significant focus on community outreach and engagement. Although some elements of housing needs were implied from Vision43 engagement results (e.g., rezoning for mixed-use/multifamily housing), Vision43 engagement activities did not explicitly incorporate information or recommendations from the HPS.
- Gather community input on broad housing action categories early-on in the project (e.g., zoning/land use updates, affordable housing, etc.). Residents might be less likely to engage with very specific, technical and detailed actions that are addressed in the HPS. However, they likely have more thoughts and ideas around the intent and potential impacts of most actions.



# RECOMMENDED ACTIONS

The Housing Production Strategy identifies actions and actions that the City of West Linn and community partners can take to promote housing development that meets the needs of the community. All actions recommended in this report were supported by the HPS Project Working Group (PWG), City Council, and Planning Commission.

The actions are organized by the primary housing need that they address. However, some actions address housing needs across multiple categories.

<b>HOUSING OPTIONS AND CHOICE</b>	Enable and encourage production of housing that can meet a full range of household needs and preferences. This includes producing a wider variety of housing types and sizes, and housing to meet particular needs such as aging in place and accessibility.
<b>AFFORDABLE HOUSING</b>	Facilitate development of government-subsidized housing that meets the needs of low- and moderate-income households.
<b>EQUITABLE HOUSING OPPORTUNITIES</b>	Provide resources and support to help ensure equitable access to the housing opportunities that are available in West Linn.

The HPS report summarizes key information for each of the recommended actions and identifies steps needed for implementation. The summary of each housing action includes the following information:

<b>Description</b>	What is the action? How can the action work to address identified housing needs in West Linn? What are potential outcomes?
<b>Opportunities, Constraints, or Negative Externalities</b>	What potential options, funding needs, challenges, etc. are applicable to the action? Are there potential trade-offs or negative externalities to consider? How feasible is this action, given other considerations?
<b>Anticipated Impact</b>	<p>What is the anticipated impact of the action? The following types of impacts are considered:</p> <ul style="list-style-type: none"> <li>• <b>Housing need addressed</b> – Housing need identified in the HCA that is addressed by the action</li> <li>• <b>Populations served</b> by the action</li> <li>• <b>Income levels</b> addressed by the action</li> </ul>



- **Benefits and burdens** that priority populations may receive from the action. Priority populations include low-income households, people of color, people with disabilities, seniors, and other state or federal protected classes.
- **Housing tenure** (either owner or renter)
- **Magnitude** of the action for producing new housing:
  - **Low impact:** The action is unlikely to meet the relevant housing need. A low impact action does not mean an action is unimportant. Some actions are necessary but not sufficient to produce new housing.
  - **Moderate impact:** The action either may have a moderate impact on meeting the relevant housing need or be designed to target that need.
  - **High impact:** The action is intended to directly benefit a certain housing need and is likely to be most effective at meeting that need relative to other actions.

**Time Frame** **Implementation:** When does the City expect the action to be adopted and implemented over the six (6) year planning period? For this draft, actions are identified as Near Term (1-3 years), Medium Term (within 3-5 years), and Longer Term (>5 years) actions. The final HPS will include a more detailed timeline that includes more targeted timeframes for adoption (if applicable) and implementation for each action.

**Impact:** Over what time period will the impact occur?

**Implementation Actions** What actions will the City and other stakeholders need to take to implement the action?

**Lead & Partners** Who will be responsible for implementing the action? What partnerships might be necessary or beneficial to the action?



# 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	

		IMPLEMENTATION TIME FRAME			
Action		Begin	Complete	Cost	Effort
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 HPS also includes discussion on a few additional actions that were either addressed in the Housing Strategies Report for the HCA or were previously considered as a part of this HPS project. The project team and the Project Work Group does not recommend these actions for inclusion in the HPS because they were identified as lower priority by project participants. The City has limited resources to implement every action that has been considered within the HPS planning and implementation timeline (6 years), and therefore the City should focus on actions that were identified as higher priority for the HPS. However, it is worth addressing these actions for the City to potentially consider in the future or through a separate process. These actions are summarized in Appendix B.

## 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			

*\* Refer to the action descriptions for details about phasing.*

## Housing Options and Choices Actions

### 1. Rezone Land

**Description** This action involves rezoning commercial or other non-residentially zoned properties for residential uses, especially multi-family housing. It could also involve rezoning lower-density areas to allow higher-density housing or increasing allowed density in certain zones.

- Opportunities, Constraints, or Negative Externalities**
- The HCA identified a need for additional capacity in high density residential or multifamily zones. Although the City recently rezoned multiple properties from lower density to higher density designations, further rezoning would expand capacity and help boost overall housing production.
  - If nonresidential land is considered for rezoning, it would be important to ensure there is still adequate land available for employment and commercial/industrial needs in the city. West Linn's Economic Opportunities Assessment identifies the city's future employment land needs.
  - In considering the most appropriate locations for City-initiated rezoning of land, the following criteria or factors should be considered:
    - Proximity to existing residential and higher-density areas.
    - Proximity to services (e.g., transit, schools, parks, etc.).
    - Size and ownership – larger properties will be more attractive for development.



- There may be neighborhood resistance to rezoning, especially “upzoning” single-family residential areas. This action would need significant community engagement.
- The City should prioritize rezoning in areas with the greatest potential for housing development or redevelopment, particularly for higher density multifamily or mixed-use development. Specifically, rezoning should be targeted for areas along the Highway 43 Corridor and the Waterfront area. The Vision43 and Waterfront projects will likely include adoption of new mixed-use zones that will likely allow higher density multifamily as a component of mixed-use development.
- Certain areas of the City have zoning designations that do not align with residential Comprehensive Plan designations that may be rezoned to residential for consistency with the Comprehensive Plan.

#### Anticipated Impact

- **Housing need addressed:** Rezoning would expand the city’s supply of land that is available for housing production overall by increasing the future housing capacity of those properties. The action also would increase the amount of land available for potentially lower cost forms of housing. Despite the recent rezoning of multiple properties to high density, the city has a very narrow surplus of housing capacity.
- **Population served:** Low to higher income households
- **Income level:** All income levels
- **Benefits and Burdens:** Rezoning can increase the availability of land zoned for residential development. Additional capacity for more housing development can include opportunities for multi-family housing that is generally more affordable to low- and moderate-income households. A potential burden from this action is the possibility of lower-income households being displaced if rezoning leads to increased development pressures or increased property values. Rezoning commercial areas, or impacts of increased property values, can also lead to commercial displacement of small businesses. Rising commercial rents or pressures to redevelop for residential uses may have a larger impact on small-scale entrepreneurs and immigrant or minority-owned businesses. The characteristics of areas being considered for rezoning should be carefully considered as part of implementation to avoid displacement impacts as noted below.
- **Housing tenure:** For rent or sale
- **Magnitude:** Moderate to High – The impact of rezoning might be relatively high given the limited supply and high demand for buildable residential land in the community. The effectiveness of rezoning will depend on the physical and infrastructure characteristics of the rezoned land for residential use. The density of housing under the new zone will also depend on the physical constraints (e.g., steep slopes) that might limit the buildable portion of a site.

**Time Frame** Implementation: 2026 to 2028

Adoption:

- Areas associated with Vision43 and Waterfront Projects: 2027
- Other areas: 2028

**Impact:** Land inside city limits will become available for development immediately after rezoning. Land outside city limits can also be developed, but will need to overcome the additional hurdle of annexation. The impact on housing development is expected to be long-term.

#### Implementation Actions

- Use the criteria listed above to identify potential areas for rezoning. Prioritize sites with the best potential for housing production and access to services.
- Further assess and potentially implement this action as part of the Vision43 and Waterfront planning processes, with adoption for Vision43 and Waterfront rezoning targeted for 2027.
- Consider the demographic characteristics of potential rezoning areas to avoid potential displacement impacts.
- Engage with property owners as well as the broader community in targeted areas.
- Work with West Linn's Planning Commission and City Council to adopt Zoning and Comprehensive Plan Map amendments.
- City Council action: Legislative Zoning Map and Comprehensive Plan Map amendment.

#### Lead & Partners

**Lead:** West Linn Community Development

**Partners:** Property owners

## 2. Small Dwelling Unit Development

#### Description

This action would involve zoning/subdivision provisions that encourage or enable development of small single-family dwellings. This action would likely include minimum lot size reductions or exceptions along with other development standards that ensure development of single-family homes, such as maximum footprint or floor-area-ratio (FAR) standards. The City would calculate density differently for the dwelling units due to their limited size. Density example:

- Dwelling units 600 square feet or smaller: 0.25 of a dwelling unit.
- Dwelling units 601 to 1,200 square feet: 0.50 of a dwelling unit.

Local and regional stakeholders have indicated a lack of housing that meets the price points for first time homebuyers in West Linn. This action may help with production of starter level homes.

#### Opportunities, Constraints, or

- The City allows detached duplexes, triplexes, and quadplexes. Local developers have utilized this allowance along with the City's Middle Housing Land Division (MHDL) process to effectively develop single-family homes on lots that are below minimum lot size requirements. Given the relatively

<p><b>Negative Externalities</b></p>	<p>large lot sizes in the City, these MHDs 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.</p> <ul style="list-style-type: none"> <li>• The City may consider reviewing existing maximum floor area or floor area ratio (FAR) to help ensure houses on smaller lots remain relatively small.</li> <li>• The City may consider lot size reductions below the existing minimum lot size, provided the proposed development meets max floor area or FAR requirements set specifically for “small lot development.”</li> <li>• Many of West Linn’s aging residents face challenges to downsizing due to a lack of smaller units available in the community. Encouraging small unit development can increase opportunities for seniors to downsize and age in place. In addition, small dwelling development may support the accessibility needs for senior residents, as small single-unit homes are typically one-story.</li> </ul>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>• <b>Housing Need Addressed:</b> Homeownership options for moderate-income households. The 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% AMI). Small dwellings will also help the City provide accessible housing options for seniors.</li> <li>• <b>Population served:</b> Moderate-income households; seniors; first-time homebuyers</li> <li>• <b>Income level:</b> 80-120% AMI</li> <li>• <b>Benefits and Burdens:</b> This action would be expected to benefit moderate-income households by increasing affordable homeownership opportunities. This would especially benefit first-time homebuyers that would otherwise be challenged to purchase a home in West Linn, and potentially seniors looking to purchase a downsized home. This action also has the potential to benefit communities that have historically faced structural barriers to homeownership – particularly people of color and other marginalized communities.  No burdens on priority populations are anticipated.</li> <li>• <b>Housing tenure:</b> For sale</li> <li>• <b>Magnitude:</b> Moderate – This action would improve feasibility and/or opportunities for smaller single-family developments. Given the demand for starter homes that meet the price points for moderate income households, this action could help the City meet one of West Linn’s key housing needs.</li> </ul>
<p><b>Time Frame</b></p>	<p><b>Implementation:</b> 2026 – 2028</p> <p><b>Adoption:</b> 2028</p> <p><b>Impact:</b> This action will immediately improve development opportunities for small single family homes. The impact on housing development is expected to be long-term.</p>

- Implementation Actions**
- Determine which code amendments will remove barriers and improve opportunities for small single-family homes.
  - City Council action: Adopt code amendments.

**Lead & Partners** **Lead:** West Linn Community Development  
**Partners:** Development stakeholders

### 3. Update SDCs

**Description** SDCs are one-time charges assessed on new development to pay for the costs of expanding public facilities to serve the new households or businesses the development will house. The City of West Linn charges SDCs for water, sewer, surface water management, parks, and transportation. This action involves a combination of modifying the City’s SDC schedule for certain housing types and also exempting or deferring SDCs for affordable housing or ADUs.

#### **Modify SDC Schedule (C02)**

This action involves updating the City’s SDC fee schedule so it is tied more directly to dwelling size. Currently, the City charges the same rates for all single-family homes regardless of size. Each unit of a townhouse is also charged the same single-family fee. Multi-family and middle housing is charged a lesser fee per unit for parks and sewer SDCs.<sup>1</sup>

Scaling SDC fees to dwelling size would better match a development’s charges to its actual cost or impact on the system. Smaller housing units, including some middle housing types, typically have less impact on water, sewer, or transportation facilities, given the reduced average size and occupancy of these units. This is not fully reflected in West Linn’s current SDC schedule, although the current schedule does include lower fees for multi-family and middle housing units.

The City could consider charging fees on a per-square-foot basis, rather than per-unit. The City may also consider a tiered SDC scaling approach in which different SDC size categories, or “tiers” correspond to would correspond to a different SDC fee. The City of McMinnville is currently considering a tiered SDC scaling methodology.<sup>2</sup>

#### **SDC Exemptions or Deferrals**

This action may include reducing, deferring, or waiving (exempting) SDC fees for subsidized affordable housing or ADUs. The City currently does not provide any SDC-related incentives for affordable housing. Reduction, exemption, or deferral of SDC would assist affordable housing developers by reducing their development costs when building affordable housing. For ADUs, this action would significantly reduce development costs for individual property owners

<sup>1</sup> City of West Linn Fee Schedule. <https://westlinnoregon.gov/finance/current-fee-schedule>

<sup>2</sup> City of McMinnville City Council Work Session on Parks SDC Updates, 2024.  
[https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/city\\_council/meeting/24962/cai.mig\\_mc\\_minnville\\_park\\_sdc\\_council\\_update\\_draft.2024\\_0312.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/city_council/meeting/24962/cai.mig_mc_minnville_park_sdc_council_update_draft.2024_0312.pdf)

interested in constructing an ADU on their property. Affordable housing developers benefit from this action levied by the City only when their projects meet assistance program requirements.

SDC deferrals typically allow a development to delay payment of the fees for a specified period of time or until the certificate of occupancy is issued, rather than at the time the building permit is issued. SDC deferral can be combined with SDC financing so that payments begin after one year and continue for a certain number of years. The City could offer a lower interest rate (e.g., 0.25% above the Oregon Prime rate) and/or allow the lien to be in second position for affordable housing developments. The City could work with other service providers to such an SDC deferral and financing program for certain types of housing developments.

With deferral or financing for SDCs, the fiscal impacts to the City and its partners is significantly reduced since charges are eventually paid. The period of repayment should not be a detriment to public agencies that operate on indefinite timelines. A financing program can be more beneficial to the property owner because SDCs are paid gradually, rather than in a lump sum soon after the completion of the project.

**Opportunities,  
Constraints, or  
Negative  
Externalities**

- This action would reduce barriers to construction of more affordable, smaller-scale homes, including small single-family homes, ADUs, and middle housing.
- The City may also consider modifying SDC schedule based on housing type or affordability level. The City has expressed interest in modifying SDC calculations for ADUs, middle housing, and affordable housing. SDC waivers have been a critical tool to enable affordable housing in other jurisdictions in Oregon.
- The City sets its SDC fee schedule based on projected needs for system construction and improvements. Modifying the SDC methodology might involve increased fees for larger homes to make up for the reduced fees for smaller units. This approach may involve charging SDCs by dwelling area (square feet) rather than unit type.
- West Linn has higher SDCs than neighboring jurisdictions and other larger Metro cities (see Figure 1).
- Exempting or deferring SDCs for affordable housing and ADUs would reduce barriers to construction of more affordable housing and/or ADUs.
- Exemptions for ADUs should be coupled with restrictions on use of those ADUs for short-term rental housing.
- The City may also consider SDC reductions or deferrals for housing that provides accessibility features that exceed the minimum state or federal accessibility requirements (where applicable).
- It is worth noting that SDCs are one of the key tools that the City uses to fund capital facilities improvements or expansion. This action should be carefully implemented to mitigate impacts to the revenue sources that SDCs fund.

- The City may review and update the capital improvements plans (CIPS) associated with its SDCs. If some existing CIP projects are found to no longer be needed and are eliminated from the CIP, this could reduce the SDC fee.
- SDC modification may also include reducing SDCs for certain taxing districts. The City would need to work with those districts to make adjustments to SDC rates.
- The City may consider deferring SDCs until certificate of occupancy, which is a common practice in other communities. This approach can help alleviate some of the upfront development costs, reducing the cost associated with debt, and reducing overall costs as a result.

#### Anticipated Impact

- **Housing need addressed:** Modifying SDCs based on unit size will facilitate development of smaller, more attainable housing units that may be affordable to moderate-income and smaller households. The HCA indicates that 15% of new needed housing units over the next 20 years will be needed by those earning 80-120% AMI. Reducing or waiving SDCs for affordable housing may help incentivize affordable housing development in West Linn. In addition, approximately 18% of new needed housing units will be needed by those who earn less than 50% AMI, which is typically the target demographic for subsidized affordable housing. Applying this action to ADUs will help meet workforce and renter housing needs.
- **Population served:** Low to higher income households; first-time homebuyers; single or two-person households; seniors
- **Income level:** > 80% AMI and above for SDC modification; < 80% AMI for SDC waivers or reductions; 80%-120% for ADUs
- **Benefits and Burdens:** SDC modifications based on unit size can increase production of smaller and lower-cost units which may benefit lower-income households, but is more likely to benefit moderate- or higher-income households. Smaller unit sizes may be of particular benefit to seniors due to lower maintenance and lower housing costs.

SDC modification will not burden priority populations. However, reducing SDCs for smaller units would likely need to be offset by increased SDCs for larger units, the cost of which would be passed onto homebuyers. It is anticipated that homebuyers that can afford larger units likely can also afford the increased cost.

SDC waivers/reductions for affordable housing will directly benefit priority populations by improving opportunities for housing production that is affordable to low- and very-low income households. SDC waivers or deferrals for ADUs will primarily benefit renters, workforce, and property owners interested in developing ADUs.

SDC reductions or deferrals for housing with accessibility features will directly benefit people with disabilities by increasing housing options in the community that meet their needs. SDC updates for accessibility features will not burden any other demographic.

- **Housing tenure:** For rent or sale

- **Magnitude:** Moderate to High – Modifying SDC schedules may have a moderate impact in incentivizing additional smaller housing units incentivizing some projects to produce a greater number of marginally smaller units, thus increasing density and unit production somewhat. As most affordable housing is multi-family housing, SDCs charged per unit can amount to a large total cost to the project, reducing feasibility. SDC waivers or deferrals may have a moderate impact on incentivizing ADUs, but a high impact on affordable housing production. It may encourage affordable housing development by reducing overall costs as well as signaling to regional housing partners that West Linn is offering incentives for affordable housing. It would also decrease development costs for ADUs, thereby improving opportunities for ADU development for individual property owners.

**Time Frame** **Implementation:** 2026 - 2030

**Adoption:**

- Exempt for affordable housing and/or ADUs: 2027
- Modify SDC Schedule 2030

**Impact:** The process of modifying a city’s SDC methodology can be lengthy, as it is necessary to analyze projected needs for system construction and improvements and ensure that SDC revenues will be adequate to meet projected needs. Once a new SDC schedule is implemented, the impact to housing development is expected to be longer-term. Waivers for specific types of housing units could be put into effect more quickly (e.g., in the medium term) although implementation of that aspect of the action also will take further analysis and community discussion.

**Implementation  
Actions**

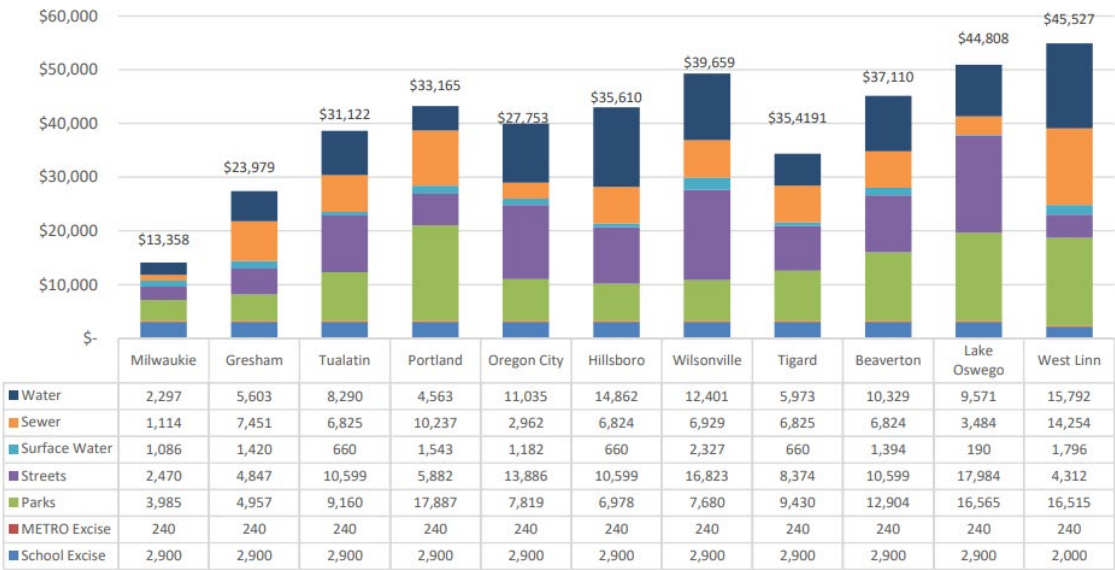
- Work with City Council, other departments (Public Works, Finance, Parks, etc.), and development stakeholders on policy discussions around modifying the SDC schedule and/or exempting or deferring SDCs for affordable housing and ADUs.
- Potentially work with a consultant to develop an updated SDC methodology.
- City Council action: Adopt modified SDC schedule by resolution or ordinance that scales SDCs by housing type and waives or defers SDCs for affordable housing and ADUs.

**Lead & Partners** **Lead:** West Linn Public Works

**Partners:** Development stakeholders



Figure 1. West Linn SDC Comparison\*



*\*This chart is outdated by a few years, however SDCs in West Linn have increased since the chart was published, and the city continues to have some of the highest SDCs in the region, with SDCs in West Linn currently close to \$60,000 per single family home.*

4. Multiple Unit Property Tax Exemption (MUPTE)

**Description** This exemption can be used to encourage multi-family or middle housing with particular features or at particular price points by offering qualifying developments a partial property tax exemption over the course of several years. It can be offered to new development or existing housing that is converted to meet the eligibility criteria.

MUPTE is a flexible tax abatement that can be used in various ways to encourage needed housing. The City has broad discretion as to how to structure the program. Eligibility criteria could include requirements for affordability, accessibility/universal design, unit size, or other desirable features.

The City must designate specific areas where the MUPTE applies, unless including affordability as a criterion, in which case the whole city could be eligible.

(Authorized by ORS 307.600-637)

**Opportunities, Constraints, or Negative Externalities**

- Could incentivize multi-family developers to incorporate desirable features in their projects, such as accessible units or family-size units. Affordability to lower-income households could also be an eligibility criterion, if desired.
- As noted below, this action could outcompete affordable housing tax incentives with for-profit developers who would rather build market-rate housing in some cases.
- Determine how to most effectively structure the MUPTE to complement other abatement programs and address potentially unmet housing needs prior to adopting and implementing a MUPTE program.



	<ul style="list-style-type: none"> <li>This tool can be used to supplement land acquisition and banking by targeting specific sites to apply the tax exemption, particularly for sites where the City cannot afford property acquisition. Instead of directly acquiring land, the City could consider a site-specific MUPTE or Multiple Unit Limited Tax Exemption (MULTE). This would help incentivize private developers to acquire vacant or underutilized properties for multi-unit development while enjoying a permanent or temporary property tax exemption. This approach minimizes upfront public costs while enabling private developers to identify and secure sites for development.</li> </ul>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li><b>Housing Need Addressed:</b> As identified in the HCA, West Linn has a very low supply of land that is available for multi-family housing. This action has the potential to increase development of multi-family housing in targeted areas of the city. Depending on how it is structured, this program could also encourage apartments with family-sized units (2-3 bedrooms) and accessible housing options for seniors.</li> <li><b>Population served:</b> Depends on how the program is structured; could be targeted to benefit low-income households, people with disabilities, larger families, etc.</li> <li><b>Income level:</b> Depends on how the program is structured.</li> <li><b>Benefits and Burdens:</b> This action has the potential to benefit various priority populations by encouraging housing needed by those communities (accessible units, family units, affordable units, etc.). The City could also target a MUPTE program to specific geographies to target housing development in neighborhoods where it is most needed, or best supported by transit or services. A challenge for the City will be to determine how best to balance those various needs to determine what housing types or features are most appropriate to include as criteria for the MUPTE abatement. This should be considered in the broader context of the HPS to ensure that the City's actions benefit all priority populations in equitable ways. No burdens on priority populations are anticipated for this action, provided it is implemented in the ways described above.</li> <li><b>Housing tenure:</b> Typically for-rent.</li> <li><b>Magnitude:</b> Moderate – This action could encourage production of more multi-family units that meet housing needs not currently being met by the private market. However this program does not necessarily require the provision of affordable housing; therefore, it may outcompete affordable housing tax incentives with for-profit developers who would rather build market-rate housing. This program should be carefully considered as possibly competitive with the low-income tax exemptions. However, the MUPTE can also be designed to require affordable units as well.</li> </ul>
<b>Time Frame</b>	<p><b>Implementation:</b> 2028 – 2029</p> <p><b>Adoption:</b> 2029</p> <p><b>Impact:</b> The MUPTE can be used once it is adopted, and for as long as the City offers the exemption. The impact on housing supply is expected to be longer-term.</p>

- Implementation Actions**
- Further evaluate the various options for structuring the MUPTE program to determine whether—and how—it should be implemented.
  - Consult with developers and housing providers to determine their level of interest.
  - Determine desired eligibility criteria (e.g., affordability, accessibility, etc.).
  - Seek input from overlapping taxing districts on their willingness to support the exemption.
  - City Council Action: Adopt tax exemption program by resolution or ordinance.

**Lead & Partners** **Lead:** West Linn Community Development  
**Partners:** West Linn Finance Department; overlapping taxing jurisdictions

## Affordable Housing Actions

### 5. Tax Increment Financing (TIF) to support affordable housing development

**Description** This action involves using TIF funds to support affordable housing development. This could involve creating one or more new TIF districts and incorporating affordable housing into new TIF district plans. For example, the City could create a TIF set-aside for affordable housing development programs within the district. TIF is a funding mechanism in which future tax revenues in targeted development or redevelopment areas (TIF districts / urban renewal areas) are diverted to finance infrastructure improvements and/or development. At the time of adoption, the tax revenue flowing to each taxing jurisdiction from the TIF district is frozen at its current level. Any growth in tax revenues in future years, due to annual tax increase plus new development, is the “tax increment” that goes to the district itself to fund projects in that area. TIF is a good tool to use in areas where new development or redevelopment is anticipated. While many different types of projects are eligible for TIF funds, for the most part, TIF funds are used to pay for physical improvements in the district itself. These projects can include participating in public/private partnerships with developers—including for affordable, workforce, or market-rate housing—or can be used to complete off-site public improvements that benefit and encourage new development in the area, or to acquire key sites. TIF funds also can be used to purchase land. TIF can be a direct source of funding for projects that meet public goals such as providing affordable housing, increased density, or mixed-use buildings that might not otherwise be feasible. In return for some public funding through TIF, private sector or non-profit developers agree to provide these benefits. Urban Renewal can also be used to purchase and reserve a key building site in the district to ensure that the development that takes place there meets public

goals. The site can be offered to a development partner at reduced cost to provide the incentive.

**Opportunities,  
Constraints, or  
Negative  
Externalities**

- The City recently adopted a TIF district in its waterfront area and will evaluate the feasibility of a TIF district in the Highway 43 corridor as part of implementation of plans being prepared for those areas. The total amount of the City that can be included TIF districts is limited to 25% of land area, and 25% of assessed value.
- The City should incorporate affordable housing into the TIF planning for the Highway 43 Corridor and Waterfront project. The City must include affordable housing as an approved “project” in the TIF districts in order for it to be eligible for TIF funding.
- TIF results in forgone tax revenue for the City and any other overlapping taxing districts for several decades, although it can (and should) grow the tax base in the long-term by supporting development that would not otherwise have occurred.
- If a new TIF district were established, it would likely be several years before there would be sufficient revenue in the district to make significant investment in housing.
- Coordination and agreement with other taxing districts is also important, as they will forgo some revenue with the TIF district in place.
- This action may be integrated with the Land Acquisition and Banking action to the extent that TIF money is used to acquire land for future housing.
- Affordable housing projects may be tax-exempt if they are owned by an affordable non-profit developer, which may affect tax revenue once funds revert to the general fund.
- There are many examples of the use of TIF revenue for housing-related projects in Oregon.
  - In the Downtown Tigard TIF district, projects include the Atwell Off-Main project, which includes 165 market rate apartments, along with commercial space; and the current mixed-use development underway on Main Street near Fanno Creek, which will include a coffee roaster, office space, and 22 new apartments.
  - The City of Portland has participated in many housing projects in its districts over decades. For instance, over the last decade Prosper Portland agency has contributed to the creation of hundreds of mostly affordable and workforce housing units in multiple buildings in the Lents Town Center. TIF also contributed to many of the early projects in the Pearl District.
  - The City of Beaverton Urban Renewal Agency’s (BURA) budget allocates \$300,000 to \$3.3M per year in tax increment set aside for joint investment in affordable housing. This amounts to approximately 10% of the City’s 5-year URA budget.<sup>3</sup>

<sup>3</sup> Beaverton BURA Annual Report and Five-Year Action Plan, 2020. <https://www.beavertonoregon.gov/1017/The-Beaverton-Urban-Redevelopment-Agency>

**Anticipated Impact**

- **Housing Need Addressed:** Government-subsidized affordable housing.
- **Population served:** Low-income households
- **Income level:** 0-80% AMI
- **Benefits and Burdens:** This action would primarily benefit low-income households by increasing the City’s capacity to support production of subsidized affordable housing.

An intended outcome of urban renewal is increased property values and redevelopment within the district. If not balanced by adequate investment in housing production, urban renewal can lead to displacement of existing residents facing increased property taxes and development pressures. This can be a burden on existing low-income residents and should be considered carefully when designating new TIF districts.

- **Housing tenure:** For rent or sale
- **Magnitude:** High – New TIF districts and programs focused on housing have the potential to have a large impact on specific new projects. The impact of a TIF program on housing production will depend on the revenue-generating potential of the district in question and the prioritization of housing projects among the broader range of projects eligible for urban renewal funding (e.g., general infrastructure projects, beautification, economic development, etc.). If housing is prioritized for funding, and development opportunities are available within the district, it can directly support housing production. TIF is one of the few sources of city-controlled funding to apply directly to affordable housing, as opposed to regulatory approaches or cost incentives.

**Time Frame**

**Implementation:** 2026 – 2030

**Adoption:** 2030

**Impact:** Analysis and planning for a new TIF district can take several years. Once a TIF district is established, it is expected to take several more years before adequate revenues are accrued to begin spending the urban renewal funds. The impact on housing production is expected over the medium or longer term.

**Implementation Actions**

- Evaluate the potential for creation of one or more new TIF districts.
- Incorporate land acquisition, funding support for affordable housing projects, infrastructure funding, and/or other housing-supportive projects into new district plans.
- Integrate this action with other HPS actions where appropriate (e.g., Land Acquisition and Banking, Rezoning, etc.).
- City Council to adopt URA boundaries and plan via ordinance.
- Evaluate and update the Riverfront TIF plan to include funding for affordable housing projects.

**Lead & Partners**

**Lead:** West Linn Community Development

**Partners:** Development stakeholders

## 6. Surplus Land, Land Acquisition, and Banking for Affordable Housing

### **Description**   **Surplus Land for Affordable Housing**

Over the past few decades, faith institutions across the country have been declining. This has prompted conversations within different faith communities about how to refocus their mission of social change. The housing affordability crisis in many cities around the country has brought these institutions into the work of creating affordable housing in their communities. This action would:

- 1) Identify faith and community-based organizations that are interested in offering their available land for development of affordable housing
- 2) Provide design and finance consultation for three organizations to prepare them for future affordable housing development projects
- 3) Determine barriers to development and how those can be addressed and/or streamlined.

The City may also consider utilizing public property for affordable housing development to the extent such properties are available and suited to residential use. This would involve selling City-owned (or potentially county or state-owned) property at below-market costs to developers of affordable housing.

### **Land Banking and Acquisition**

Land acquisition is a tool to secure sites for prioritized housing types such as affordable housing or mixed-use housing. Public agencies can identify locations where prices are going up and acquire land before the market becomes too competitive, with the intention to use the land for affordable housing. The ability to identify promising sites within these locations and act quickly and efficiently in acquiring them can tip the scales to make an affordable housing development financially feasible. Planning ahead ensures that there will be housing opportunities in neighborhoods where the rest of the properties may appreciate quickly. Access to a ready funding source such as TIF funding is important to take advantage of these opportunities, and this approach is perhaps most often seen to acquire key sites in TIF districts.

Land banking is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be developed for affordable housing. Land banks are often quasi-governmental entities created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property. Public agencies or larger nonprofits may be better equipped than small community development corporations to do both land acquisition and banking. **Both land banking and acquisition would need to be directly tied to CET or TIF, as the City currently faces budget constraints that would be a barrier to implementing this action.**

### **Opportunities, Constraints, or Negative Externalities**

- Surplus land for affordable housing should be considered in tandem with land acquisition and banking. The City may consider any surplus public or state-owned land for land banking.
- The City has a significant need for land that is available for affordable housing.

- The City has expressed interest in building relationships with regional affordable housing providers.
- This action may help facilitate partnerships between the City, faith-based organizations, and affordable housing providers while also identifying opportunity sites for affordable housing development.
- SB 8 (2021 session, encoded as ORS 197A.445) requires cities to allow affordable housing on property that is publicly owned, as defined by ORS 174.109, and on any property that is owned by a religious non-profit.<sup>4</sup> Cities are also required to allow affordable housing on any property that is zoned to allow religious assembly or zoned for public use. Several affordable housing developments have been enabled by these rules in the Metro region.
- Land banking can be used as an anti-displacement action. Land banks can acquire land in high-opportunity areas where prices are going up and develop affordable housing before the market becomes too competitive. For example, the City may want to prioritize property acquisition in future TIF areas before the TIF district is adopted.
- Key challenges for **land acquisition** includes reliably identifying future areas where land value will climb before prices go up, developing the resources necessary to purchase the land, creating mechanisms for easy land transfer and removing the liability associated with holding land.
- **Land banking** requires significant up-front investment to acquire land, which typically requires a City funding source or grants and funding partnerships. Additional up-front costs may include maintenance and security.
- Land acquisition or banking will only be possible if it is coupled with other actions that are intended to raise revenue for affordable housing, such as TIF or CET. The City does not have the finances to fund these types of programs without a supplemental source of revenue.
- Most land banks rely on property tax-related revenue streams, although some have relied on private foundation or federal grants. Tax Exemptions can be applied to land held for the purpose of developing low-income housing. Therefore, tax exemptions can help make land banking more financially feasible as an affordable housing action.
- City-owned property could be sold at the property's appraised value to affordable housing developers if the City needs additional revenue.
- The City could manage its own land bank or acquisition action, or work in concert with a non-profit or non-governmental entity at a larger, regional scale that manages a portfolio of properties to support affordable housing development over many years. Ideally, the land bank would be set up to manage financial and administrative resources, including strategic property disposal, for the explicit purpose of supporting affordable housing development. The City can consider contributing funds or land to an existing

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<sup>4</sup> Senate Bill 8, 2021. <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/SB8/Enrolled>

non-profit land bank or participating in the formation of a new non-profit land bank if one does not exist with sufficient capacity to serve West Linn.

- The land bank would purchase vacant, or “surplus” land in high-opportunity areas, schools, and other important amenities and require that the land be used for the development of affordable housing.
- In most cases, land banking programs have focused on properties in tax foreclosure, but West Linn’s program could explore voluntary donation or purchase on the open market.
- Land banking requires political commitment over time and across market cycles. Purchasing new land requires agencies to find and secure the property and fund land acquisition and due diligence. Administering a land bank can be costly. The City should evaluate use of existing GIS tools to inventory publicly and privately owned properties in areas well suited for a land bank purpose.

**Anticipated  
Impact**

- **Housing Need Addressed:** Government-subsidized affordable housing for low-income households. 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.
- **Population served:** Low income households and all other priority populations.
- **Income level:** 0-80% AMI
- **Benefits and Burdens:** This action would benefit low-income households by increasing the feasibility of affordable developments, thereby enabling more of these projects to be built and potentially enabling more units to be included within each project.  
  
No burdens on priority populations are anticipated.
- **Housing tenure:** For rent
- **Magnitude:** Moderate to High – These actions would lead to an increase in the number of units that are possible for affordable housing developments. This incentive or initiate new affordable housing projects that were not previously under consideration. While the developer and property manager must demonstrate compliance, the administrative burden should be kept to a minimum to reduce added time and cost, both for the applicant and the City. Partnerships with affordable housing developers or non-profit housing agencies are very often a key component of a City contributing to new housing production. Few City governments directly build housing. A parcel of land is a high-value incentive that can be granted or sold at a discount to these partners, who undertake the projects often with a development agreement to ensure the public goals are met.

**Time Frame**

**Implementation:** 2025 – 2030

**Adoption:** 2030

**Impact:** The action can begin to have an impact after it is implemented in the CDC. For “Surplus Land,” statutory bonuses under SB 8 (ORS 197A.445) are



already available. The impact on supply of affordable housing is expected to be longer-term.

For land banking/acquisition, timing of impact depends on the nature of the partnerships. Given availability of funds, impact to housing production would be expected to occur over the longer term.

**Implementation  
Actions**

- Partner with local religious institutions and regional affordable housing providers to understand their needs, development opportunities, and potential barriers.
- Identify/inventory public land that may be suitable for affordable housing development.
- Incorporate publicly owned land into a bank or acquire new land to incorporate.
- One way the City could support a land bank is to assist with creating an inventory of suitable sites for housing development, based on infrastructure conditions, location, and other factors.
- Use funds generated from TIF and/or CET to implement a land banking or acquisition action.

**Lead & Partners**

**Lead:** West Linn Community Development

**Partners:** Local religious institutions and regional affordable housing providers; other public agency landowners with potential surplus property in West Linn

## 7. Public-Private Partnerships (PPP) for Affordable Housing

**Description**

Public-private partnerships (PPPs) are arrangements between public and private entities to develop housing, especially affordable housing. PPPs have the capacity to bring resources to the table that would otherwise not be available if each institution were to provide housing on its own.

The City could partner with organizations to support their affordable housing efforts in a variety of ways:

- Acquire land and/or donate city-owned land;
- Provide grants or low-interest loans for specific development or rehabilitation projects;
- Provide direct funding; and/or
- Leverage federal, state, and regional resources.

Additionally, the City can pursue specific types of PPPs such as:

- **Partnering to convert underutilized non-residential properties into housing.** The City could work with landowners to evaluate opportunities for adapting vacant/underused buildings for new housing or mixed-use development. Implementing this action may depend, in part, on use of tools such as TIF funding (Action 5) to address infrastructure deficiencies or support development of affordable housing.
- **Utilizing surplus land owned by faith-based organizations for affordable housing.** The City could work with faith organizations to



utilize their excess land for affordable housing. The City could assist such organizations with favorable zoning, permitting, and financial incentives.

- **Community Land Trust (CLT).** CLT is a model wherein a community organization owns land and provides long-term ground leases to low-income households to purchase homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms. This model allows low-income households to become homeowners and capture some equity as the home appreciates but ensures that the home remains affordable for future homebuyers. Cottage clusters or condo developments are a common development type for CLT as it allows for the sponsoring organization to maintain ownership of the land.

NOTE: PPP is an “umbrella” action that overlaps significantly with other actions in this document (funding support for affordable housing, tax incentives, community land trusts, etc.). Implementing a PPP action could take many forms. In the final HPS, it will be important for the City to be clear about the specific actions it will take to pursue and support PPPs for affordable housing.

**Opportunities,  
Constraints, or  
Negative  
Externalities**

- PPPs are often opportunity-driven and may be spearheaded by the City or by private developers or partner agencies.
- Cities are often asked to provide land, financial assistance, and or technical assistance, with potentially moderate costs. **More significant financial assistance would depend on a new funding source, such as construction excise tax.**
- Proud Ground is an example of a CLT working in the region. Proud Ground partners with other organizations to build the homes, then manages the sales, ground leases, and other programs. Habitat for Humanity uses a similar approach to CLT to maintain the affordability of the homes it builds—largely through volunteer labor and limiting resale prices, while allowing owners to accrue home equity. Portland Region Habitat for Humanity is the local affiliate organization.
- Cities can support CLT and other models for affordable homeownership by providing land, grants/loans, direct funding, or leveraging state/regional resources.
- The City should also consider the Moderate-Income Revolving Loan fund as a tool to support a PPP.<sup>5</sup>
- The following specific partnership actions are recommended for implementation:
  - Consider donating surplus city-owned land for affordable housing as it becomes available.

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<sup>5</sup> OHCS Moderate-Income Revolving Loan Fund. <https://www.oregon.gov/ohcs/rental-housing/housing-development/development-resources/pages/moderate-income-revolving-loan.aspx>

	<ul style="list-style-type: none"> <li>○ Leverage federal, state, and regional resources – such as future regional affordable housing bond funds<sup>6</sup> – to fund affordable housing in West Linn.</li> <li>○ Work with faith organizations to utilize excess or underutilized land for affordable housing. Assist with favorable zoning, permitting, and financial incentives.</li> <li>○ If a new TIF district is established (Action 5), use TIF funds to support affordable housing partnerships. This could include addressing infrastructure deficiencies or contributing funding to affordable housing more directly.</li> <li>○ Provide tax abatements or incentives to housing partner projects through the abatement actions described in this report (i.e., Non-Profit and Low-Income Rental exemption, MUPTE and HOLTE actions).</li> </ul>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>● <b>Housing Need Addressed:</b> Government-subsidized affordable housing for low-income households.</li> <li>● <b>Population served:</b> Low-income households</li> <li>● <b>Income level:</b> 0-80% AMI</li> <li>● <b>Benefits and Burdens:</b> This action is intended to benefit low-income households by increasing the City’s involvement in development of affordable housing. No burdens on priority populations are anticipated for this action.</li> <li>● <b>Housing tenure:</b> For rent or sale</li> <li>● <b>Magnitude:</b> High – Partnerships with private developers or non-profit housing agencies are very often a key component of a City contributing to new housing production. Few City governments directly build housing. The incentives and funding offered are aimed at these partners, who undertake the projects often with a development agreement to ensure the public goals are met. The magnitude of impact is high, and in a sense these partnerships are necessary for most successful City-based housing initiatives.</li> </ul>
<b>Time Frame</b>	<p><b>Implementation:</b> 2026 – ongoing</p> <p><b>Adoption:</b> Ongoing</p> <p><b>Impact:</b> Timing of impact depends on the nature of the public/private partnership. Given availability of funds, impact to housing production would be expected to occur over the longer term.</p>
<b>Implementation Actions</b>	<ul style="list-style-type: none"> <li>● More clearly define the relationship to other HPS actions and which types of actions would be proactively undertaken by the City vs more opportunistic actions based on proposals from potential partners.</li> <li>● Work with nonprofit, faith-based, or other organizations to discuss opportunities in West Linn.</li> </ul>

<sup>6</sup> The current Metro Affordable Housing Bond funding has either been disbursed or earmarked. Metro Bond Funding Progress Page. <https://www.oregonmetro.gov/public-projects/affordable-homes-greater-portland/progress#Affordability>

- Potentially provide on-going financial support through development/rehabilitation grants, homeownership grants/loans, donation of City-owned land, and/or an annual funding set-aside.
- Take action on partnership models and programs that best benefit the organization and the City's financial and/or administrative capacity.
- Partnership activities depend on the project, organization, and available resources.

**Lead & Partners** **Lead:** West Linn Community Development

**Partners:** Possibilities include landowners and organizations with excess land, as well as nonprofit affordable housing providers.

## 8. Low Income Rental Housing Tax Exemptions

**Description** **Low-Income Rental Housing** is a 20-year tax exemption for any entity that provides income-restricted rental housing, including nonprofits and for-profit developers. Eligible properties must be offered for rent to low-income persons (at or below 60% AMI) or held for the purpose of developing low-income rental housing. Jurisdictions may adopt additional eligibility criteria for the exemption, provided they don't conflict with state statutes.

(Authorized by ORS 307.515-537)

**Nonprofit Low-Income Rental Housing** can provide a simplified way for affordable housing owned and operated by a nonprofit (as well as land held by a nonprofit for future affordable housing development) or Community Land Trusts (at least in land value) to qualify for a property tax exemption. Work should be done to make it easier for projects/land to qualify; minimizing the number of taxing authorities needed to grant an approval.

While these two exemption programs appear similar, they do have some key distinctions.

	<b>Nonprofit Low-Income Housing</b>	<b>Low-Income Rental Housing</b>
Eligible Developers	Nonprofits only	Nonprofit or for-profit
Income Levels	Up to 60% AMI	Up to 60% AMI
Tenure	For rent or for sale	For rent only
New vs. Acquired Housing	New construction or acquisition of existing housing	New construction only
Annual Renewal Required?	Yes	No
Time Limit	No limit	20 years

NOTE: The project team does not see any issues with adopting both exemption programs. Each program has different opportunities and challenges, and it may

be beneficial for housing developers to be able to choose which program best suits their project needs.

**Opportunities,  
Constraints, or  
Negative  
Externalities**

- Key advantages of this abatement are that it is available to more than just non-profits and it does not require annual renewal. This can significantly reduce an organization's administrative burden in implementing the exemption.
- However, this abatement has less flexibility compared to the Nonprofit Exemption because it is not available for ownership housing, cannot be used for acquisition of existing housing, and is limited to 20 years.
- West Linn has a very small supply of subsidized affordable housing. As identified in the HCA, West Linn will continue to have a need for housing that is affordable to low income residents over the next 20-years. The HCA also identified a continued need for rental housing. This action may help incentivize production of low-income rental housing.
- Tax abatements or exemptions would apply to city property taxes which only make up about 17% of a property tax bill. Other taxing entities would have to agree to the action for any property to be eligible for a complete tax abatement.
- The City should adopt exemption programs by resolution or ordinance and work with housing providers to implement the program through completion of specific qualifying housing projects. Also, consider supplementing the Multiple Unit Property Tax Exemption (MUPTEx) described below to offer more options and flexibility for projects that would not be eligible for the Non-Profit and Low-Income Rental exemption programs.

**Anticipated  
Impact**

- **Housing need addressed:** Government-subsidized affordable housing for low-income households.
- **Population served:** Low-income households
- **Income level:** 0-60% AMI (for residents' initial year of tenancy; after the first year, up to 80% AMI)
- **Benefits and Burdens:** This action would primarily benefit low-income households by increasing the City's capacity to support production of subsidized affordable housing.  
  
No burdens on priority populations are anticipated.
- **Housing tenure:** For rent
- **Magnitude:** High – Like the Nonprofit Exemption, this abatement can have a large impact on new affordable housing production. As noted above, an abatement of property taxes is a strong incentive and improves feasibility considerably. This abatement is available to for-profit developers and therefore may generate more new housing than the Non-Profit Exemption. While not open-ended, a 20-year exemption matches the period in which a property would otherwise undergo significant depreciation. However, at the end of the 20-year period, this housing often reverts to market-rate status. When used, a tax abatement can make a large difference in a subsidized

affordable housing project operating cost, and in some cases may facilitate some affordable housing that wouldn't otherwise be feasible.

<b>Time Frame</b>	<p><b>Implementation:</b> 2026 – 2027</p> <p><b>Adoption:</b> 2027</p> <p><b>Impact:</b> The tax exemption can be used once it is adopted, and for as long as the City offers the exemption. The impact on supply of affordable housing is expected to be longer-term.</p>
<b>Implementation Actions</b>	<ul style="list-style-type: none"> <li>• Work with other taxing jurisdictions to gain approval.</li> <li>• Develop application standards and guidelines.</li> <li>• City Council action: Adopt tax exemption policy by resolution or ordinance.</li> </ul>
<b>Lead &amp; Partners</b>	<p><b>Lead:</b> West Linn Community Development</p> <p><b>Partners:</b> West Linn Finance Department; overlapping taxing jurisdictions</p>

## 9. Zoning Incentives for Workforce and Affordable Housing

<b>Description</b>	<p>This action involves 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.</p>
<b>Opportunities, Constraints, or Negative Externalities</b>	<ul style="list-style-type: none"> <li>• Zoning incentives likely would not incentivize private developers to include affordable units in their projects. These types of bonuses typically don't lead to mixed-income development on their own unless the base entitlements are very low and there's a lot of demand for more density.</li> <li>• Incentives would more likely be a way to allow affordable 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.</li> <li>• 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 provides height and density bonuses. If the height/density bonus exceeds local bonuses for affordable housing, the SB 8 bonus will apply directly. Potential bonus provisions in West Linn could be crafted to be consistent with or go above and beyond SB 8 requirements.</li> <li>• The City may consider pairing affordable housing incentives with zoning/development bonuses for housing that incorporates universal design or accessibility features.</li> </ul>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>• <b>Housing need addressed:</b> Government-subsidized affordable housing for low-income households. 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.</li> </ul>

- **Population served:** Low-income households and all other priority populations.
- **Income level:** 0-80% AMI
- **Benefits and Burdens:** This action would benefit low-income households by increasing the feasibility of affordable developments, thereby enabling more of these projects to be built and potentially enabling more units to be included within each project.  
No burdens on priority populations are anticipated.
- **Housing tenure:** For rent or sale
- **Magnitude:** Low to Moderate – This action might lead to a small percent increase in the number of units that are possible for affordable housing developments. This incentive may help increase affordable production in projects that are already being pursued but is unlikely to initiate new projects on its own. While the developer and property manager must demonstrate compliance, the administrative burden should be kept to a minimum to reduce added time and cost, both for the applicant and the City.

<b>Time Frame</b>	<b>Implementation:</b> 2026 – 2028 <b>Adoption:</b> 2026 <b>Impact:</b> The action can begin to have impact after it is implemented in the CDC. The statutory bonuses under SB 8 (ORS 197A.445) are already available. The impact on supply of affordable housing is expected to be longer-term.
<b>Implementation Actions</b>	<ul style="list-style-type: none"> <li>• Consult with affordable housing providers to determine what type(s) of incentives would be most beneficial in supporting their work.</li> <li>• Evaluate SB 8 to determine how the statutory bonuses compare to the potential new bonuses.</li> <li>• Determine how to best integrate with other potential amendments to the CDC.</li> <li>• City Council Action: Implement through CDC updates.</li> </ul>
<b>Lead &amp; Partners</b>	<b>Lead:</b> West Linn Community Development <b>Partners:</b> Affordable housing providers

## 10. Construction Excise Tax (CET)

- Description** CET is a one-time tax on construction projects and is a potential funding source for affordable housing. Cities and counties may levy a CET on **residential** construction for up to 1% of the project's permit value; or on **commercial and industrial** construction with no cap on the rate of the CET. The CET may be applied to development that results in a new structure of increased square footage in an existing structure.

The allowed uses for CET funding are defined by state statute<sup>7</sup> and can include support for a variety of housing-related projects and programs.

- **Residential CET** revenues must be allocated as follows:
  - Up to 4% can be used to cover administrative expenses incurred from implementation of the CET.
  - 50% must be spent on developer incentives (e.g., permit fee and SDC reductions, tax abatements, or finance-based incentives).
  - 35% may be used flexibly for affordable housing programs.
  - 15% flows to Oregon Housing and Community Services (OHCS) for homeownership programs. OHCS's policy is to spend the revenue in communities where it's collected.
- **Commercial/industrial CET** has fewer restrictions on how revenues are spent:
  - 50% must go towards housing-related programs (not necessarily limited to affordable housing).
  - 50% is unrestricted and can be used as the City sees fit.

Some cities have used CET to pay for gap financing of new affordable development, backfilling SDC waivers, acquisition of properties for affordable housing preservation, and down payment assistance for first-time homebuyers.

As an example, the City of Eugene adopted a CET in 2019, and has used \$2.2 million in revenues to leverage \$45 million to fund the construction of 178 new affordable homes.<sup>8</sup>

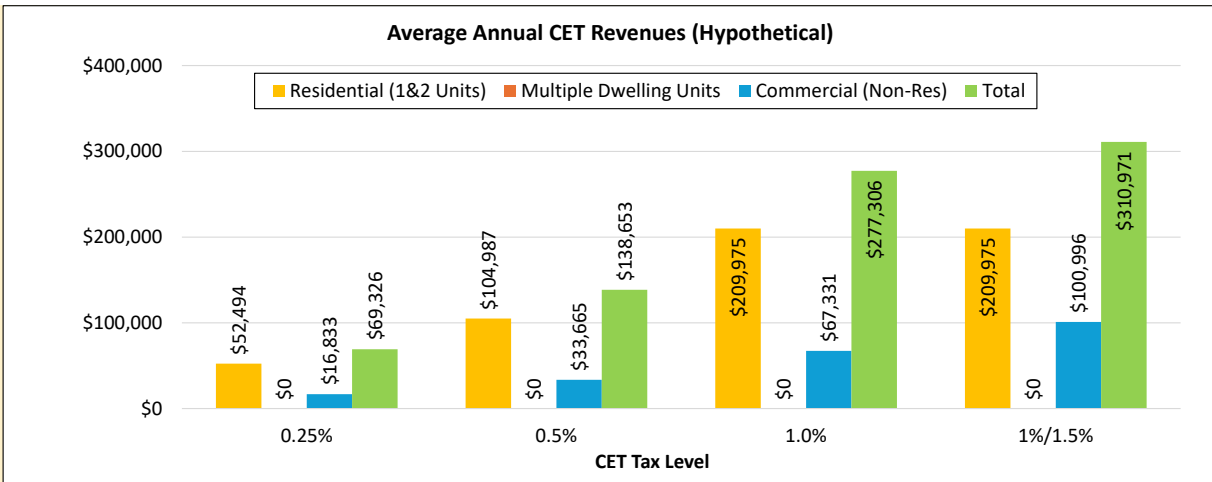
An analysis of permit valuations in West Linn over the prior five years indicates that a hypothetical CET could build significant funds to assist in affordable housing projects. The following figure uses the average annual value of residential and commercial permits over the last five years to estimate what hypothetical CET revenue generation would have been annually. The CET rates tested range from 0.25% for both residential and commercial development to 1% for residential and 1.5% for commercial.

Examples from other Oregon cities indicate that to be most effective, a CET fund needs a few years to grow. The funds should be used as one contribution to a project that helps leverage funding from larger sources, such as state programs.

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<sup>7</sup> Oregon Revised Statutes 320.192-195.

<sup>8</sup> City of Eugene, Affordable Housing Trust Fund. <https://www.eugene-or.gov/4232/Affordable-Housing-Trust-Fund>



**Opportunities,  
Constraints, or  
Negative  
Externalities**

- CET is one of the few available sources of a locally-controlled funding stream for affordable housing.
- Several other actions under consideration for the HPS would depend on adoption of a new funding source. Without a new funding stream, the City could not participate meaningfully in those actions.
- CET is a tax on development, meaning that it raises costs for construction of commercial, industrial, and/or market-rate residential housing. The statute exempts regulated affordable housing, public buildings, hospitals, and certain other types of facilities.

**The City has flexibility for how to determine how to structure the CET in terms of what types or sizes of housing or other development is subject to CET. For example, the City can choose to exempt certain types of needed housing (e.g., multi-family housing, accessible housing, or small housing units) or exclude residential development altogether.** The City of Tigard exempts ADUs of 1,000 sq ft or less and projects valued at less than \$50,000; and allows cottage clusters, courtyard units, and quadplexes to be exempted from 75% of the CET.<sup>9</sup>

- Alternatively, by structuring a policy with offsetting incentives or tools for housing to reduce development barriers, the City could potentially limit the impact on feasibility for certain housing projects. This action can be paired with other complementary actions to increase its effectiveness.
- Because CET revenue is development-derived, it will fluctuate with market cycles.
- Funds generated from a CET may have an immediate impact if they are used to pay down reduced permit fees, SDC exemptions or reductions, or public improvement costs and help support land acquisition or banking over a longer timeframe.
- Affordable housing programs often prioritize communities that have demonstrated a financial commitment to support affordable housing. CET

<sup>9</sup> Tigard Municipal Code, Chapter 3.90 Construction Excise Tax.  
[https://library.gcode.us/lib/tigard\\_or/pub/municipal\\_code/item/title\\_3-chapter\\_3\\_90](https://library.gcode.us/lib/tigard_or/pub/municipal_code/item/title_3-chapter_3_90)



may be a useful tool to attract affordable housing funding from regional, state, and federal sources.

- The City should carefully structure the CET program to avoid deterring development activity to the extent feasible. If additional development costs from CET become prohibitive, home builders and developers may choose to work in other communities, including neighboring communities without a CET and/or where more opportunity sites may exist, rather than pursuing projects in West Linn. However, given the increasing number of cities in Oregon that have adopted a CET program, the development community will likely find ways to adapt to the evolving market.
- The City may consider opportunities to coordinate a local CET program with other regional or state programs to leverage additional resources. For example, the City may explore options for state or federal tax credits to help alleviate CET costs on home builders. The City could also coordinate with Metro's CET program to help maximize revenue for affordable housing.

**Anticipated  
Impact**

- **Housing need addressed:** Government-subsidized affordable housing for low-income households. CET implementation can be tailored to prioritize certain income levels or other housing needs, such as extremely low-income households (earning below 30% AMI) or residents needing housing with wrap-around support services.
- **Population served:** Low-income households
- **Income level:** 0-80% AMI
- **Benefits and Burdens:** This action would primarily benefit low-income households by increasing the City's capacity to support production of subsidized affordable housing and other housing programs. Because CET funds offer flexibility for the local government to choose which projects and programs to support, the City has opportunities to direct funding toward projects that benefit priority populations that need additional support.  
  
A CET has the potential to inhibit some development, including housing development (if a residential CET is pursued). However, the City has options to avoid impacts to the types of housing most needed by priority populations, thereby limiting burdens on these communities. Affordable housing already must be exempt. As noted above, the City could also exempt multi-family housing, small units, ADUs, housing that meets Universal Design criteria, and other types. This is a way to address or mitigate potential burdens.
- **Housing tenure:** For rent or sale
- **Magnitude:** High – The revenue potential of a CET in West Linn is potentially quite high. As cited in other cities (e.g., Eugene), CET programs have generated substantial revenue, which was in turn dedicated to affordable housing development. CET can be a valuable source of funding for a City contribution to a project that can be leveraged to access greater amounts of funding from state or federal sources. It may be more useful as a multiplier rather than directly paying for housing development.

The CET is a tax on new development activity, and thus has the impact of raising costs on developers. However, other Oregon cities that have adopted a CET do not report a noticeable impact on development once adopted.

**Time Frame** **Implementation:** 2027 – 2029

**Adoption:** 2029

**Impact:** This action may take several years for funds to accumulate to an amount that could be used to support development of housing. However, cities that have adopted a CET have seen real results in terms of housing production within 4 to 5 years. See above for the City of Eugene example.

**Implementation  
Actions**

- Evaluate a potential approach. Include projections of potential revenue and determine what programmatic goals could be accomplished with revenue. Consider both residential and commercial/industrial options.
- Analyze potential impacts to development.
- Engage with the development community—including both housing providers that could benefit from CET funds, and developers that might be impacted by the tax.
- City Council could impose the CET by adoption of an ordinance or resolution that conforms to the requirements of ORS 320.192–ORS 320.195.
- If directed, create a plan for the use of CET funds, in collaboration with housing providers, low-income communities, and other historically marginalized communities.

**Lead & Partners** **Lead:** City of West Linn Community Development

**Partners:** Finance Department; local developers; non-profit housing partners could implement funded programs

## Equitable Housing Opportunities

### 11. Homebuyer Opportunity Limited Tax Exemption Program (HOLTE)

**Description** The purpose of this program is to encourage homeownership among first time homebuyers and low- and moderate-income households and to stimulate the purchase, rehabilitation, and construction of residences in certain areas as a form of infill development.

The program allows a limited 10-year property tax exemption to owner-occupied single-unit housing that has a market value upon completion of no more than 120% of median sales price of dwelling units located within the city (or a lesser value adopted by the jurisdiction). The tax exemption can be granted for up to 10 successive years, and only applies to the value associated with property improvements, not the land value.

While not required by statute, local governments can establish income criteria for eligible homebuyers. For example, the City of Portland limits eligible homebuyers to those earning no more than 100% of the area median income.<sup>10</sup>

Single-family housing units, townhomes, multi-family homeownership units (i.e., condos), and manufactured housing are eligible for the exemption. Eligible units can be new construction or rehabilitated existing homes. The housing must be in an area defined and designated by the City. The City also would create criteria and establish required design elements or public benefits that would be applied to properties using the exemption.

(Authorized by ORS 307.651-687)

**Opportunities,  
Constraints, or  
Negative  
Externalities**

- Action to facilitate homeownership among moderate-income households. HPS stakeholders have indicated that homeownership opportunities for moderate-income households and first-time homebuyers is one of the city's key housing challenges.
- Effectiveness depends on the local housing market and land costs. The recent median sale price in West Linn is approximately \$790,000, so this program could in theory apply to home values of \$948,000 (120% of median). An income of about \$200k is needed to afford the median home with a 20% down payment. With less of a down payment, even higher incomes would be needed. The HCA found that the number of homes selling at the lower end (less than \$500k for instance) was only 17% of the overall inventory.
- The City could consider lower sales price limits (below 120% of median sales price), but this may be less enticing to developers given the profit potential of market-rate development in West Linn. The tax incentive ultimately is to the benefit of the homebuyer, rather than the builder. For this reason, the HOLTE is often used by the clients of nonprofit agencies that specialize in providing affordable ownership housing (e.g. Habitat for Humanity, or community land trusts).
- The City should adopt a program by resolution or ordinance and work with housing providers to implement the program through completion of specific qualifying housing projects. Through implementation and discussions with housing providers, determine how best to integrate this program with other tax abatement or exemption programs adopted as part of the HPS.

**Anticipated  
Impact**

- **Housing Need Addressed:** Homeownership options for moderate-income households. The 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% AMI).
- **Population served:** Moderate-income households
- **Income level:** 80-120% AMI
- **Benefits and Burdens:** This action would be expected to benefit moderate-income households by increasing affordable homeownership opportunities.

<sup>10</sup> City of Portland, HOLTE Program. <https://www.portland.gov/phb/holte/sale-requirements>

This would especially benefit first-time homebuyers that would otherwise be challenged to purchase a home in West Linn, and potentially seniors looking to purchase a downsized home. This action also has the potential to benefit communities that have historically faced structural barriers to homeownership – particularly people of color and other marginalized communities.

No burdens on priority populations are anticipated.

- **Housing tenure:** For sale
- **Magnitude:** Low-Medium – Although this action could have a significant impact on the financial feasibility of specific projects, this program is expected to have a relatively low impact on housing production overall due to the land and housing costs that prevail in West Linn. Unfortunately, there are anticipated to be relatively few opportunities for appropriate homes for lower-income first-time homebuyers. While this exemption would certainly help with homebuyer finances, it would not apply to land cost, and there are few homes or neighborhoods in the community that are low-cost candidates for rehabilitation. At the same time, as noted above, this mechanism could have a significant impact on the relative feasibility of individual development projects, including those carried out by non-profit developers.

<b>Time Frame</b>	<b>Implementation:</b> 2026 – 2027 <b>Adoption:</b> 2027 <b>Impact:</b> The HOLTE can be used once it is adopted, and for as long as the City offers the exemption. The impact on housing supply is expected to be longer-term.
<b>Implementation Actions</b>	<ul style="list-style-type: none"> <li>• Define eligibility and design criteria.</li> <li>• Work with other taxing jurisdictions to gain approval.</li> <li>• City Council action: Adopt tax exemption program by resolution or ordinance.</li> </ul>
<b>Lead &amp; Partners</b>	<b>Lead:</b> West Linn Community Development <b>Partners:</b> West Linn Finance Department; overlapping taxing jurisdictions

## 12. Fair Housing Education, Referral, and Other Services

- Description** This action involves the City actively promoting fair housing policies and programs. Fair Housing laws protect individuals in “protected classes” from housing discrimination. Protected classes in Oregon include race, color, national origin, religion, disability, sex (includes pregnancy), sexual orientation, gender identity, age, and marital status. The City could add additional protected classes, such as ancestry, ethnicity, or occupation.
- The City could also pursue the following types of actions to affirmatively further fair housing and work to reverse discrimination, exclusion, and concentrations of wealth in West Linn:

- Create an Analysis of Impediments to Fair Housing.
- Conduct fair housing training for Council, Planning Commission, and other relevant policymakers.
- Provide residents, property owners, property managers, realtors, lenders, and others involved with real estate transactions with access to fair housing information and referrals.
- Ensure that City staff know how to identify potential fair housing violations and make referrals to the Fair Housing Council of Oregon and state and local enforcement agencies.
- Partner with and fund Fair Housing Council of Oregon to provide periodic Fair Housing Audit Testing, customized outreach and education and other specialized services.

In addition, other actions identified in this list can also generally serve the purpose of affirmatively furthering fair housing to the extent they expand housing opportunities or choices for people in protected classes.

**Opportunities,  
Constraints, or  
Negative  
Externalities**

- This action would not necessarily contribute to housing production except when it is implemented through other actions described in this document that result in housing production. However, in all cases it would demonstrate the City's commitment to working towards fair housing outcomes.
- Training and education would require staff time and resources to implement.
- The City recently adopted a Comprehensive Plan policy to "Employ strategies that support the Fair Housing Act and affirmatively further fair housing."
- This action will help the City build partnerships with regional housing stakeholders and help ensure that community members are protected from Fair Housing violations. It will benefit a variety of people and groups who have been historically underserved or disadvantaged by the housing market in West Linn.

**Anticipated  
Impact**

- **Housing Need Addressed:** This action would not directly address identified housing needs in most cases, but it would help prevent housing discrimination against protected classes.
- **Population served:** Protected classes
- **Income level:** All income levels
- **Benefits and Burdens:** This action is intended to benefit priority populations by formalizing the City's commitment to fair housing goals, better understanding fair housing issues in the community, and by educating City staff, housing stakeholders, and community members about fair housing laws and residents' rights.  
No burdens on priority populations are anticipated.
- **Housing tenure:** For sale or rent
- **Magnitude:** Low – Fair housing policy and education will not directly contribute to housing production, but it could provide additional protections against housing discrimination. It could also bolster the City's focus on

prioritizing housing equity and affordability in its housing programs and investments.

**Time Frame** **Implementation:** 2026 – Ongoing

**Impact:** Impact on community understanding of fair housing can be in the short term. Impact on fair housing outcomes is expected to be longer term.

**Implementation  
Actions**

- Partner with organizations such as the Fair Housing Council of Oregon on training.
- Develop informational materials.
- Provide training to current staff and new hires.

**Lead & Partners**

**Lead:** West Linn Community Development

**Partners:** Fair Housing Council of Oregon





# ACHIEVING FAIR AND EQUITABLE HOUSING

This section summarizes how the housing actions detailed in this report will help achieve fair and equitable housing outcomes. As required by OAR 660-008, all the actions have been evaluated for achieving the different outcomes identified below. In addition, the City of West Linn is already carrying out a range of housing measures that support fair and equitable outcomes, as summarized in the Contextualized Housing Needs Assessment (Appendix A). Those existing measures are also identified below.

## Affordable Homeownership and Affordable Rental Housing

Many of the actions included in the HPS support production of affordable rental housing and the opportunity for wealth creation via homeownership, especially for low- and moderate-income households that have been disproportionately impacted by past housing policies. As described in the Contextualized Housing Needs Assessment (Appendix A), many racial and ethnic minorities statewide are less likely to own the homes they occupy – meaning that they tend to occupy rental units. These communities face systemic obstacles to home ownership, including lower generational wealth, less access to capital and financing, and a history of discrimination in lending and geography (e.g., redlining). The legacy of these barriers continues to hamper home ownership for many minority households. Prioritizing affordable home ownership can begin to address these patterns of exclusion. Also, by benefiting low-income households more broadly, these actions are anticipated to benefit populations with lower median household incomes — including certain racial and ethnic groups.

Actions that address these needs include:

4. *Multiple Unit Property Tax Exemption (MUPTE)*
5. *Tax Increment Financing (TIF) to support affordable housing*
6. *Surplus Land, Land Acquisition, and Affordable Housing*
7. *Public-private partnerships (PPP) for affordable housing*
8. *Low Income Rental Housing Tax Exemption*
9. *Zoning incentives for workforce and affordable housing*
10. *Construction Excise Tax (CET)*
11. *Homebuyer Limited Opportunity Tax Exemption (HOLTE)*

By implementing these affordable housing actions, West Linn can work to ensure equitable outcomes for people with lower incomes. To further prioritize benefits for communities of color, the City can:

- ✓ Partner with culturally specific organizations or other organizations that often work with certain underserved or disadvantaged groups (e.g., faith-based organizations).
- ✓ Target programs to certain city areas with higher proportions of people of color (e.g., tax abatements within certain neighborhoods).
- ✓ Use equitable engagement actions to reach diverse communities.

## Gentrification, Displacement, and Housing Stability

Many of the actions included in this HPS increase housing stability for residents and mitigate the impacts of gentrification and displacement. The actions listed above promote the development of affordable rental and ownership housing and when targeted to areas that are experiencing – or may experience – gentrification, can help to counteract displacement. Specifically, each of the affordable housing actions will help mitigate displacement pressure by increasing the supply of affordable housing units in the city.

Actions that work toward improving availability of more affordable ownership opportunities, such as Action 2 *Small Dwelling Unit Development* and Action 11 *Homebuyer Opportunity Limited Tax Exemption (HOLTE)* can also help mitigate displacement.

It should be noted that some actions have the potential to increase risks of displacement by enabling denser or more intensive development in existing residential areas, which could increase redevelopment pressures and in turn may drive up the value and cost of existing housing to some degree. This could include Action 1 *Rezone Land* and Action 5 *Tax Increment Financing*. These actions can benefit lower-income populations by supporting development of affordable housing, or more attainable housing types, in areas of higher opportunity and access to services. However, as part of implementing actions that rezone properties or increase allowed development intensity, the City will need to assess potential displacement risks and ensure that these actions are paired with the anti-displacement actions listed above, which should be specifically targeted at the residents affected by zoning or code changes or increased investments.

## Housing Choice

The following actions will facilitate access to housing choice for communities of color, low-income communities, people with disabilities, and other state and federal protected classes:

1. *Rezone land* – Rezone non-residential areas to zoning designations that allow for a range of housing types, including multifamily housing.
2. *Small dwelling unit development* – Adopt Code amendments to allow for and encourage small single-family dwellings on small lots.
3. *Update SDCs* – Encourage smaller housing units by scaling SDCs by unit size.
4. *Multiple Unit Property Tax Exemption (MUPTE)* – Target tax abatements to encourage accessible units and/or moderate-cost units.

Existing measures:

- Increased code flexibility for accessory dwelling units and middle housing.



- Removed minimum parking requirements.
- Rezoned low density residential areas to high density to encourage development of new multifamily.

The actions listed above that promote more attainable homeownership opportunities (smaller units, middle housing, condos) have the potential to benefit communities that have been disproportionately impacted by past housing policies, especially communities of color. These actions encourage a broader range of housing choices that are more attainable for moderate-income households than typical single-detached housing.

## Location of Housing

The actions listed below can encourage housing in compact, mixed-use neighborhoods, helping to reduce greenhouse gas emissions and increasing opportunities to live in neighborhoods near needed services and amenities.

1. *Rezone land* – Rezone land in areas that are near existing higher-density or commercial areas, or other amenities, such as parks and schools, and that have good access to transit and services.
2. *Multiple Unit Property Exemption (MUPTE)* – Incentivize multi-unit housing in targeted areas.
3. *Use TIF to support affordable housing* – Support housing development in new urban renewal districts along the Highway 43 Corridor or Waterfront.

Existing Measures:

- Removed minimum parking requirements.
- Rezoned low density residential areas to high density to encourage development of new multifamily.

These actions can increase allowances for higher density housing in residential and mixed-use areas that are located near transit and that are within walking distance of a variety of businesses, services, public facilities, and other amenities. This is a particular benefit to low-income households and people with disabilities, who are less likely to own a car and may rely on transit and other modes to get around. The MUPTE program (Action 4) can also be targeted to amenity- and service-rich parts of the city where residents would most benefit from proximity.

## Housing Options for Residents Experiencing Homelessness

The HPS does not include actions that are specifically aimed at addressing homelessness or reducing the risk of households becoming homeless. However, several of the HPS actions that support affordable housing development could be targeted to benefit extremely low-income households. For example, *Action 7, Public-private partnerships for affordable housing*, could be targeted to housing that benefits those with incomes below 30% AMI. This could be supported by regional or state funding sources. In addition, the City could work with Metro and Clackamas County to target some of the regional supportive housing services funding (via Ballot Measure 26-210) to support services and housing within West Linn.

## Fair Housing

This section identifies how the City will use the HPS to affirmatively further fair housing for all state and federal protected classes. This includes addressing disproportionate housing needs, patterns of integration and segregation, and disparities in access to housing opportunity. West Linn is committed to furthering fair housing outcomes by including a fair housing action in the HPS (Action 12). The City recently adopted a comprehensive plan policy to *Affirmatively Further Fair Housing* (Housing Policy 17). This policy demonstrates the City's commitment to working towards fair housing outcomes in the city and will bolster the City's focus on prioritizing housing equity and affordability in its housing programs and investments. Other actions identified in Action 12, including fair housing training for City staff and policymakers and providing information to those involved with real estate transactions, would also help ensure fair housing outcomes for the local housing market.

In addition, actions that encourage affordable rental and homeownership housing, increase housing stability, and increase housing choice are all part of supporting Fair Housing (see above).



# MONITORING PROGRESS AND OUTCOMES

The City of West Linn is required to monitor the implementation and progress of the actions recommended in the HPS and to report on progress to DLCD three (3) years after adoption. The required elements of the progress report are outlined in OAR 660-008-0060. The report must include:

- A summary of the actions already taken by the City to implement the actions adopted in the HPS Report. If the City has not implemented housing actions per the schedule adopted in the HPS report, the City must provide an explanation of the circumstances or factors that posed a barrier to implementation and a plan for addressing the identified need that the action addressed;
- A reflection of the relative efficacy of implemented housing actions adopted in the HPS; and
- A reflection of the efficiency of the actions taken in response to the Fair and Equitable Housing Outcomes described previously in this report.

DLCD will review the report, as outlined in OAR 660-008-0070, and may intervene if certain HPS actions remain unaddressed. For instance, if actions are not addressed or replaced as needed, the Department may enter into an IGA with the City to address the identified deficiencies in the HPS.

The state is currently updating the Oregon Housing Needs Analysis (OHNA) rules to provide cities with more flexibility by allowing the inclusion of a “primary action” and an “alternate action,” both of which are designed to achieve the same level of impact. If the City cannot execute the primary action, it can implement the alternative action without requiring a separate notification to DLCD. In addition, for the 3-year “midpoint” progress report, the City would simply report which action (primary or alternate) was executed. If neither the primary nor the alternate action is feasible, the City could use the midpoint period to replace the action(s) with others of similar magnitude of impact, rather than needing to submit separate notices in advance.

In addition, the City will provide a yearly summary as part of the overall report that details the above listed items. This is expected to be a simplified version of the required three-year report that includes a more limited set of key metrics.

## Permitted/Constructed Housing Units

- Monitor and track housing development applications and building permits by housing type, location/zone, density/lot size, and number of bedrooms. Use this information to estimate the potential change in the mix and range of different types of housing developed over time.

- Tracked housing types should include single-detached, townhouse, duplex, triplex, quadplex, cottage cluster, multi-dwelling, manufactured housing, accessory dwelling units, and mixed-use residential developments/units.
- Track the number of new regulated affordable housing units and loss of regulated affordable housing units.
  - If affordable housing developments take advantage of any regulatory or financial incentives, those should be noted.
- Track the number of regulated affordable housing units to which West Linn contributed funding, including the sources of funding or tax exemption.
- If MUPTE is adopted, track:
  - Number of projects and units that qualify for the program.
  - How many units are affordable (if this is a criterion that the City adopts) and at what level.
  - Market rents (if possible), and any other features / public benefits they provide as part of qualifying for the abatement (e.g., accessibility features).
- Identify successful partnership projects that resulted in housing production or housing stability for identified groups in the HPS; include number of units built, preserved, or rehabilitated and the number of people served by the partnership(s).

## Economic and Demographic Data

- Track changes in the characteristics of West Linn's population including changes in:
  - Median household income
  - Percent of population of color
  - Percent of renters
  - Percent of renter and owner households that are cost burdened and severely cost burdened
- Monitor changes in housing prices, median rents and median sales prices

## Programs and Adoption Actions

Document the following:

- Successful adoption of Code Amendments related to the actions identified in the HPS.
- City Council Ordinances related to the HPS actions (e.g., Tax Increment Financing, Construction Excise Tax, etc.).
- Achievement of annual City work plan items related to actions in the HPS.

## Outreach and Community Input

Summarize the following:

- Documented coordination with property owners in efforts to produce needed housing identified in the HPS.
- Documented consultation with non-profit and market-rate housing developers, and other community stakeholders to seek input on how implemented HPS actions are working.
- Summary of continued housing engagement efforts and resulting actions.

The ability to report the progress described above will depend on the City's ability to obtain and evaluate readily available data and information. Availability or lack thereof may necessitate refinements to monitoring approaches.

## List of Appendices

**Appendix A:** Contextualized Housing Needs Memorandum

**Appendix B:** Future Actions to Consider

**Appendix C:** Financial Strategies Supplemental Information

# APPENDIX A – CONTEXTUALIZED HOUSING NEEDS ASSESSMENT

## INTRODUCTION

House Bill 2003 (2019) requires cities with populations over 10,000 to adopt a Housing Production Strategy (HPS). The HPS needs to be adopted within approximately one year of adoption of the City's most recent Housing Needs Analysis (HNA). This HPS will outline tools, actions, and policies that West Linn will use to address its housing needs, based on the City's recently adopted HNA. Part of developing an HPS includes preparing a Contextualized Housing Needs Assessment (CHNA), which builds on the HNA to describe demographic, housing, and market conditions, project future housing needs, assess affordability, identify barriers, and review existing programs.

This memorandum summarizes data from the 2021 HNA, US Census, and other sources, providing context on socio-economic, demographic trends, and market conditions. It also includes information from stakeholder meetings with developers, affordable housing providers, and underrepresented community members. The memo also includes data and information for people experiencing homelessness, low-income households, renters, and other underrepresented groups.

## SOCIO-ECONOMIC AND DEMOGRAPHIC TRENDS

This section provides information on the housing needs in West Linn by age, household size and composition, household income, poverty statistics, race and ethnicity, and disability.

### **Population Growth**

The following table presents a profile of City of West Linn demographics from the 2000 and 2020 Census. West Linn is a City of nearly 27,400 people located in Clackamas County on the southern edge of the Portland metropolitan area. Based on estimated population, West Linn is the 25th largest city in the state by population, similar in size to other cities in and around the Portland metropolitan region such as Tualatin, Wilsonville, and Forest Grove. West Linn has about 75% of the population of neighboring Oregon City.

West Linn has grown by over 5,100 people since 2000, or 23%. In contrast, Clackamas County and the state experienced population growth of 24.2% and 23.8% respectively. West Linn was home to

an estimated 10,119 households in 2020, an increase of roughly 2,300 households since 2000. This is an average increase of roughly 120 households annually during this period. The growth since 2000 has outpaced the growth in new housing units, which have been permitted at the rate of roughly 90 units per year, helping contribute to a relatively tight housing market.

Figure 1. West Linn Demographic Profile

Population, Households, and Housing Units						
	2000 Census	2010 Census	Growth 00-10	2020 Census	Growth 10-20	2040 Forecast*
Population	22,261	25,109	13%	27,373	9%	27,861
Households	7,745	9,523	23%	10,119	6%	10,907
Average Household Size	2.72	2.62	-4%	2.68	2%	2.54
Housing Units	8,697	10,035	15%	10,491	5%	11,481
Group Quarters Population	92	127	38%	253	99%	141

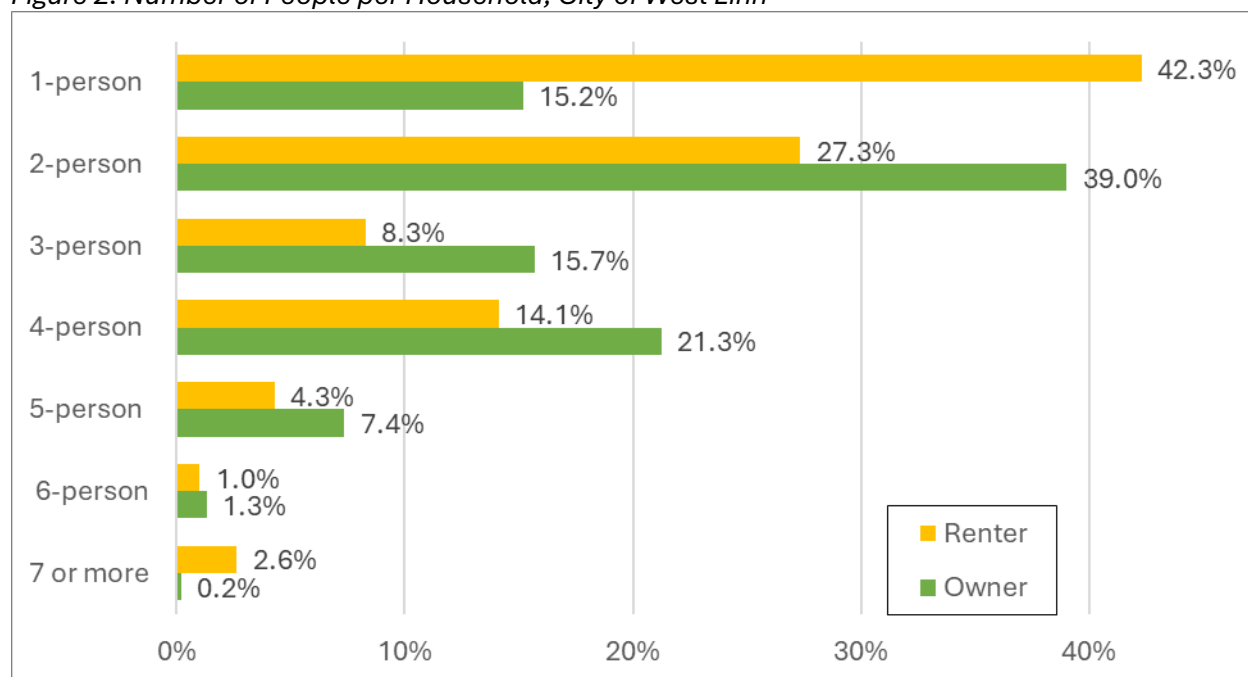
\* Source: Metro, Johnson Economics

Source: US Census DP-1 (2000, 2010); DP-3 (2000); S1901; S19301; 2020 Decennial Redistricting Data (PL 94-171), PSU Population Research Center, and Johnson Economics

## Household Growth & Size

As shown in Figure 2, West Linn's estimated average household size is 2.68 persons, slightly larger than that of Clackamas County (2.6) and the statewide average of 2.48. As shown in Figure 2, most households have three or less people. There has been a general trend in Oregon and nationwide towards declining household size, as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters.

Figure 2. Number of People per Household, City of West Linn



Source: US Census 2022 ACS 5-yr Estimates, Table B25009

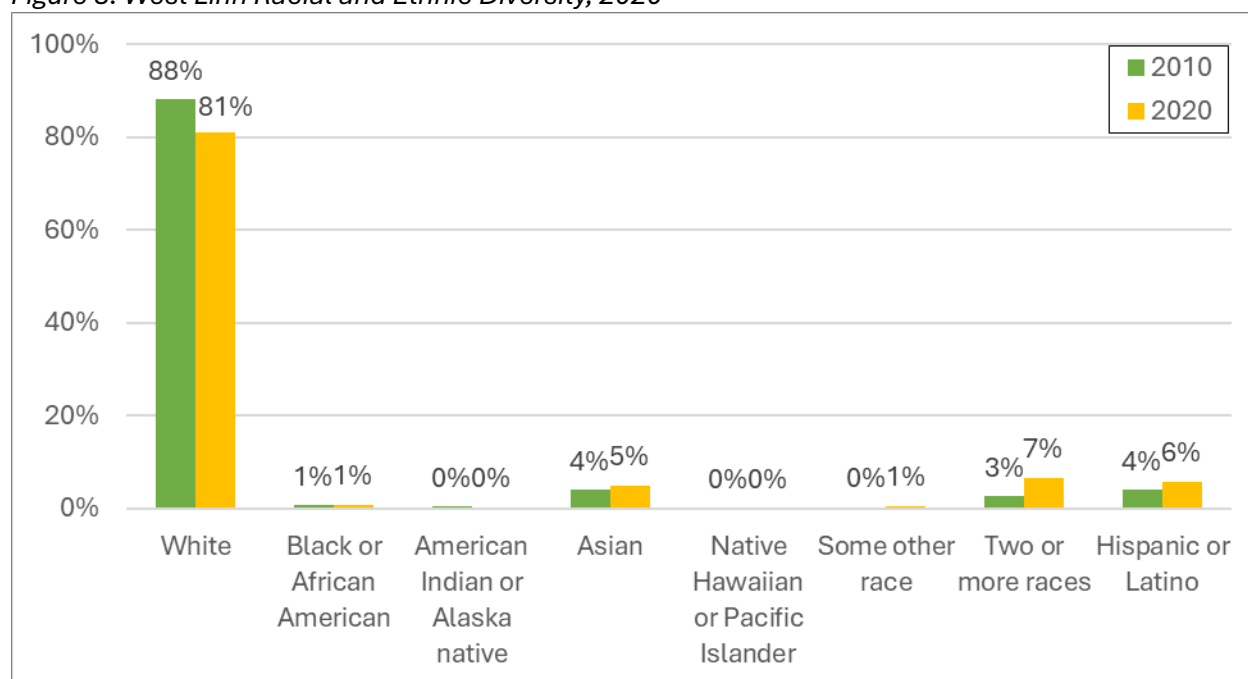
## Family Households

The Census defines family households as two or more persons, related by marriage, birth or adoption and living together. As of the 2022 Census, 75% of West Linn households were family households, roughly the same as 2010. It is a relatively high number, especially when compared to Clackamas County, which has a rate of 69%, and the state of Oregon, which stands at 62%. Family households in West Linn had an average size of 3.1 people.

## Race and Ethnicity

The following figure presents the distribution of West Linn's population by race and Hispanic/Latino ethnicity. The community grew more diverse between the 2010 and 2020 Census, with the white share of the population falling from 88% to 82%. While all individual racial categories increased their share in general, those identifying as "Two or more races" more than doubled their share, growing in share of population from 3% to 7%.

Figure 3. West Linn Racial and Ethnic Diversity, 2020



Source: US Census 2020 Decennial Redistricting Data (PL 94-171)

Figure 4. Race and Ethnicity, City of West Linn



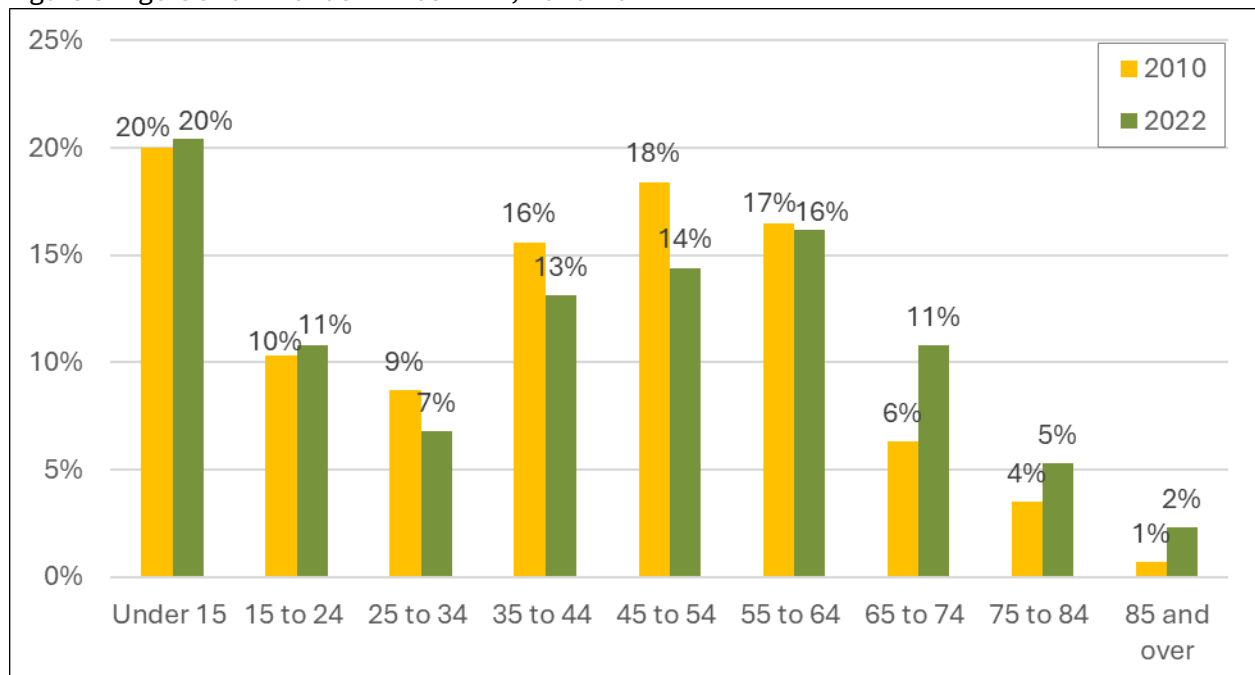
	2010	2020	Change
<b>Not Hispanic/Latino Total</b>	24,111	25,800	7.0%
White	22,122	22,186	0.3%
Black or African American	164	220	34.1%
American Indian or Alaska native	80	73	-8.8%
Asian	992	1,346	35.7%
Native Hawaiian or Pacific Islander	35	32	-8.6%
Some other race	51	142	178.4%
Two or more races	667	1,801	170.0%
<b>Hispanic or Latino</b>	998	1,573	57.6%

Source: US Census 2010, 2020 Decennial Redistricting Data (PL 94-171)

## Age Trends

The following figure shows the share of the population falling in different age cohorts between the 2010 Census and the most recent 5-year American Community Survey estimates. As the chart shows, middle age cohorts have declined as a share of total population, while older cohorts have grown in share. This is in keeping with the national trend caused by the aging of the Baby Boom generation. The cohort which grew the most in share during this period were those aged 65 to 74 years. Still, an estimated 81.7% of the population is under 65 years of age. In the 2022 ACS, the local median age was an estimated 44.2 years, compared to 42.4 years in Clackamas County and 40.5 years in Oregon. The share of the City's youngest residents also increased slightly during this period.

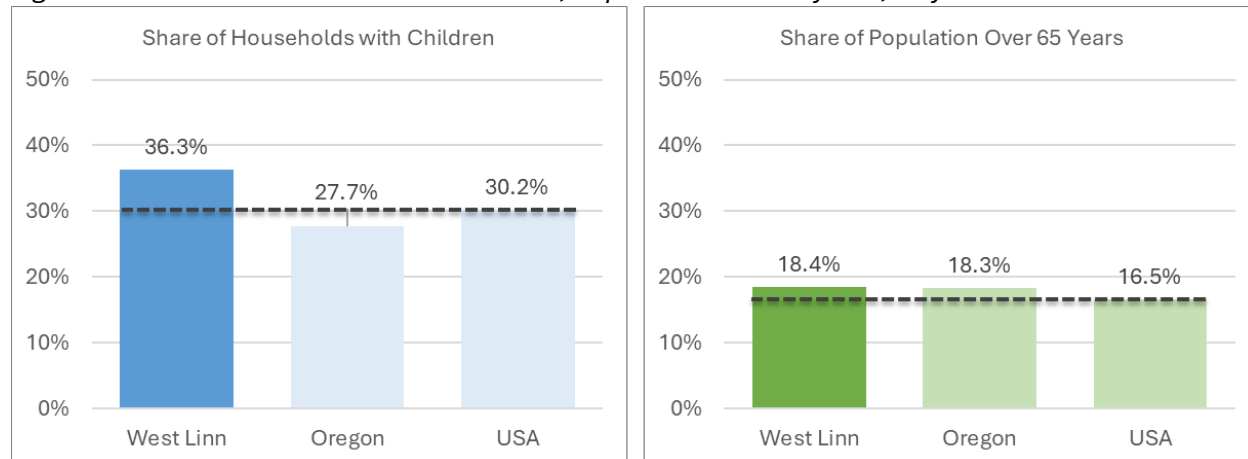
Figure 5. Age Cohort Trends in West Linn, 2010-2022



Source: US Census 2010, 2022 ACS 5-yr Estimates, Table S0101

The figure below presents the share of households with children, and the share of population over 65 years for comparison. Compared to state and national averages, West Linn has both a larger share of households with children and households with people 65 years old or older.

Figure 6. Share of Households with Children, Population over 65 years, City of West Linn



Source: US Census, 2022 ACS 5-yr Estimates, Table B11005, S0101

## Household Income

The following figure presents data on West Linn's income trends.<sup>1</sup> West Linn's estimated median household income was \$134,116 in 2022. This is 37.6% higher than the Clackamas County median of \$97,419, and 77% higher than the statewide median of \$75,657. The City's per capita income is roughly \$65,000

Figure 7. Per Capita and Median Household Income, City of West Linn

Per Capita and Median Household Income		
	2010	2022
Per Capita Income	\$42,483	\$64,714
Median Household Income	\$84,295	\$134,116

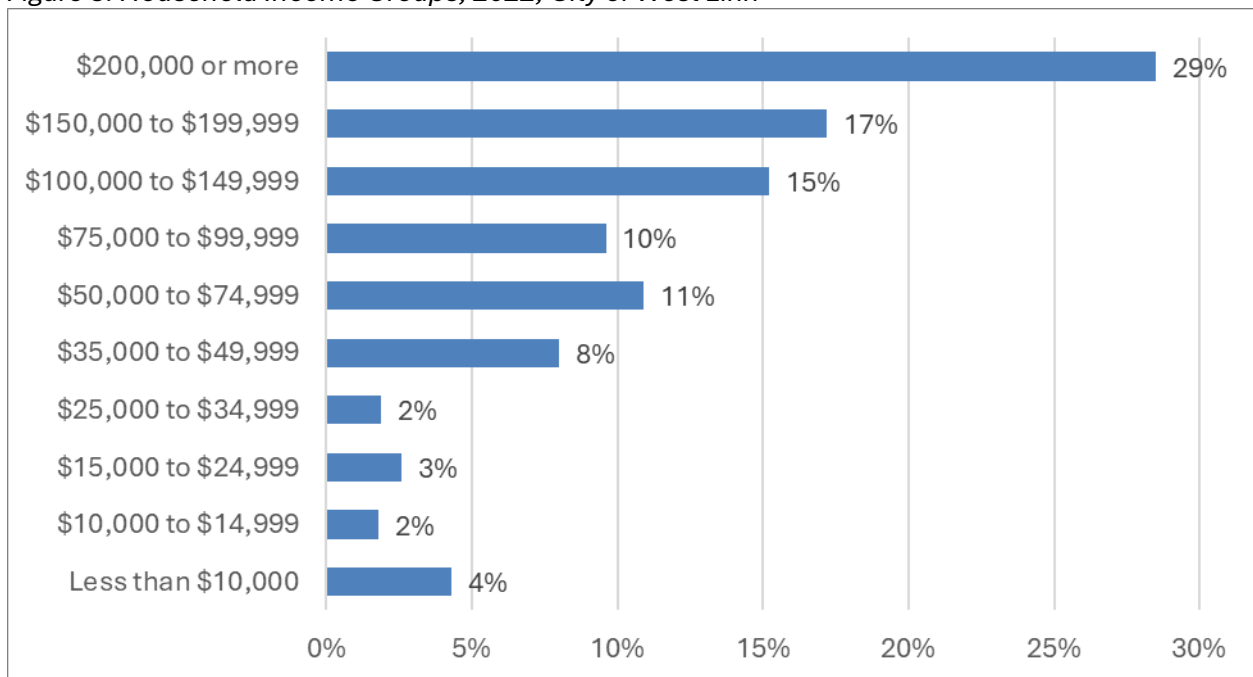
Source: US Census, 2010, 2022 ACS 5-yr Estimates, Table S1901, DP03

Figure 8 presents the estimated distribution of households by income as of 2022. The largest income cohorts are those households earning over \$200k, followed by households earning between \$150k and \$200k. Sixty-one percent of households earn more than \$100,000.

- Only 18.6% of households earn less than \$50k per year, while 81.4% of households earn \$50k or more.
- Only 8.7% of households earn less than \$25k per year.

<sup>1</sup> 2000 Census data on income is not available for West Linn.

Figure 8. Household Income Groups, 2022, City of West Linn



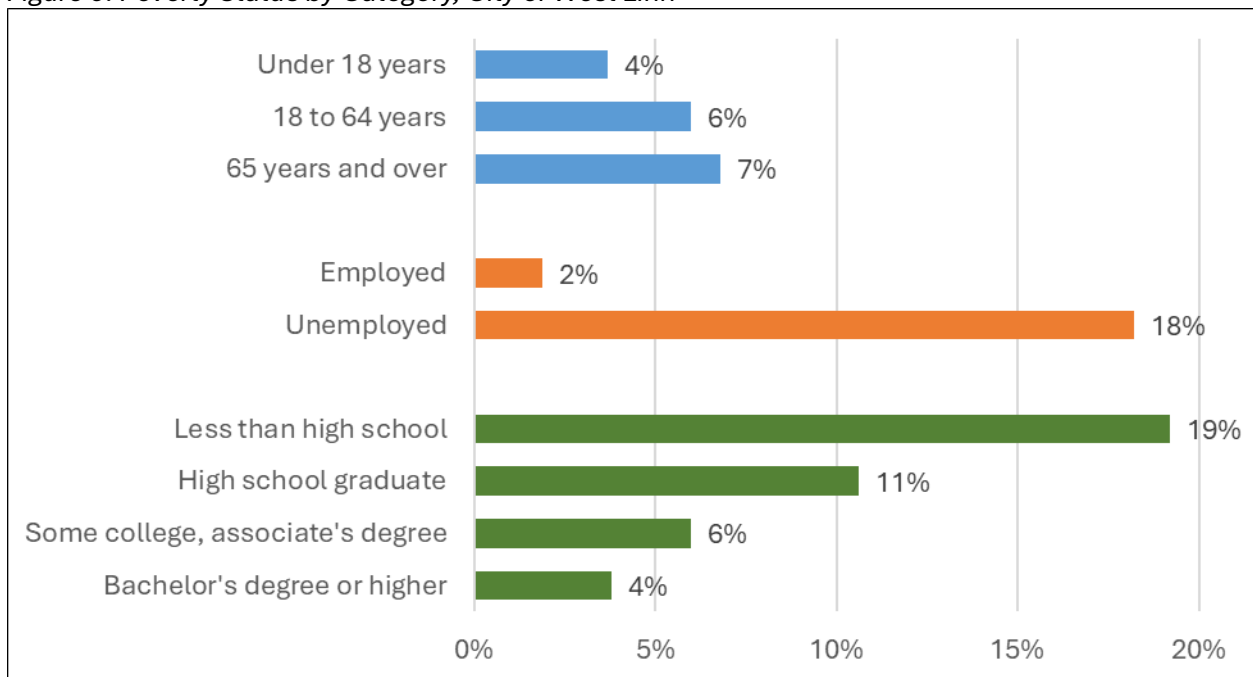
Source: US Census 2022 ACS 5-yr Estimates, Table S1901

## Poverty Status

According to the US Census, the official poverty rate in West Linn is an estimated 5.6% over the most recent period reported (2022 5-year estimates). This is roughly 1,500 individuals in West Linn. In comparison, the official poverty rate in Clackamas County is 8.2%, and at the state level is 12.1%. In the 2018-22 period:

- The West Linn poverty rate is low among all groups, but highest among those over 65 years of age at 7%. The rate is 5% among those under 65 years of age.
- For those with only a high school diploma, the poverty rate is 11%.
- Among those who are employed the poverty rate is 2%, while it is 18% for those who are unemployed.

Figure 9. Poverty Status by Category, City of West Linn



Source: US Census 2022 ACS 5-yr Estimates, Table S1701

## Group Quarters Population

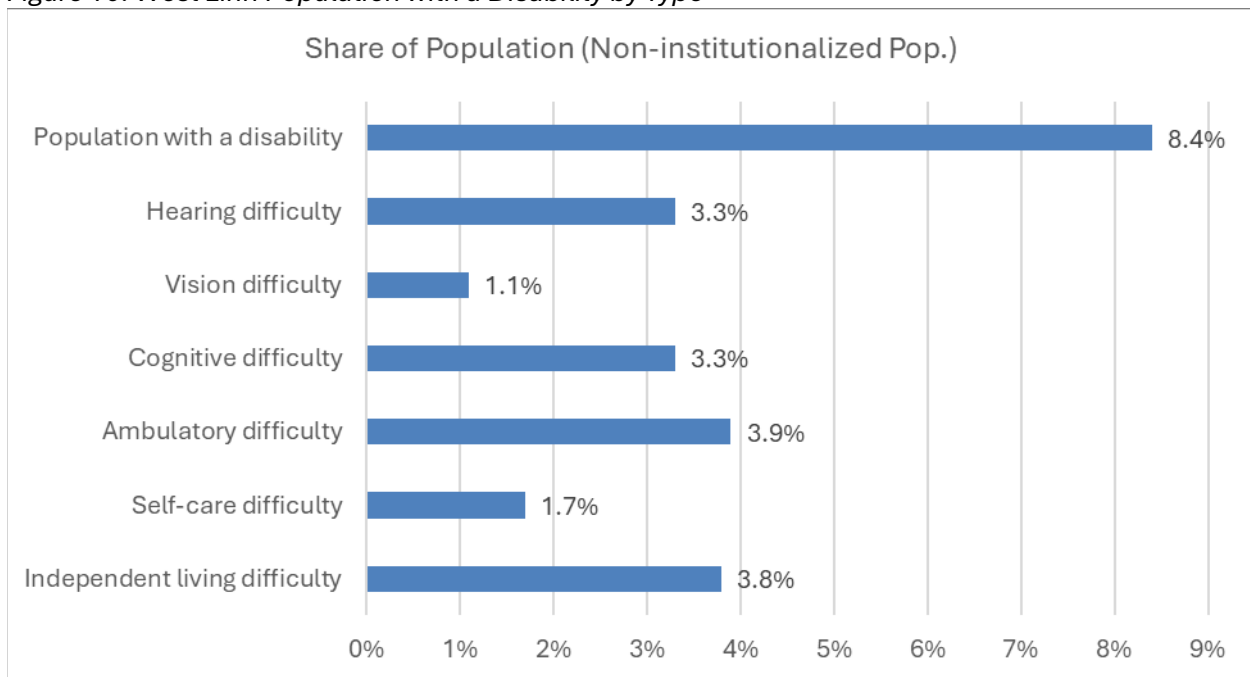
As of 2020, the City of West Linn has an estimated group quarters population of 0.9% of the total population, or 253 persons.<sup>2</sup> Group quarters include such shared housing situations as nursing homes, prisons, dorms, group residences, military housing, or shelters. In West Linn, senior housing facilities account for the majority of this population.

## People with disability

Of the non-institutionalized population in West Linn, an estimated 8.4% or 2,268 people report having some form of disability (Figure 10). Any type of disability impacts the type of housing that may be appropriate for a resident, but those with the greatest impact on needed unit type are generally an ambulatory, self-care, or independent living disability. Those with an ambulatory disability often need units with expanded access for wheelchair, walker, or scooter. Those with self-care or independent living disabilities may require additional safety precautions around the home to protect a resident who cannot always be directly monitored.

<sup>2</sup> 2020 Decennial Redistricting Data (PL 94-171), Portland State University Population Research Center

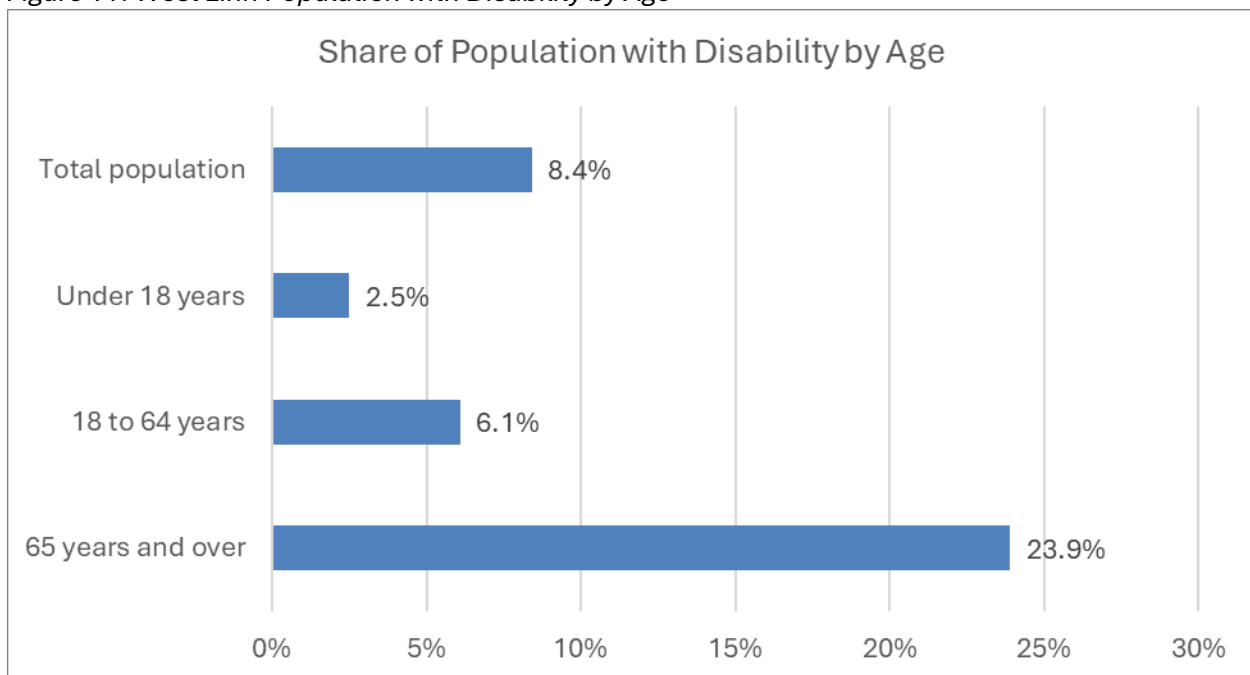
Figure 10. West Linn Population with a Disability by Type



Source: US Census 2022 ACS 5-yr Estimates, Table S1810

As shown in Figure 11, Older residents are more likely to report a disability, including about 24% of those over 65 years old. Of those in prime working years, 6.1% of the total population and 2.5% of children report a disability.

Figure 11. West Linn Population with Disability by Age



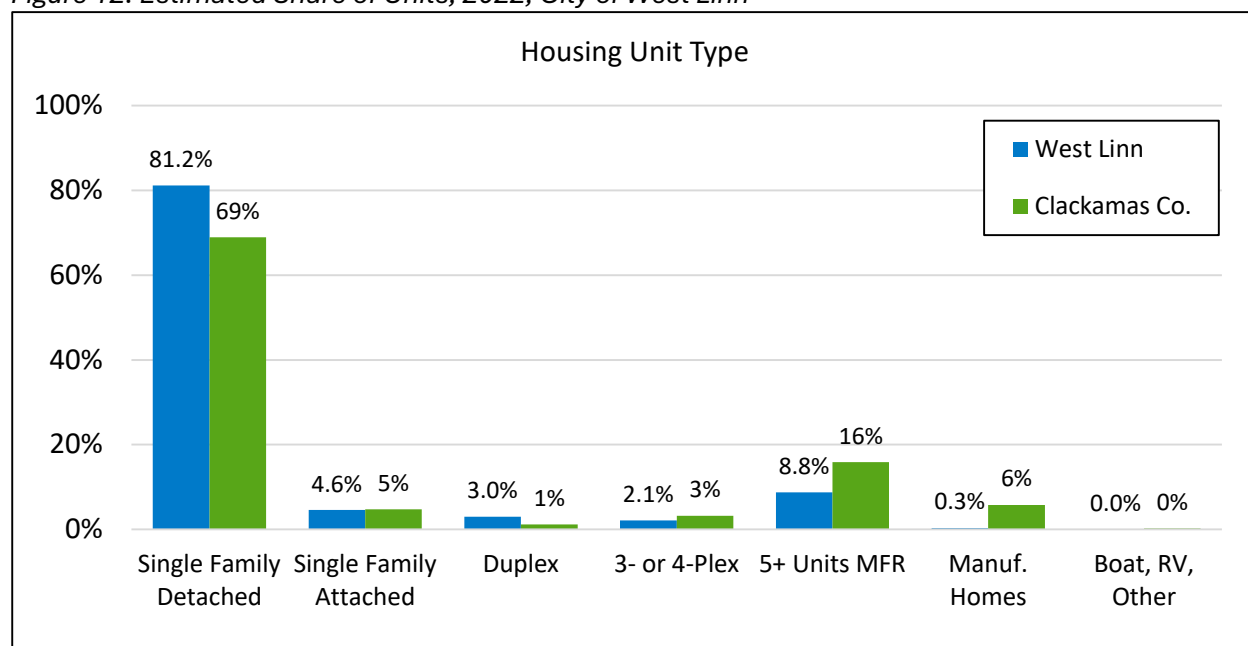
Source: US Census 2022 ACS 5-yr Estimates, Table DP02

# MARKET CONDITIONS

## Housing Stock

West Linn had an estimated 10,476 housing units in 2020 (HNA), with a vacancy rate of 5% (includes ownership and rental units). As shown in the following figure, over 81% of units are estimated to be detached single family homes, with the remainder distributed among mostly attached housing types, and some manufactured homes. Nine percent of housing units are estimated to be units in multi-family properties of at least five units. The county as a whole has a smaller share of detached homes and larger share of multi-family apartments.

Figure 12. Estimated Share of Units, 2022, City of West Linn

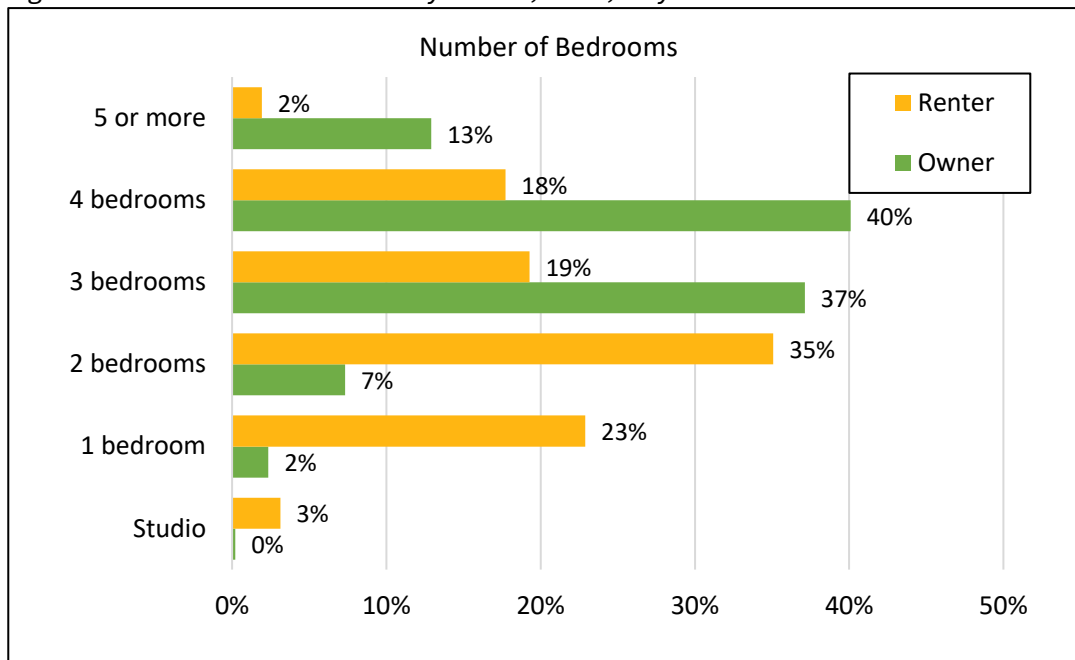


SOURCE: US Census 2022 ACS 5-yr Estimates, Table B25032

## Number of Bedrooms

The following figure shows the share of units for owners and renters by the number of bedrooms they have. In general, owner-occupied units are much more likely to have three or more bedrooms, while renter-occupied units are more likely to have two or fewer bedrooms.

Figure 13. Number of Bedrooms by Tenure, 2022, City of West Linn



SOURCE: US Census 2022 ACS 5-yr Estimates, Table B25042

## Unit Types by Tenure

West Linn has a much greater share of homeowner households than renter households. The 2022 American Community Survey estimated that 83% of occupied units were owner occupied, and only 17% renter occupied. The ownership rate has risen since 2000 (78%). This is significantly higher than the estimated ownership rate across Clackamas County (71%) and statewide (62%). The ownership rate locally and statewide has risen even since the time of the 2021 HNA.

As the next figure shows, a large share of owner-occupied units (90%) are detached homes, which is related in part to why owner-occupied units tend to have more bedrooms. Renter-occupied units are more evenly distributed among a range of structure types. About 32% of rented units are estimated to be detached homes or manufactured homes, while the remainder are some form of attached unit. An estimated 29% of rental units are in larger apartment complexes.

Figure 14. Housing Inventory by Unit Type, Owner and Renter, 2021 (HNA), City of West Linn

### OWNERSHIP HOUSING

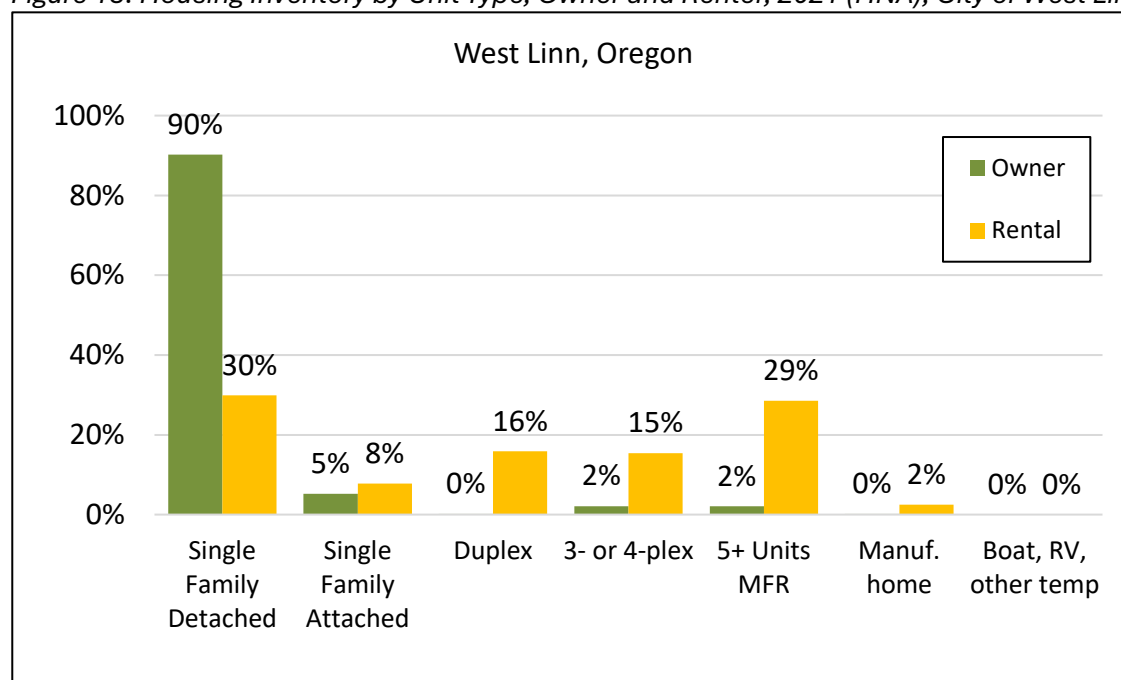
OWNERSHIP HOUSING								
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Manuf. home	Boat, RV, other temp	Total Units
<b>Totals:</b>	7,460	432	13	175	170	14	0	8,264
<b>Percentage:</b>	90.3%	5.2%	0.2%	2.1%	2.1%	0.2%	0.0%	100%

## RENTAL HOUSING

RENTAL HOUSING								
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Manuf. home	Boat, RV, other temp	Total Units
<b>Totals:</b>	662	172	352	341	631	54	0	2,212
<b>Percentage:</b>	29.9%	7.8%	15.9%	15.4%	28.5%	2.5%	0.0%	100%

Sources: US Census, City of West Linn, West Linn Housing Needs Analysis, 2021

Figure 15. Housing Inventory by Unit Type, Owner and Renter, 2021 (HNA), City of West Linn



Source: US Census, City of West Linn, West Linn Housing Needs Analysis, 2021

## Home Price

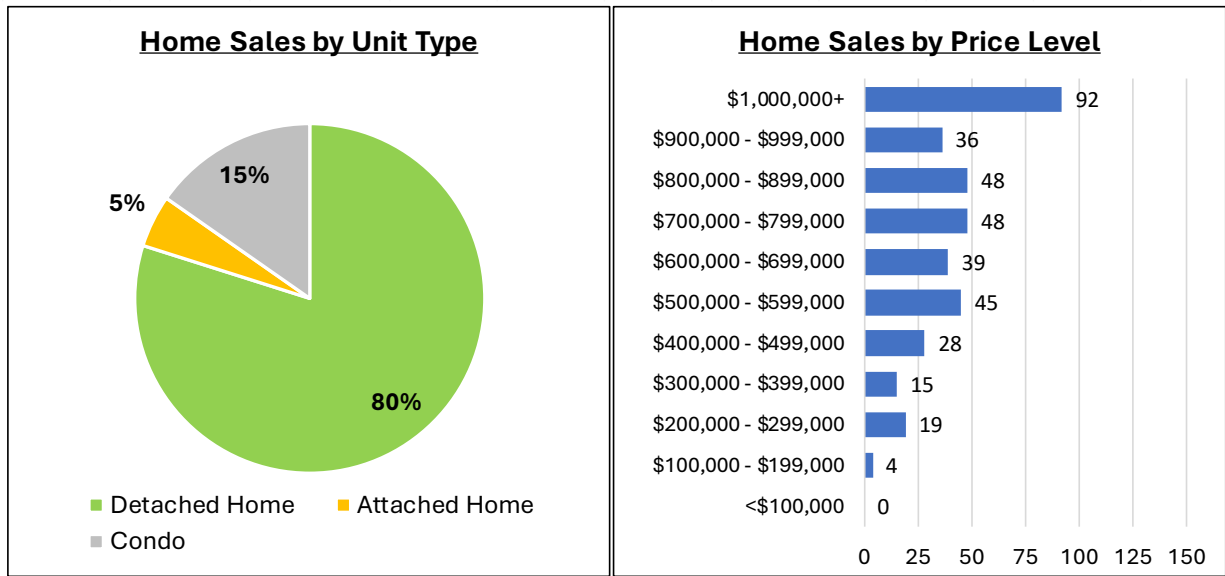
This section presents home sales data from spring 2023 to spring 2024 to indicate housing costs for new entrants into the housing market. Some key figures for home price include the following:

- The median sale price was \$790,000.
- The average (mean) sale price was \$868,000.
- The average price per square foot was \$320/s.f.
- The median square footage was 2,600 s.f.
- 17% of home sales were priced below \$500,000.
- 35% of sales were priced between \$500,000 and \$800,000.
- Nearly 50% of sales were priced over \$800,000, with nearly 25% priced over \$1 million.

Home sale prices have risen sharply since completion of the 2021 HNA, when the median sale price of the prior 12 months was \$585,000. This represents an increase of 35% in the median price over four years, or an average increase of 8% per year. As shown in Figure 16, the majority of home sales were for detached homes and a significant proportion of home sales were over \$500,000.



Figure 16. Home Sales, Prior 12 Months, May 2024, City of West Linn

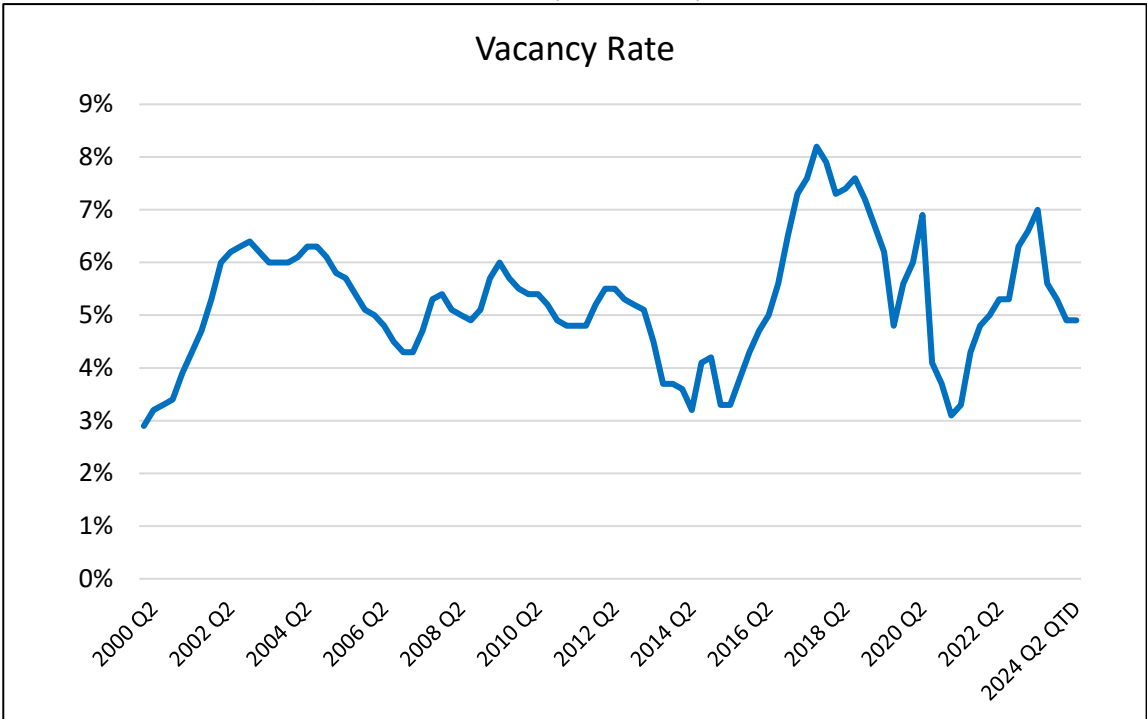


Sources: RMLS, Johnson Economics

## Rental Vacancy and Average Rent

As shown in Figure 17, West Linn has experienced an uneven vacancy rate over the last two decades, according to data from CoStar. The following figure shows that rental vacancy in the area has fallen at times in the prior decade to a low vacancy of 3%. In 2024, rental vacancy is estimated at 5%.

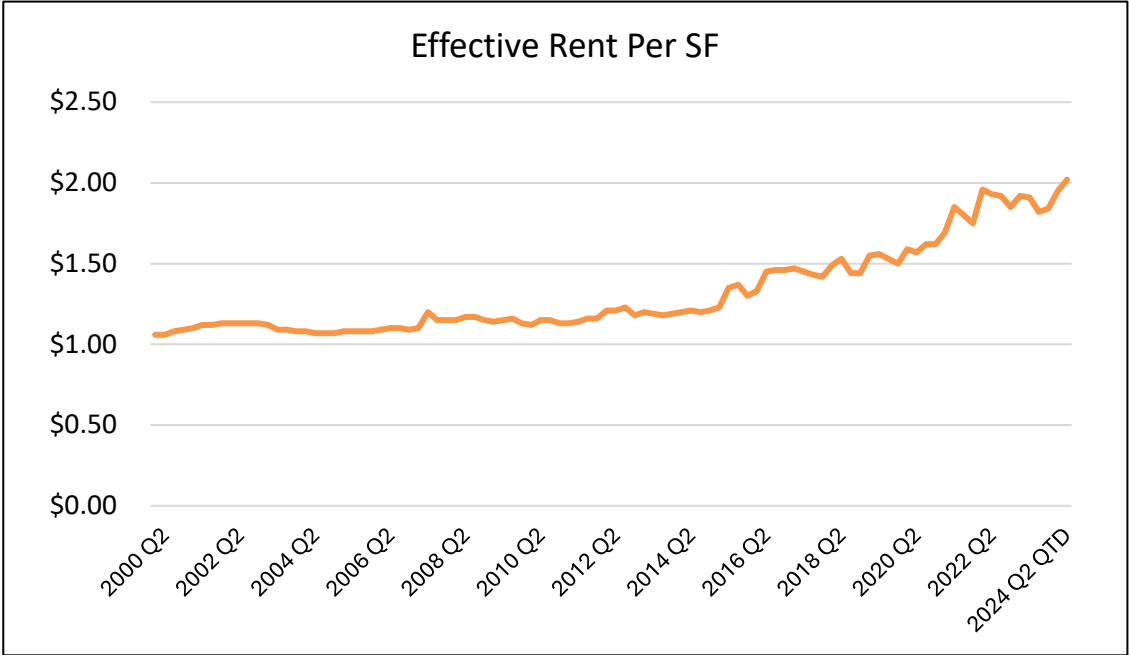
Figure 17. Rental Vacancy, City of West Linn (2000-2024)



Source: CoStar, Johnson Economics

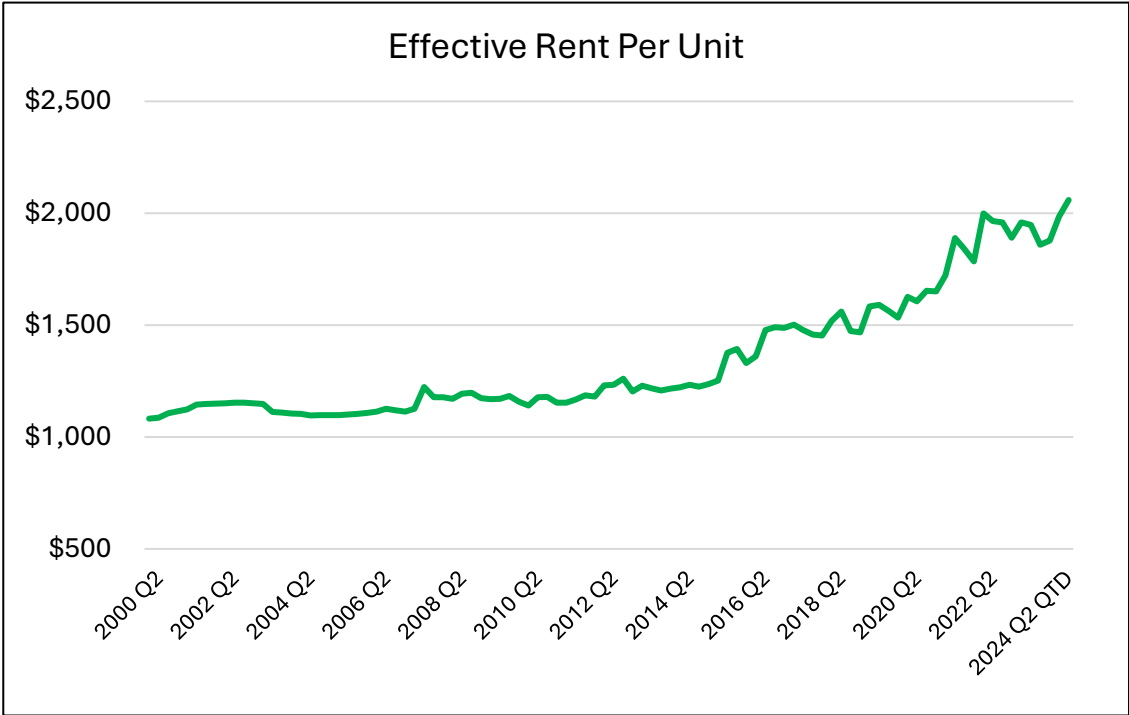
As shown in Figure 18 and Figure 19, average rents have climbed steadily since 2014. The average rent in West has nearly doubled over that period, increasing to roughly \$2.02/square foot, or an average of \$2,050/month according to data from CoStar.

Figure 18. Average Rent per Square Foot, 2000-2024, City of West Linn



Source: CoStar, Johnson Economics

Figure 19. Average Monthly Rent per Unit, 2000-2024, City of West Linn



Source: CoStar, Johnson Economics

## Housing Units in the development pipeline

In the last two years, the City has issued 43 permits for 45 units, most of which were for new single family dwellings (27 permits in 2022, 16 permits in 2023). Two permits were issued for duplexes, and 10 of the dwellings were for “detached” plexes that were subsequently subdivided and function as single family homes.

## HOUSING AFFORDABILITY

### Housing Cost Burden by Income Cohort

Figure 20 below shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs, by income segment.<sup>3</sup>

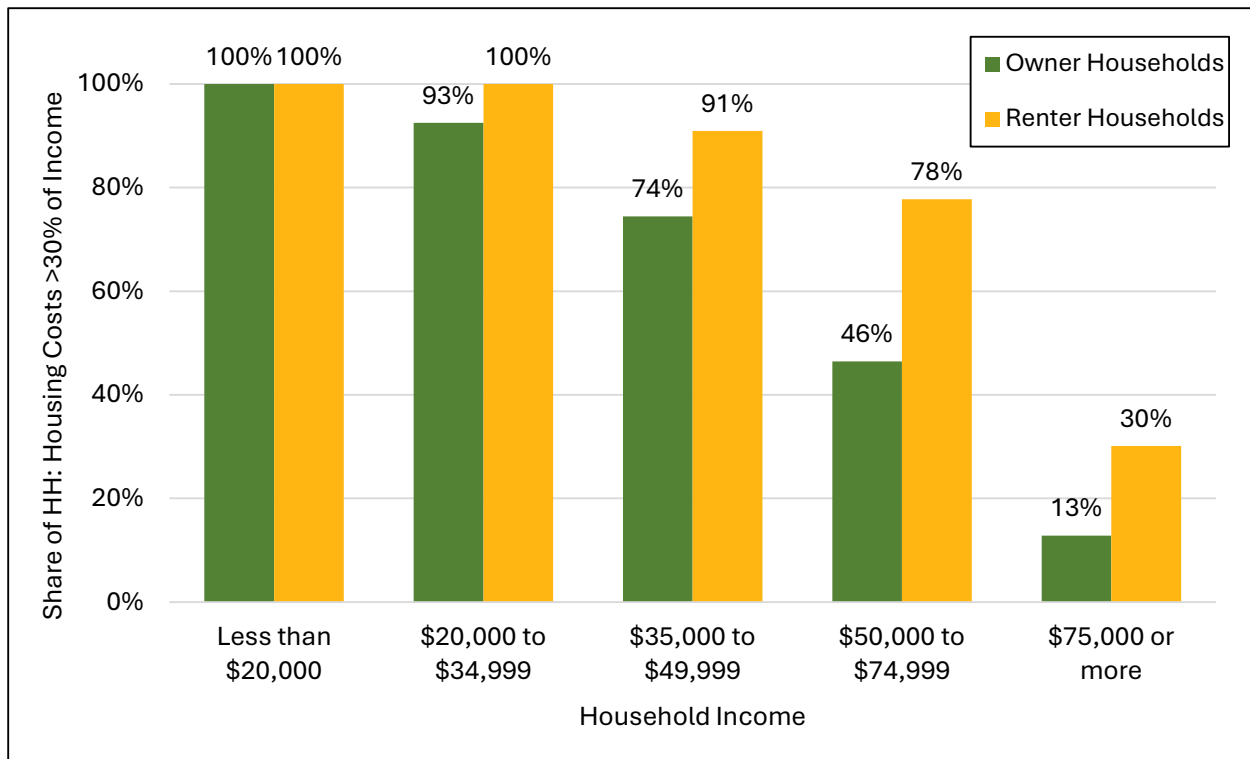
As one would expect, households with lower incomes tend to spend more than 30% of their income on housing, while incrementally fewer of those in higher income groups spend more than 30% of their incomes on housing costs. Of those earning less than \$35,000, it is estimated that nearly 100% of households spend more than 30% of their income on housing costs, whether owners or renters. Although there are relatively few households in these lower income segments compared to other cities in the region, those who do exist experience severe cost burdens. Therefore, it is important to not overlook the challenges faced by lower income households in the community, regardless of the overall composition of the community’s household incomes.

In total, the US Census estimates that nearly 32% of West Linn households pay more than 30% of income towards housing costs. The city was identified on the Oregon Housing and Community Service (OHCS) “Severely Rent Burdened Cities” list from 2024.

*Figure 20. Share of Households Spending More than 30% on Housing Costs, by Income Group*

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<sup>3</sup> Spending 30% or less on housing costs is a common measure of “affordability” used by HUD and others, and in the analysis presented in this report.



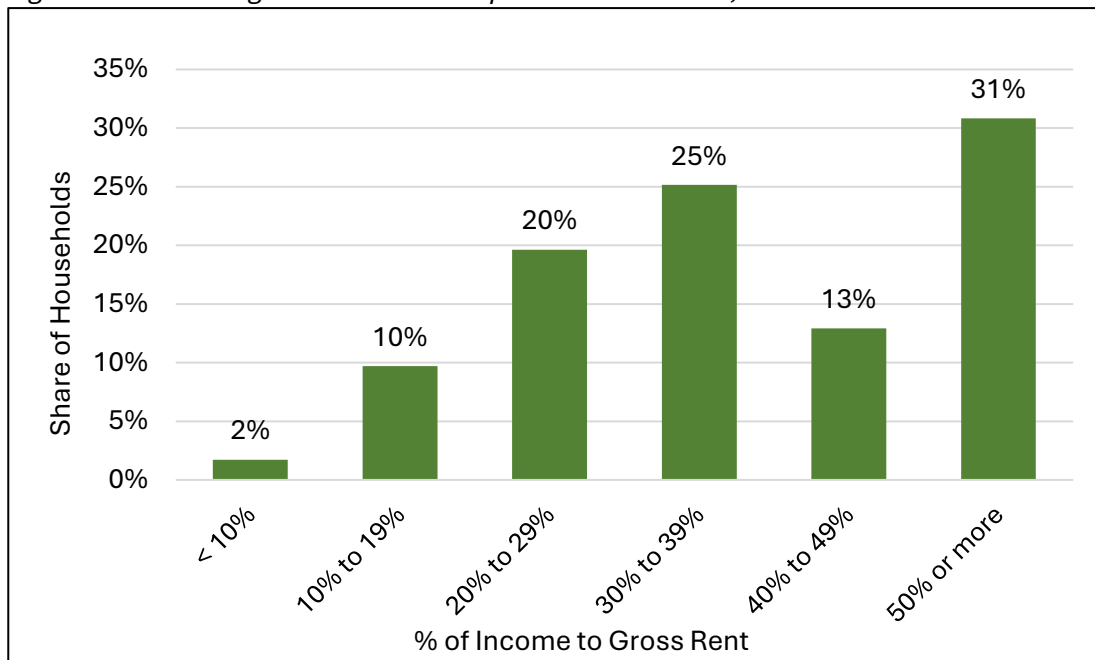
Source: US Census 2022 ACS 5-yr Estimates, Table B25106, Johnson Economics

The following figures show the percentage of household income spent towards gross rent<sup>4</sup> for local renter households only. This more fine-grained data shows that not only are nearly 70% of renters spending more than 30% of their income on gross rent, but an estimated 31% of renters are spending 50% or more of their income on housing and are considered severely rent-burdened.

Renters are disproportionately lower income relative to homeowners. Housing cost burdens are felt more broadly for these households, and as the analysis presented in a later section shows there is a need for more affordable rental units in West Linn, as in most communities.

<sup>4</sup> The Census defines Gross Rent as “the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else).” Housing costs for homeowners include mortgage, property taxes, insurance, utilities and condo or HOA dues.

Figure 21. Percentage of Households Spent on Gross Rent, West Linn Renter Households



Sources: US Census, 2022 ACS 5-yr Estimates, Table B25070, Johnson Economics

## Publicly Assisted Housing

West Linn currently has very few subsidized apartment properties, according to Oregon Housing and Community Development (OHCS). These are properties that are funded through HUD programs, tax credits and other programs which guarantee subsidized rents for qualified households. There are an estimated 10 such units in West Linn, which appear to be in separate single-family homes rather than in a multi-family development. Given the 10,500+ estimated units in West Linn, the share of subsidized units is essentially 0%.

The high share of renters paying over 30% of their income towards housing costs indicates that there is an ongoing need for rental units at the lowest price points. In addition, there may be ownership opportunities that are available for residents in lower income brackets through various programs that support affordable homeownership.

**Agricultural Worker Housing:** West Linn is not currently home to properties dedicated to agricultural workers. This population may also be served by other available affordable units.

**Homelessness:** A Point-in-Time count of homeless individuals in Clackamas County conducted in January of 2023 found 411 homeless individuals on the streets, in shelters, or other temporary and/or precarious housing. This number was 1,166 individuals in the 2019 count, indicating that the rate of homelessness has fallen significantly as the economy has recovered since the 2021 HNA. Note that these figures are for the entire county.<sup>5</sup> In 2023, this included:

<sup>5</sup> Figures via Clackamas County Health, Housing, and Human Services, and North Clackamas School District

- 56% of those counted were in emergency shelter, warming shelter, or transitional housing programs.
- 44% people unsheltered.
- 75% of the individuals were non-Hispanic white people.
- 173 (42%) were chronically homeless.
- 30% reported experiencing serious mental illness.
- 20% reported experiencing domestic violence.
- 7% were veterans.
- An estimated 54% of those counted were male, 38% female, and the rest non-reporting.

In the 2022/23 school year, the West Linn-Wilsonville tracked homeless school-aged children in keeping with the McKinney-Vento Act. Thirty-nine students lived in temporary “doubled up” situations, in the homes of other family or friends. The other tracked categories (hotel/motel, sheltered, unsheltered, unaccompanied) each report five or less students per category, meaning the data is kept confidential.

## Needed Housing Units by Affordability Range and Type

The following figure presents the estimated need for net new housing units by major income segment, based on the projected demographics of new households to the market area. This forecast is from the 2021 HNA report. Over time, incomes and housing costs will both inflate, so the general relationship projected here is expected to remain unchanged.

The figure also discusses the housing types typically attainable by residents at these income levels.

*Figure 22. Projected Need for New Housing at Different Income Levels, West Linn*

Household Income Segment		Income Level (Rounded)*	Afford. Rent Range	Afford. Price Range	Owner Units	Renter Units	Total	Share	Common Housing Product
Extremely Low Inc.	< 30% AMI	< \$27,500	<\$800	<\$150k	21	76	97	10%	Govt-subsidized; Voucher
Very Low Income	30% - 50% AMI	\$27.5k - \$46k	\$800-\$1,100	\$150k-\$225k	27	54	80	8%	Aging/substandard rentals; Govt-subsidized; Voucher
Low Income	50% - 80% AMI	\$46k - \$73.5k	\$1,100-\$1,600	\$225k-\$330k	59	90	150	15%	Market apts; Manuf. homes; Plexes; Aging SFR
Middle Income	80% - 120% AMI	\$73.5k - \$110.5k	\$1,600-\$2,100	\$330k-\$475k	113	35	148	15%	Single-family detached; Townhomes; Small homes; New apts
Upper Income	> 120% AMI	> \$110,500	\$2,100 +	\$475k +	459	70	530	53%	Single-family detached
<b>TOTAL:</b>					<b>679</b>	<b>326</b>	<b>1,005</b>	<b>100%</b>	

\* Adjusted to 2020 dollars. The median household income level in 2020 will be inflated from current levels.

Source: US Census, City of West Linn, West Linn Housing Needs Analysis, 2021

- Figure 22 presents the *net NEW* housing unit need over the next 20 years. However, there is also a *current* need for more affordable units. In order for all households, current and new, to pay 30%

or less of their income towards housing in 2040, more affordable rental or owner units would be required.

- The projection of future ownership units finds that the supply at the lowest end of the spectrum is currently insufficient due to the prevalence of newer homes most of which are detached houses. (This reflects the estimated *value* of the total housing stock, and not necessarily the average pricing for housing currently for sale.) Ownership options and lower and middle price points are townhomes, condos, and small detached homes, often on smaller lots.
- Figure 23 presents estimates of need at key low-income affordability levels in 2020 and in 2040. There is an existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Clackamas County. An estimated 30% of households qualify as at least “low income” or lower on the income scale, while 9% of household qualify as “extremely low income.”
- Typically, only rent-subsidized properties can accommodate these lowest-income households at “affordable” housing cost levels. (The threshold income levels presented here are generated for the entire county based on the significantly lower county-wide average household income in comparison to West Linn.)

Figure 23. Projected Need for Housing Affordable at Low Income Levels, West Linn

Affordability Level	Income Level*		Current Need (2020)		Future Need (2040)		NEW Need (20-Year)	
			# of HH	% of All	# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI	\$27,630	848	9%	945	9%	97	10%
Very Low Income	50% AMI	\$46,050	1,569	16%	1,746	16%	178	18%
Low Income	80% AMI	\$73,680	2,940	30%	3,267	30%	327	33%

Source: US Census, City of West Linn, West Linn Housing Needs Analysis, 2021

\* Income levels are based on OHCS guidelines for a family of four.

## EXISTING AND EXPECTED BARRIERS TO DEVELOPING NEEDED HOUSING

The Consultant team conducted interviews with a variety of key stakeholders involved with the provision of needed housing in West Linn. The interviews were conducted with 10 individuals, with a focus on the diverse housing needs, underrepresented communities, and affordable housing development. The key themes of the information gathered in the interviews identified the existing and expected barriers to the development of needed housing. The information gathered in these interviews include barriers to the development of needed housing, along with the data and information on housing trends, market conditions, and housing affordability considerations. The interview findings help provide additional context of the housing needs in West Linn and will help inform the identification and evaluation of housing production strategies.

The following is a summary of recurring themes and comments from the interviews regarding the barriers to the production of needed housing in West Linn.

## Aging Housing Stock and Limited Land Availability

- The majority of the city was built out in the 1990s, and therefore much of the housing stock is aging.
- There is limited land availability for larger subdivisions, with most development limited to smaller partitions of 6-10 lots.
- West Linn has limited room for growth compared to neighboring cities like Wilsonville, with financing constraints for infrastructure/public facilities improvements.
- There is limited land supply for the market West Linn has traditionally attracted.
- Topography and geological constraints make housing development in West Linn challenging.

## Market Potential and Constraints

- Market potential exists for infill and middle housing, but space is constrained.
- There are limited opportunities for dense housing or urban amenities, especially outside the Willamette Drive area.
- Community buy-in can be a barrier to attached/middle housing. Some community members prefer single-family homes at higher price points and resist higher density infill developments that don't align with the perceived neighborhood's character.

## Cost and Affordability Issues

- West Linn has the highest System Development Charges (SDCs) in the state, making affordability difficult to achieve without reductions in these fees and/or other measures that can significantly reduce housing construction and land costs.
- Land costs are higher in West Linn, and the building permit process is relatively expensive, contributing to challenges in bringing affordable housing projects to fruition.
- Most development costs (e.g., SDCs) are borne by the applicant/developer and/or passed on to homebuyers, making it more difficult to deliver affordable products.

## Regulatory and Procedural Challenges

- Historic overlays and restrictive zoning codes may inhibit development of needed housing in some areas.
- Lack of clarity for SDCs for middle housing has caused confusion and challenges for developers.
- Developers express a need for clarity in definitions, fee structures, and the overall process to navigate through permits and inspections.
- Lack of accurate infrastructure data and records poses challenges for development and may increase costs for public improvements for housing development.
- Slow engineering reviews and lack of simultaneous review contribute to inter-department communication issues and delays.
- Lack of clarity on the entire permitting process can be a barrier for developers who do not have experience in the community or for smaller-scale developers with fewer resources.



## EXISTING ADOPTED MEASURES

The City of West Linn currently uses a mix of housing strategies intended to enable or facilitate the production of housing. Housing production measures are intended to encourage needed housing, increase affordability, and reduce rent burden on renters.

The City submitted a pre-HPS Survey to DLCD in 2022 that summarizes existing measures the City currently uses. According to the Pre-HPS Survey, the City is implementing the measures listed below to address housing needs in West Linn.

### Policy and Development Code Strategies

- Zoning Changes to Facilitate the Use of Lower-Cost Housing Types
  - The recently adopted West Linn HNA identified a deficiency in multi-family zoned land. The City recently rezoned several parcels from lower density to higher density designations to correct this deficiency and to encourage development of new multi-family projects.
- Code Provisions for ADUs
  - The City reviewed ADU regulations in the code and adopted Ordinance 1742 in order to remove existing barriers to their construction. The City also recently passed an Ordinance exempting ADUs from half-street improvements, which was the primary barrier. An evaluation of SDCs will also be undertaken.
- Middle Housing Code Update
  - The City's recent middle housing update resulted in the City allowing duplexes, triplexes, quadplexes, townhomes, and cottage cluster housing in a broad range of residential zones.
- Rezoning low-density residential area to middle-to-high density residential
  - The City recently increased the allowed density in one or more zones to allow for more compact development and/or a wider range of housing types in specific areas. This addresses the housing needs identified in HNA and to also comply with HB 2003.

### Reduce Regulatory Impediments

- Remove or Reduce Minimum Parking Requirements
  - As part of the implementation of CFEC rules, the City will be making a policy decision on whether to eliminate parking minimums for the entire community. If the City does not remove these requirements citywide, it will still eliminate minimum requirements in a variety of areas consistent with state requirements.
- Reduce Regulatory Barriers to Lot Division
  - The City will be codifying SB458 rules in the Community Development Code. SB458 applications are currently being processed as a staff decision. However, the CDC requires an ELD which is processed through the Planning Commission and the City Attorney's office has advised this runs afoul of ORS/OARs. The code will be amended in the next round of clean-up.

- Pro Affordable Housing Agenda
  - The City recently updated its Comprehensive Plan Goal 10 Housing policies to promote development of affordable housing as part of the HB2003 HNA adoption.

## Financial Incentives and Funding Sources

- Modify SDC fee schedules
  - The City is finalizing a contract to review the SDC calculations for ADUs and Middle Housing Types. The review will also look at rates for affordable housing projects.
- Nonprofit Low-Income Rental Housing Exemption
  - As part of the HPS, the City will review and propose a number of programmatic/policy initiatives for tax relief for affordable projects.
- Dedicated Revenue Sources for Affordable Housing
  - The City will review and potentially adopt various programmatic/policy initiatives as part of the HPS to encourage affordable housing development. A number of tools will be analyzed, including vertical tax credits, CET, property tax waivers, etc.

## Land Supply Strategies

- Surplus Land for Affordable Housing
  - As part of the HPS, the City will analyze strategies and identify surplus properties that could be developed as affordable housing projects in partnership with the County and local providers.

## HOUSING NEEDS OF UNDERREPRESENTED COMMUNITIES

The contextualized housing needs analysis finds disproportionate housing needs for low-income households, people experiencing homelessness, people of color, people with disabilities, workforce, seniors, and veterans. The people in these groups have housing needs not met with the housing type and price points the market provides. Producing housing for the special needs of these groups requires public intervention in order to increase the inventory of needed housing. The HPS will evaluate the strategies with a focus on the forementioned underserved groups.

## Low-income households

West Linn has an unmet current and future need of housing for the extremely low to low-income households. This demonstrates a need for subsidized affordable housing for renters and affordable homeownership. In 2022, the US Census estimated that about 64% of the renter households in West Linn pay more than 30% of income towards housing costs. With the low vacancy rate, competition for lower-priced affordable units and subsidized units is high, and many cannot afford the rents or housing sales prices without cost burdening themselves. HUD housing vouchers frequently do not provide enough money to cover market rate rent of stable housing without supplemental income which many recipients do not have available. In addition, the number of

available units that accept vouchers is limited and typically is much lower than the number of vouchers that otherwise could be used in the community. The low vacancy rate of housing unit (5%), which is likely even lower for lower cost rental units, is causing an increase in the need for shelters and transitional housing in West Linn which is pushing the extremely low and very low income people onto the threshold of homelessness and needing those services in order to be housed. Currently, there are a very limited number of publicly assisted housing units in West Linn and a limited number of HUD vouchers are being used there at this time.

## People Experiencing Homelessness

People experiencing homelessness are disproportionately affected by the lack of affordable housing. There were an estimated 411 people counted as homeless and unsheltered in Clackamas County as of 2023. In addition, an estimated 13% of households in West Linn may be at risk of homelessness because they have income at or below 30% of MFI. Almost all of these households are cost burdened, with many likely being severely cost burdened. Their broad housing needs include immediate assistance, such as rent support, permanent supportive housing with services, and better access to affordable units. Additionally, the housing needs of homeless individuals who are seniors, disabled, or Persons of Color encompass the specific needs of these groups as well.

## People of Color

West Linn grew more diverse between the 2010 and 2020 Census, with the white share of the population falling from 88% to 81%. The individual racial groups increased their portions taking 1% to 7%. Minority households typically have larger average household sizes compared to the overall population. Racial and ethnic minorities are less likely to own their homes, resulting in a greater demand for rental units due to a combination of historical, systemic, and economic factors. These factors create barriers to homeownership, leading to a greater reliance on rental housing. Because of these barriers, minorities are more likely to rent than own homes, creating a greater demand for rental units in the housing market. This increased reliance on renting often means minorities face additional challenges, such as higher rent burdens, less housing stability, and fewer opportunities to build long-term or generational wealth that is associated with homeownership. They also typically fall behind their white counterparts in terms of the ability to accumulate intergenerational wealth, including through home ownership. These groups also tend to have lower average incomes and are more likely to live below the official poverty level compared to the general population. This contributes to their higher proportion of renter households and affects the types of housing they require.

## People with Disabilities and Seniors

In West Linn, an estimated 8.4% or 2,268 people report having some form of disability. This is lower than the statewide rate and county rate of 14.9% and 12.6% respectively. Any type of disability influences the appropriate type of housing for a resident, but those with ambulatory, self-care, or independent living disabilities typically have the greatest impact on the required unit type. While the housing needs of individuals with one or more disabilities vary depending on the type of disability, generally the needs include better access to affordable housing, enhanced physical accessibility of housing units, access to housing with necessary services and transit.

In 2022, the proportion of the West Linn population over 65 was 18.4%, which was relatively high compared to both the state and national averages. Although West Linn's poverty rate for those 65 and older was 6.8%, lower than that of Clackamas County and Oregon, the senior population remains vulnerable to being cost-burdened and losing housing in the competitive rental market. Many live on fixed incomes with increasing housing costs. Many seniors also have a specific need for housing that is accessible for people with mobility limitations, or physical or self-care disabilities. This includes housing with adequate accessibility features and/or single-story units. As this group grows, West Linn will need more housing that is affordable, physically accessible, and in proximity to needed services such as nearby health care or in-home assistance.

## Workforce

Approximately 25% of West Linn households earn between \$75k and \$150k, which is the income bracket for the community's middle-income workforce. Middle-income workers find it increasingly challenging to buy or rent housing near their workplaces, particularly in more affluent communities with higher housing costs such as West Linn. This difficulty arises partly because wages have not kept pace with rising living costs and partly because there is a limited supply of affordable housing for these workers. Consequently, many middle-income workers relocate to the outskirts of their regions, resulting in longer commutes, increased traffic, and various other negative impacts on the surrounding area. Because affordable housing programs focus on serving households making 60 percent or lower of AMI, middle-income workers are often left with fewer housing options available to them in the cities where they work.

## Veterans

This group is identified as having specific needs and is often under-represented in housing planning. Veterans, in particular, may suffer from physical or mental health disabilities due to injuries or stress from their service. They often have fixed, lower incomes and require access to services provided by the US Veterans Administration or other organizations. Consequently, veterans share many of the same unmet needs as people with disabilities, low-income households, and, in some cases, senior residents.

*Figure 24. Vulnerable and Disadvantaged Community Group Summary, West Linn*

<b>Low Income (HUD Definitions)<sup>1</sup></b>	<b>Households</b>	<b>Households Below Level</b>
Household Income Median (\$134k)	5,004	50%
Low Income (80% of Median) (\$107k)	4,135	41%
Very Low income (50% of Median) (\$67k)	2,606	26%
Extremely Low Income (30% of Median) (\$40k)	1,340	13%
Population Below Poverty Level	1,501 persons	6%

<b>Homelessness (Countywide, 2023)<sup>2</sup></b>	<b>Individuals</b>	<b>Share (%)</b>
Total Homeless Count	411	100%
Unsheltered	179	44%
Emergency Shelter	182	44%
Transitional Housing	50	12%
Chronic Homeless	173	42%
Not Chronic	238	58%
Male	229	56%
Female	176	43%
Nonbinary, Unreported	6	1%
Experiencing Serious Mental Illness	125	30%
Have Experienced Domestic Violence	83	20%
Homeless Veterans	30	7%

<b>Racial and Ethnic Demo. (Census 2020)<sup>3</sup></b>	<b>Individuals</b>	<b>Share (%)</b>
White alone (Population)	22,186	81%
Hispanic or Latino	1,573	0.06
Black or African American alone	220	1%
American Indian and Alaska Native alone	73	0%
Asian alone	1,346	5%
Native Hawaiian and Other Pacific Islander alone	32	0%
Some Other Race alone	142	1%
Population of two or more races:	1,801	7%
Language Spoken at Home (Other than English)	2,813	10%

<b>Persons with Disabilities<sup>4</sup></b>	<b>Individuals</b>	<b>Share (%)</b>
Total Population (West Linn)	27,046	100%
Disabled Individuals (Total)	2,268	8%
With a hearing difficulty	899	3%
With a vision difficulty	288	1%
With a cognitive difficulty	849	3%
With an ambulatory difficulty	997	4%
With a self-care difficulty	448	2%
With an independent living difficulty	763	3%

<b>Workforce<sup>5</sup></b>	<b>Individuals</b>	<b>Share (%)</b>
Estimated Labor Force (of Total Adult Pop.)	12,766	60%
Labor Force Employed	12,168	95%
Labor Force Unemployed	598	5%

<b>Households Aged 60 or Older<sup>6</sup></b>	<b>Households</b>	<b>Share (%)</b>
Total Households (West Linn)	10,008	100%
Householder Aged 60 or Older	4,062	41%
Family Households (Aged 60 or Older)	2,892	29%
Non-Family Households (Aged 60 or Older)	1,170	12%
Seniors below the poverty level (Population)	416 persons	6%
Owner Households	3,645	90%
Owner Housing Costs >30% of Income	1,032	0.28
Renter Households	417	10%
Renter Costs >30% of Income	286	69%
<b>Veterans<sup>7</sup></b>	<b>Individuals</b>	<b>Share (%)</b>
Veterans	1,140	6%
<b>Period of Service</b>		<b>Share of Vets</b>
Gulf War (9/2001 or later) veterans	264	23%
Gulf War (1990 to 8/2001) veterans	299	26%
Vietnam era veterans	387	34%
Korean War veterans	80	7%
World War II veterans	22	2%
Other	88	8%
<b>Veteran Age</b>		<b>Share of Vets</b>
18 to 34 years	21	2%
35 to 54 years	417	37%
55 to 64 years	98	9%
65 to 74 years	261	23%
75 years and over	343	30%
Veteran Poverty Status	55	5%
Veterans with a Disability	275	24%

<sup>1</sup> Source: US Census, S1901, ACS 2022 5-Year

<sup>2</sup> Source: US Census, S1701, ACS 2022 5-Year

<sup>3</sup> Source: US Census, P2, 2020 Decennial Census

<sup>4</sup> Source: US Census, S1810, ACS 2022 5-Year

<sup>5</sup> Source: US Census, DP03, ACS 2022 5-Year

<sup>6</sup> Source: US Census, S0102, ACS 2022 5-Year

<sup>7</sup> Source: US Census, S2101, ACS 2022 5-Year

# APPENDIX B – FUTURE ACTIONS TO CONSIDER

The following actions were either addressed in the Housing Strategies Report for the HCA or were previously considered as a part of this HPS project. The project team and the Project Work Group does not recommend these actions for inclusion in the HPS because they were identified as lower priority. The City has limited resources to implement every action that has been considered within the HPS planning and implementation timeline (6 years), and therefore the City should focus on actions that were identified as higher priority for the HPS.

Although these actions are not recommended for inclusion in the HPS, they may be appropriate for West Linn at a later date or in the event the City finds additional capacity to begin implementation of additional strategies. These actions may also be considered as alternatives to other HPS actions at the midpoint review period of the HPS implementation timeline.

## Promote ADUs

**Description** ADUs are smaller, ancillary dwelling units located on the same lot as a primary residence. They are typically complete dwellings with their own kitchen, bathroom and sleeping area.

ADUs are a viable housing option with several benefits:

- ADUs offer flexibility for homeowners to either rent the unit or to host a family member.
- Building and renting an ADU can raise income for a homeowner and help offset the homeowner's mortgage and housing costs.
- ADUs can add to the local supply of rental units and can provide a relatively affordable rental option for a person or household that prefers living in a small detached unit rather than an apartment or other attached housing.

This strategy involves adjusting standards for accessory dwelling units to allow more flexibility for their siting on single-family lots. In addition, the City also can encourage ADU development through reduced fees, exemptions from selected planning requirements, use of pre-approved site or building plans, or other measures.

Given that ADUs are usually built by individual homeowners with limited experience or financial resources, code provisions can have a significant influence on the feasibility of their development and enable more widespread production (i.e., easing occupancy requirements, allowing more ADUs on a lot, and expanding maximum size requirements).

More flexibility in siting, design, construction, and lower fees are also needed to achieve feasibility in many cases.

The City already allows ADUs in all of its residential zones. Standards for the size and siting of ADUs are generally consistent with state requirements and guidelines. In addition, the City recently adopted a number of changes to its Development Code to further encourage and reduce barriers to development of ADUs, including the following:

- Removed half-street improvement requirements.
- Removed design standards.
- Removed problematic height restrictions.
- Removed problematic siting standards.

Some additional development code amendments could provide additional flexibility to build ADUs, including the following:

- Allow more than one ADU on a lot if the second ADU is internal or attached to the primary dwelling.
- Allow ADUs with other housing types, such as middle housing.
- Reduce allowed rear yard setbacks for ADUs that are below a specific height.
- Reduce front yard setbacks for ADUs.
- Increase the allowed lot coverage for a lot with an ADU.

*The project team does not recommend this strategy at this time. Based on PWG input, promoting ADUs is a lower priority than other proposed strategies. In addition, some of the other recommended strategies will help reduce barriers to ADUs, such as SDC updates for ADUs.*

#### **Considerations**

- The City allows detached duplexes, triplexes, and quadplexes. Detached plexes are functionally the same as single-family detached houses, especially on larger lots. Therefore, the City should consider allowing ADUs on lots with these housing types.
- The City recently passed an Ordinance exempting ADUs from half-street improvements, which was identified as a primary barrier to their development.
- The City is considering other strategies that may help promote ADUs, including modifying SDC schedule and SDC exemptions or deferrals.
- The City may also consider other ADU strategies from the DLCD HPS List, including “Reduce or Exempt SDCs for ADUs” (C03) or “Pre-Approved Plan Sets for ADUs” (A21).



<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>• <b>Housing Need Addressed:</b> Rental and workforce housing.</li> <li>• <b>Population served:</b> Low- to Moderate-income households, seniors, students, people of color, people with disabilities</li> <li>• <b>Income level:</b> 80-120% AMI</li> <li>• <b>Benefits and Burdens:</b> This strategy would be expected to primarily benefit low and moderate-income households, renters, and the local workforce by increasing the supply of smaller units that are available for rent. This may also benefit seniors who are looking to downsize or live near family. This strategy also benefits homeowners who are seeking a secondary source of income. No burdens on priority populations are anticipated.</li> <li>• <b>Housing tenure:</b> For rent</li> <li>• <b>Magnitude:</b> Moderate – This strategy could significantly improve opportunities and flexibility for ADU development. However, implementation of this strategy is unlikely to result in a significant increase in housing production, as ADU development typically represents a small portion of overall housing production, regardless of how flexible or permissive land use regulations are.</li> </ul>
<b>Time Frame</b>	N/A
<b>Implementation Actions</b>	<ul style="list-style-type: none"> <li>• Determine which code amendments will remove barriers and improve opportunities for ADU development.</li> <li>• City Council action: Adopt code amendments.</li> </ul>
<b>Lead &amp; Partners</b>	<b>Lead:</b> West Linn Community Development <b>Partners:</b> West Linn Planning Commission and City Council; Property owners

## Accessible Design

<b>Description</b>	<p>This strategy involves evaluating incentives or mandates to increase development of housing that is accessible for seniors and people with disabilities or mobility challenges.</p> <p><u>Potential <b>incentives</b> could include:</u></p> <ul style="list-style-type: none"> <li>• Bonuses for height, density, lot size, or floor area ratio (similar to Strategy 2.1).</li> <li>• Tax abatements, e.g., MUPTE (see Strategy 2.4).</li> </ul> <p><u>Potential <b>mandates</b> could include:</u></p> <ul style="list-style-type: none"> <li>• <b>Requiring visitability in middle housing development—this would ensure that anyone using a wheelchair can visit the subject homes.</b> Visitability is most relevant for buildings with fewer than four units, townhouses, and detached homes that aren't subject to ADA requirements.</li> </ul>
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- **Requiring housing that receives public funding to provide more accessible units or more universal design features than required under federal standards.** This could mean applying the standards to a higher percentage of units than would otherwise be required (above 5%) and/or requiring units to meet higher Universal Design or Lifelong Housing Certification standards.
- **Requiring elevators in some or all multi-story buildings.**<sup>1</sup> Requiring elevators in one or more multi-family buildings would provide access to all levels of that building. It would also make all units “covered” units under the Fair Housing Act, meaning all units would need to have baseline accessibility features.

**Accessibility Standards.** Eligible units (for either incentives or mandates) could be required to meet certain standards – which would go beyond minimum federal requirements or could target housing not subject to these requirements (e.g., single-family homes and middle housing).<sup>2</sup> Options include:

- **Universal Design** is a building concept that incorporates design layouts and characteristics into residences to make them usable by the greatest number of people and respond to the changing needs of the resident. Universal Design incorporates standards for features such as hallways, doorways, bathrooms, and kitchens that make these features usable for people with disabilities or adaptable for that purpose.<sup>3</sup>
- **Lifelong Housing Certification** is a program developed by the Rogue Valley Council of Governments (RVCOG) in partnership with AARP Oregon as a voluntary certification process for evaluating the accessibility and/or adaptability of homes. Residences can be certified at three levels based on the extent of their accessibility: (1) Visitable (basic accessibility for visitors); (2) Fully Accessible (accessible for a person in a wheelchair on the main floor); and (3) Enhanced Accessibility (customized for specific accessibility needs).<sup>4</sup>
- **Visitability** is a design approach for new housing that allows anyone who uses a wheelchair or other mobility device to visit the home. A visitable home typically includes:
  - A zero-step entrance;
  - Wide interior doors; and
  - An accessible half bathroom on the main floor.

The project team does not recommend this strategy at this time. Although an important issue, financial incentives for affordable housing and production of

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<sup>1</sup> Oregon Structural Special Code Section 1104.4 requires at least one accessible route for multi-story buildings with over 3 levels, and Section 1104.5 includes elevator requirements. <https://codes.iccsafe.org/content/ORSSC2022P2/chapter-11-accessibility>

<sup>2</sup> Multi-family developments are subject to the Fair Housing Act; for buildings with an elevator, all units must be accessible; for those without an elevator, all ground floor units must be accessible. Housing projects receiving public funding are subject to federal laws (Section 504 of the Rehabilitation Act of 1973 and/or Title II of the ADA), which require 5% of units to be mobility-accessible. Source: Disability Law Handbook, Southwest ADA Center. <http://www.southwestada.org/html/publications/dlh/housing.html>

<sup>3</sup> Universal Design Standards, West Virginia Housing Development Fund. <https://tinyurl.com/yx63h792>

<sup>4</sup> Lifelong Housing Program, RVCOG. <https://rvcog.org/home/sds-2/lifelong-housing-program/>

needed housing is a higher priority for the City at this time. In addition, accessible design is often a requirement for a certain percentage of units for development that is receiving federal or state subsidies for affordable housing. In addition, the City may also consider incentivizing accessibility features through SDC reductions or deferrals (see Strategy 3 – SDC Updates).

#### Considerations

- This strategy would help address housing disparities for people with disabilities and provide more options for aging in place.
- Strategies to promote accessible housing received support from the Middle Housing Code Advisory Committee as part of the House Bill 2001 code updates.
- Accessibility features can add to the cost of construction for a development, which can make affordable housing projects less financially feasible. Elevators, in particular, add significant cost to a project.
- While mandates may provide more accessible units, they could prevent some affordable housing projects from being developed.
- Incentives must be calibrated effectively to be attractive to both a nonprofit and for-profit developer. The benefit of using the incentive should outweigh the costs associated with implementing accessible design features.

#### Anticipated Impact

- **Housing Need Addressed:** Housing for people with physical disabilities and mobility challenges. The HCA indicates that an estimated 8.4% of the population of West Linn, or 2,268 people, report having some form of disability. However, the number of people that would benefit from physical accessibility in housing – especially amongst the senior population – likely exceeds these numbers. Seniors make up about 18.4% of West Linn’s population.
- **Population served:** Seniors; people with disabilities
- **Income level:** All income levels
- **Benefits and Burdens:** This strategy is anticipated to benefit seniors and people with disabilities by increasing the stock of accessible housing units in the city. However, a potential trade-off of *mandating* accessibility features—especially for subsidized housing—is that it would reduce the total number of units that could be provided in a building (because bathrooms and other areas would need to be larger). While this may provide more accessible units, it could make some affordable housing projects less feasible. This could be a potential burden on low-income households by limiting the opportunity for production of housing they can afford. Incentive-based strategies would not carry the same burden. This will be an important consideration for implementation.
- **Housing tenure:** For rent or sale
- **Magnitude:** Moderate – Depending on how the strategy is structured, it could lead to production of a significant number of new units with accessibility features. However, the strategy could also have the effect of deterring housing production if requirements are too onerous. To improve feasibility, requirements may be applied to some but not all of the units in

new multi-family development. New elevator requirements may significantly deter new development, due to high cost.

<b>Time Frame</b>	<b>N/A</b>
<b>Implementation Actions</b>	<ul style="list-style-type: none"> <li>• <b>Code bonus.</b> <ul style="list-style-type: none"> <li>○ Evaluate a potential new height/FAR bonus with input from housing stakeholders.</li> <li>○ Consider whether a bonus should apply in all zones or only certain zones.</li> <li>○ A potential accessibility bonus should be carefully considered in conjunction with any other potential bonus provisions (see Strategy 2.5).</li> <li>○ Implement via CDC updates.</li> </ul> </li> <li>• <b>Code requirement.</b> <ul style="list-style-type: none"> <li>○ Evaluate potential new accessibility requirements, working closely with non-profit and market-rate housing developers to understand how their projects might be impacted.</li> <li>○ Conduct a pro forma analysis to evaluate potential impacts to project costs.</li> <li>○ Implement via CDC updates.</li> </ul> </li> <li>• <b>Financial incentive.</b> <ul style="list-style-type: none"> <li>○ Evaluate an incentive program (e.g., MUPTE, Strategy 2.2) to increase the number of dwelling units designed accessibly.</li> <li>○ Work with developers to gather feedback on program parameters and interest.</li> <li>○ Implement incentive program through Council action.</li> </ul> </li> </ul>
<b>Lead &amp; Partners</b>	<p><b>Lead:</b> West Linn Community Development</p> <p><b>Partners:</b> Home Building Association of Greater Portland; Fair Housing Council of Oregon; AARP; Rogue Valley COG; non-profit and for-profit housing developers.</p>

## Financial Assistance and Homebuyer Education Programs

**Description** Rental assistance program can help eligible low-income households with their past due rent and protect them from eviction risk. On the other hand, city can promote stable homeownership opportunities with a range of tools such as foreclosure prevention guidance, down payment assistance loans, Homebuyer Opportunity Limited Tax Exemption, etc. City can also provide services to help homeowners or fund community organizations to help homeowners repair and retain their homes.

A homebuyer education program helps homebuyers have a better understanding of what's involved in the home-buying process, what is needed from the borrower to be approved for a mortgage loan, the benefits / challenges of homeownership, and mortgage and lending terms, etc.

The project team does not recommend this strategy at this time. This strategy may be addressed by non-profits who operate locally and regionally and it may

also be partially accomplished through implementation of the “Fair Housing Education, Referral, and other Programs” strategy.

<b>Considerations</b>	<ul style="list-style-type: none"> <li>• These types of programs require relatively significant administrative time and resource to efficiently reach out to potential homebuyers and tenants in the area and to administer the programs themselves.</li> <li>• The City currently has a low-income utility assistance program, but very few other financial assistance programs for housing is available to residents. Additional financial assistance programs or strategies would likely be necessary to maintain or create more affordable housing opportunities. And while the City of West Linn may have limited capacity to implement some additional programs on their own, the City could support other regional or local organizations that implement these measures.</li> </ul>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>• <b>Population served:</b> Low- and Moderate-income levels</li> <li>• <b>Income level:</b> 30% to 120% AMI</li> <li>• <b>Benefits and Burdens:</b> Low-income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities No burdens on priority populations are anticipated.</li> <li>• <b>Housing tenure:</b> For rent or sale</li> <li>• <b>Magnitude:</b> Low – while this strategy may help residents retain or secure housing, it will have little to no impact on housing production. However, helping residents maintain current housing prevents emergencies such as homelessness and evictions which can exacerbate housing conditions in the community.</li> </ul>
<b>Time Frame</b>	<b>N/A</b>
<b>Implementation Actions</b>	<ul style="list-style-type: none"> <li>• Explore which programs are most appropriate for the City to promote.</li> <li>• Study/analyze financial feasibility for the City to create a financial assistance program.</li> <li>• Establish and maintain relationships with regional organizations that offer housing assistance and education programming.</li> <li>• Potentially provide on-going financial support through rental assistance, homeownership grants/loans, and/or an annual funding set-aside.</li> </ul>
<b>Lead &amp; Partners</b>	<p><b>Lead:</b> West Linn Community Development</p> <p><b>Partners:</b> Portland Housing Center, Oregon Housing and Community Services, Fair Housing Council of Oregon, Clackamas County</p>

## Expedited Development Review

<b>Description</b>	<p>Reduce review and processing times for affordable housing development by formally adopting shortened review timelines for applications or giving priority in scheduling hearings and meetings with staff. (<i>Strategy already partially implemented via SB 458 implementation</i>)</p> <p>Expedited permitting will help to reduce costs of development of needed housing as identified. The City may consider projects with direct or indirect</p>
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funding from local government as essential and projects with long term affordability covenants through tax abatement or inclusionary requirements as high priority and/or only expedite housing according to the identified needed housing types. The City might also consider assigning a staff person to shepherd projects through the land use and/or building permitting processes in order to expedite the permitting process. However, given the limited size of the City's staff, this may not be a practical approach.

The project team does not recommend this strategy at this time. Development review timelines and processes were not identified as a major barrier to affordable housing developers who work in the region and implementation of this strategy therefore is a lower priority. In addition, certain aspects of this strategy are already being implemented via state statute (Middle Housing Land Divisions and Expedited Land Divisions).

- Considerations**
- Creating an expedited review process for affordable and high need housing development has Low legal risk and relatively low cost burden. The administrative burden would be moderate, due in part to the need for focused resources to quickly review applications as they come in. Other entities involved in permitting (i.e., building, utilities, roads) either by jurisdiction or contract would need to agree and have capability of expedited review. Community support for this strategy may be high as permitting often is seen as a barrier to development.
  - Several stakeholders and developers have indicated the City's development review process is unclear. Lack of clarity in the development review process will likely increase review times, increase overall development costs, and may ultimately deter housing production under certain circumstances.
  - Stakeholders indicated that communities that are successful in attracting affordable housing development often have staff and resources that are dedicated to shepherding affordable housing projects from beginning to end.

- Anticipated Impact**
- **Housing need addressed:** Multifamily housing, middle housing, affordable and workforce housing.
  - **Population served:** Low-income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities
  - **Income level:** 0 to 120+% AMI
  - **Benefits and Burdens:** Expedited development review for affordable housing will directly benefit priority populations by improving opportunities for housing production that is affordable to low- and very-low income households. Expedited development review for other needed housing types, such as ADUs, middle housing, or multifamily housing, will primarily benefit renters, workforce, and individual property owners. This strategy will not burden any other demographic.
  - **Housing tenure:** For sale or rent
  - **Magnitude:** Moderate – This strategy may be low- to moderate-impact in incentivizing housing production. It may encourage affordable housing development by reducing overall costs as well as signaling to regional

housing partners that West Linn is offering incentives for affordable housing. It would also decrease development costs for other types of housing.

<b>Time Frame</b>	<b>Implementation:</b> Medium Term <b>Impact:</b> Long term
<b>Implementation Actions</b>	<ul style="list-style-type: none"><li>• Work with Planning Commission, City Council, and other review agencies to determine appropriate review timelines for needed housing types.</li><li>• City Council action: adopt code amendments that set new criteria for submittal requirements and review/approval timelines for affordable housing and other needed housing types.</li></ul>
<b>Lead &amp; Partners</b>	<b>Lead:</b> West Linn Community Development <b>Partners:</b> Other City Departments

# APPENDIX C – CONSTRUCTION EXCISE TAX AND TAX ABATEMENTS BACKGROUND

## Introduction

This background report provides information and analysis on Construction Excise Taxes (CET) and tax abatement strategies to supplement information in the West Linn Housing Production Strategy (HPS) report. The purpose of this analysis is to provide further context to assess the potential of these programs to incentivize or otherwise support the development of additional housing in the city of West Linn. Tax abatement and exemption strategies might be used to facilitate the development of affordable housing as well as market-rate housing if it meets public needs (e.g. housing density or mixed use goals), while the CET is designed to be used specifically for affordable housing.

A major focus of the HPS is to adopt strategies to incentivize long-term affordable housing in West Linn. It is important to note that most of the incentives discussed in the HPS are rarely sufficient to make an affordable housing project feasible on its own. Modern affordable housing development is typically complex and time-intensive, requiring developers to line up a combination of multiple sources of funding and programs before a project becomes feasible.

Any one public program can provide a key layer in this financing plan for a housing project, without which the project may not be feasible. The contribution of City incentives can also demonstrate local support for a project that will help it secure additional funding from state or federal sources.

## Construction Excise Tax (CET)

### Description

A construction excise tax (CET) is a one-time tax on construction projects that can be used to fund affordable housing projects and programs. This is one of the few options for generating dependable, locally controlled funding for affordable housing.

According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. Cities and counties may levy a CET on residential construction for up to 1% of the permit value, or on commercial and industrial construction, with no cap on the rate of the CET.



The allowed uses for CET funding are defined by the state law. The City may retain 4% of the funds to cover administrative costs. If the City implements a residential CET, the funds remaining must be allocated as follows:

- 50% must be used for developer incentives (e.g., fee and SDC waivers or reductions, tax exemptions, financing, etc.)
- 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.
- 15% flows to Oregon Housing and Community Services (OHCS) for homeowner programs.

It should be noted that DLCD and OHCS staff report that OHCS typical practice is to distribute the majority of their 15% funds back to the projects or programs in the communities from which the funds originated. If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for affordable housing programs as defined by the jurisdiction and the remaining funds (minus any administrative costs) are unrestricted.

## How it Works

Funds raised from a CET may be used to capitalize a new affordable housing fund or may be co-mingled with other funds available for the same purpose (e.g., Community Development Block Grant (CDBG) funding). Statutory restrictions on how the funds are used make it inefficient to use CET funding to directly build affordable housing. Effective programs leverage these funds to facilitate the affordable housing projects of partners who are generally accessing greater funding from the state or other sources.

As the CET funding grows, it can allow for the City to offer a range of incentives to affordable housing developers without loss of revenue to the City. For instance, the fund can reimburse the City for system development charges that are waived on the development. Other potential uses are to help fund pre-development needs such as site studies and remediation. This can help fill gaps in project financing that can otherwise be challenging for affordable housing developers to fill, including backfilling SDC waivers, acquisition of properties for affordable housing preservation, and down payment assistance for first-time homebuyers.

Many Oregon cities have adopted a CET for affordable housing with a range of tax levels. These cities have now built a track record of collecting and using these funds, with minimal impacts to the rate of development activity. The record seems to indicate that in attractive development markets, the CET is not a deterrent.

Table 1 shows the CET taxing level in a variety of Oregon cities. Some choose a CET at the maximum allowed 1% for residential construction, but many have adopted a lower levy. For commercial construction, where there is no limit to the rate of the CET, the highest adopted rate is 1.5% (Corvallis) with many choosing to limit it to 1%.

Table 1: Adopted CET Programs, Sample Oregon Cities

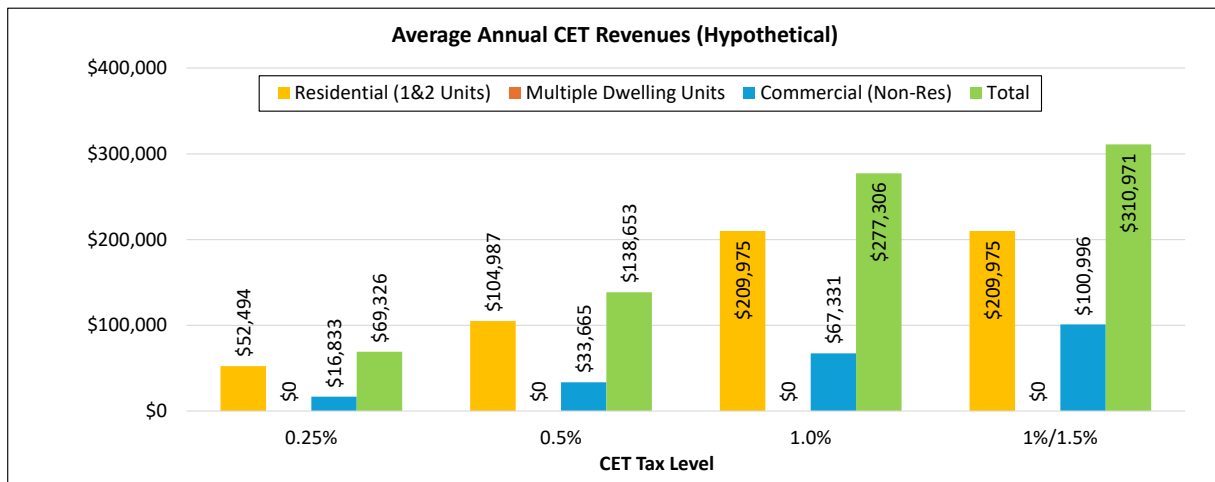
	Residential	Commercial	Adoption
Bend	0.33%	0.33%	2006
Corvallis	1%	1.5%	2016
Eugene	0.5%	0.5%	2019
Grants Pass	0.5%	1%	2021
McMinnville	1%	1%	2022
Medford	0.33%	0.33%	2018
Milwaukie	1%	1%	2017
Newburg	1%	1%	2020
Newport	1%	1%	2017

Cities have some flexibility in defining what types of development will be assessed for the CET. The CET may apply to either residential or commercial or both. Statute requires cities to exempt affordable housing projects for households earning up to 80% AMI. The City may also set a minimum permit value for qualified improvements. For instance, Grants Pass exempts projects valued under \$50k, and Milwaukie exempts those under \$100k in value. Cities can also exempt certain needed housing types such as multi-family.

It is important to set expectations of the planned uses of CET funding, both for program applicants, and for other agencies and partners who may see this as a possible new funding source for other uses. For applicants, it is important that the CET does not come be seen as a substitute for traditional funding sources of affordable housing such as tax credits or HUD programs. Also note that it may take a few years for the CET fund to grow to an effective size.

## Estimated CET Revenue

An analysis of permit valuations in West Linn over the prior five years indicates that a hypothetical CET could build significant funds to assist in affordable housing projects. The following figure uses the average annual value of residential and commercial permits over the last five years to estimate what hypothetical CET revenue generation would have been annually. The CET rates tested range from 0.25% for both residential and commercial development to 1% for residential and 1.5% for commercial.



## Considerations

As one would expect, the revenue generation is directly proportional to the rate at which the CET is set. A higher CET level will generate greater revenue faster and provide more leverage to a city's affordable housing program.

The decision on where to set the CET is ultimately a policy choice. Pro forma modeling of the addition of a CET at 1% does not impact modeled development sufficiently to be a major deterrent, or to render feasible development forms infeasible. This seems to be the experience of other Oregon cities that have adopted CET programs, and none were identified that have revoked their CET after adoption. As more cities have adopted a CET, developers also become more familiar with this tax.

As noted, these funds should be used to leverage greater funding that an experienced affordable housing developer brings to the table from state and federal sources. The local incentives act as one component of the stack of financing and incentives that make the project viable, allow for placing additional public performance requirements on the project, and demonstrate local support that helps with applications for other funding. It also advertises West Linn as a community that is supportive of partnering in affordable housing development.

## CET Case Studies

The following are a limited number of examples of CET being used to help facilitate affordable housing production. These cases are from Corvallis, one of the early adopters of the CET that now have sufficient experience to have built up their CET fund and learned lessons on how most effectively to use it. Corvallis reports that it took roughly 3 years for CET funding to build to an effective level. The City generally uses these funds to leverage even greater funds from other sources such as the state. The investment at the local level becomes proof of local support that improves the recipient's odds of securing other funding.

### **Rivergreen Landing Apartments 3350 SE Midvale Dr. Corvallis, Oregon**

**Builder/Owner:** Green Light/Home First LLC; [greenlighthousing.com](http://greenlighthousing.com)

**Description:** Located in the Willamette Landing Neighborhood of South Corvallis, The Rivergreen Landing Apartments is a 60-unit development that will have a mix of 1, 2 and 3-bedroom family units affordable to serve renters earning at or below 60% of Area Median Income (AMI). 5.5 acre site.

**Project Cost:** \$22.6 million; \$6.82 million in permanent loan by developer.

**Incentives:** City of Corvallis CET funds of \$400k helped to leverage \$6.4 million in state Local Innovation Fast Track (LIFT) funds, \$6 million in Low Income Housing Tax Credits-4% (LIHTC).

**The Why:** Benton County is projected to need an additional 4,590 affordable housing units, many of which are needed in Corvallis. The development is strengthened by significant community support and input from a diverse group of partners and stakeholders including the City of Corvallis, Casa Latinos Unidos, NAACP, Corvallis School District, League of Women Voters, and Boys & Girls Club, and Linn Benton Housing

Authority. What results is thoughtful design input, tenant referral, and culturally specific resident services from experienced local community organizations that ultimately benefit future residents.



**Union at Pacific**  
**150 SW Wake Robin Ave, Corvallis, Oregon**

**Builder/Owner:** The Annex Group®, a leading workforce, affordable and student housing developer from Indianapolis, IN.

**Description:** The Annex Group plans to develop a new affordable housing community in Corvallis, Oregon. Union at Pacific Highway will offer 174 one, two, and three-bedroom unit options available to households whose income level is at or below 60 percent of the area median income (AMI). The three-story community will be on 7 acres.

**Project Cost:** \$56 million; with \$24 million in permanent loan by developer.

**Incentives:** City of Corvallis CET funds of \$500k helped to leverage \$6 million in Oregon Soft Funds, \$15.5m in Low Income Housing Tax Credits-4%, (LIHTC).

**Partners** on the project include: Oregon Housing and Community Services, the City of Corvallis, the Linn-Benton Housing Authority, Avenue5 Residential for property management, Structure Development Advisors as the LIHTC consultant, KTGy for architecture, and DEVCO Engineering, Inc. for civil engineering. Piper Sandler placed the tax-exempt bonds and NDC provided over \$19 million in tax credit equity.



### **3<sup>rd</sup> Street Commons**

**1480 SW 3<sup>rd</sup> Street, Corvallis, Oregon**

**Owner/Developer:** Corvallis Housing First

**Description:** 47 units of Permanent Supportive Housing located on a 1.33 acres site owned by CHF south of downtown Corvallis and Oregon State University. Development to include: 6 studio bedroom units (310-315 sq ft) and 41 one-bedroom units (550 sq ft), a community space and offices for partner services. This site, originally known as the Budget Inn, was purchased through the Project Turnkey program, funded by the Oregon Community Foundation and the State of Oregon to address the need for non-congregate shelter spaces for people experiencing homelessness during the pandemic. Since opening in 2021, the site has been operated by Unity Shelter, who have served over a hundred people, with a focus on serving people of color, LGBTQ+, and those with significant vulnerability due to physical or mental health conditions or substance use disorders. The current buildings will be demolished making way for the new project, with construction starting in late 2024.

**Project Cost:** \$22 million

**Financial Incentives:** City of Corvallis CET funds of only \$45k helped to leverage \$5 million in direct appropriations from the state, and \$3m from the Federal government, funds are pending from Oregon Housing and Community Services, and Corvallis HOME.



**Partners:** City of Corvallis, Community Health Clinics of Linn and Benton Counties, NAACP, CSC, Samaritan, Benton County, Corvallis Daytime Drop-In Center, Casa Latinos Unidos, Project Help.



## Tax Abatements

### Description

Tax abatements are reductions in property taxes for housing. Abatements may include full or partial tax exemptions or freezes on the assessed value of properties. Abatements are often provided to non-profit corporations or private developers in exchange for developing affordable housing or other desired housing types (such as mixed-use). Property tax abatements can also be applied to housing in distressed areas, or for rehabilitated housing. Property tax abatements reduce ongoing operating costs for housing projects, which can be greatly beneficial for affordable housing finances.

The state currently authorizes tax abatements for various types of housing and affordable housing through several programs outlined in the Oregon Revised Statutes (ORS).

The HPS recommends the following tax abatement programs:

- 1) Low-Income Rental Housing (ORS 307.515 – 307.537).** The state authorizes a 20-year tax abatement for any entity that provides regulated affordable housing, including nonprofits and for-profit developers. The statutes outline similar eligibility requirements, in that eligible properties must be offered for rent to low-income persons (at or below 60% AMI) or held for the purpose of developing low-income rental housing. Key advantages of this abatement program are that it is

available to more than just non-profits and it does not require annual renewal.

- 2) **Multiple Unit Property Tax Exemption (MUPTE) (ORS 307.600 – 307.637).** This is an abatement for multiple-unit housing. Eligible development must have multiple units (middle housing or multi-family) but may include ground floor commercial space. The abatement can be provided for up to 10 years, and only applies to new residential construction, and not land or any commercial portions. The City must designate specific areas where the MUPTE applies, unless it includes affordability as a criterion, in which case the whole city could be eligible.
- 3) **Homebuyer Opportunity Limited Tax Exemption Program (HOLTE) (ORS 307.651-687).** This is an abatement for first time homebuyers and low- and moderate-income households. The program allows a limited 10-year property tax exemption to owner-occupied single-unit housing that has a market value upon completion of no more than 120% of median sales price of dwelling units located within the city (or a lesser value adopted by the jurisdiction). The tax exemption can be granted for up to 10 successive years, and only applies to the value associated with property improvements, not the land value. Single-family housing units, townhomes, multi-family homeownership units (i.e., condos), and manufactured housing are eligible for the exemption. Eligible units can be new construction or rehabilitated existing homes. The housing must be in an area defined and designated by the City. The City also would create criteria and establish required design elements or public benefits that would be applied to properties using the exemption.

## Considerations

A major consideration when offering multiple tax abatement programs is if they overlap, they might compete for use by applicant developers. The abatement program seen as providing the greatest benefit with the lowest cost/concessions from the developer is likely to be utilized much more than the others.

For this reason, the city should consider adopting one abatement intended mostly for application to affordable housing, and one intended mostly for meeting other types of housing goals. The **Low-Income Rental Housing** tax abatement, lasting 20 years, will be attractive to those seeking to provide affordable housing, including non-profit agencies and for-profit developers specializing in tax credit projects. The **MUPTE** could be focused on moderate rate housing, housing that meets accessibility requirements, or other types of housing. While the City could require a limited affordability component as part of the MUPTE program, projects that are intended to be fully affordable are likely to opt for the former abatement program. The **HOLTE** tax incentive ultimately is to the benefit of the homebuyer, rather than the builder. For this reason, the HOLTE is often used by the clients of nonprofit agencies that specialize in providing affordable ownership housing (e.g., Habitat for Humanity, or community land trusts).

The City should also consider the following for each type of abatement strategy:

### 1) **Low-Income Rental Housing:**

- Key advantages of this abatement are that it is available to more than just non-profits and it does not require annual renewal. This can significantly reduce an organization's administrative burden in implementing the exemption. However, this abatement has less flexibility compared

to the Nonprofit Exemption because it is not available for ownership housing, cannot be used for acquisition of existing housing, and is limited to 20 years.

- West Linn has a very small supply of subsidized affordable housing. As identified in the HCA, West Linn will continue to have a need for housing that is affordable to low-income residents over the next 20-years. The HCA also identified a continued need for rental housing. This strategy may help incentivize production of low-income rental housing.
- Tax abatements or exemptions would apply to city property taxes which only make up about 17% of a property tax bill. Other taxing entities would have to agree to the strategy for any property to be eligible for a complete tax abatement.

## **2) MUPTTE**

- This strategy could incentivize multi-family developers to incorporate desirable features in their projects, such as accessible units or family-size units. Affordability to lower-income households could also be an eligibility criterion, if desired.
- This strategy could outcompete affordable housing tax incentives with for-profit developers who would rather build market-rate housing in some cases.

## **3) HOLTE**

- This strategy is intended to facilitate homeownership among moderate-income households. HPS stakeholders have indicated that homeownership opportunities for moderate-income households and first-time homebuyers is one of the city's key housing challenges.
- Potential effectiveness depends on the local housing market and land costs. The recent median sale price in West Linn is approximately \$790,000, so this program could in theory apply to home values of \$948,000 (120% of median). An income of about \$200k is needed to afford the median home with a 20% down payment. With less of a down payment, even higher incomes would be needed. The HCA found that the number of homes selling at the lower end (less than \$500k for instance) was only 17% of the overall inventory.
- The City could consider lower sales price limits (below 120% of median sales price), but this may be less enticing to developers given the profit potential of market-rate development in West Linn.

## **Impact on Project Feasibility**

Tax abatements work by lowering operating costs in the first years of the property's operation. This helps projects that might otherwise not be feasible due to high development costs or low achievable rents/pricing, which is often the case for affordable housing, taller buildings, or mixed use buildings. The hope is that the availability of the tax abatement helps tip a development from one form to another, or from market-rate to affordable.

The usage of tax abatement programs by private developers will generally be related to the underlying market forces already present in the community. For instance, if some areas or neighborhoods are on the cusp of seeing denser housing development, then a MUPTTE will likely see greater usage, amplifying the benefits such as more housing and mixed uses development. However, if a neighborhood is not ready for higher density housing, this incentive is unlikely to make it desirable to a private developer. For



that reason, focusing the multiple-dwelling unit housing where they already enjoy some support is recommended.

Low-income housing tax abatements are typically used by agencies or developers who are already interested in providing this form of housing. The abatement can be an integral part of the complex financing and incentive package that is typically required to make a low-income housing project feasible. These abatements can help achieve more low-income housing by making it feasible for some projects to increase their unit count and even encouraging some market-rate projects to include affordable units.

### **Current Market Conditions**

In the current market environment, housing development is facing serious headwinds. Years of increased costs for materials and labor have combined with higher interest rates to make development much harder to pencil out. This has been seen in plunging rates of new home building over the last two years. On the West Coast, new apartment construction fell by more than half between 2022 and 2023, as even rising rent levels are increasingly insufficient to support costs.

In this environment, the tools available to public agencies have more limited impact, as the size of the “feasibility gap” is larger than in recent history. This includes the tools and policies discussed in the HPS. However, cities have the advantage of being able to plan for the long term; presumably future real estate cycles will moderate, and feasibility will improve. Establishing these programs now will ensure they are ready when needed.

### **City vs. General Participation**

Generally, only the City’s portion of the taxes would be included in the tax abatement unless it seeks agreement from the boards of other taxing districts, that in combination with City make up 51% or more of the total tax levy. In the case of West Linn, this would mean seeking approval of the school district, and/or some combination of the county and other districts. While this may seem cumbersome, extending a tax abatement to the full levy (100%) greatly increases its impact as a development incentive.

**Agenda Bill 2025-05-07-03**

Date Prepared: May 6, 2025

For Meeting Date: May 12, 2025

To: Rory Bialostosky, Mayor  
West Linn City Council

Through: John Williams, City Manager *JRW*

From: Erich Lais, PE - Public Works Director/City Engineer *EL*

Subject: Adoption of Resolution 2025-01

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**Purpose:**

To introduce Resolution 2025-01 to adopt the City's Stormwater Management Manual.

**Question(s) for Council:**

Does the Council wish to adopt, by resolution, the proposed West Linn Stormwater Water Management Manual as the official manual for stormwater design and management standards?

**Public Hearing Required:**

No.

**Background & Discussion:**

As previously discussed at the Work Session held on March 3, 2025, the City of West Linn (City) has a permit with Oregon's Department of Environmental Quality (DEQ) that requires the City to implement and enforce stormwater management standards. These standards are required to reduce the amount of pollutants entering waters of the state.

Under the City's DEQ permit, the City is required to have post-construction stormwater management standards. At minimum, the City is required to have performance and treatment standards that prioritize onsite retention and pollutant reduction. The City's current practice to achieve this requirement is by utilizing standards adopted and established by the City of Portland. This stormwater manual is referenced within the City's Public Works Standards.

Upon completion of a comprehensive review of DEQ permit requirements, it was determined that adoption of a West Linn-specific Stormwater Management Manual would best meet the needs of the community, local topography, and address current deficiencies in currently utilized post-construction stormwater management standards.

Therefore, staff drafted the City of West Linn Stormwater Management Manual (Manual) that covers the design and construction requirements for post-construction stormwater management facilities. The draft version of the Manual was posted for public comment from March 17, 2025 through April 17, 2025. No comments were received by staff during this period and the Manual was progressed to a final

version, consistent with what Council reviewed at the work session (with minor changes only for typographical errors or grammatical fixes).

Council previously adopted Ordinance 1578 on March 17, 2025, which provides the authority to adopt, amend, and enforce the Manual. This express authority is now located within the City's Surface Water Management Code (WLMC Chapter 4).

**Budget Impact:**

None

**Sustainability Impact:**

The proposed Stormwater Management Manual integrates numerous sustainability measures with an overarching goal of reducing pollutants within the state's waterways.

**Council Options:**

1. Adopt attached Resolution 2025-01 which formally adopts the finalized West Linn Manual.
2. Postpone adoption of Resolution 2025-01 and direct staff to pursue a different strategy to achieve compliance with DEQ permit requirements and stormwater management goals.

**Staff Recommendation:**

Adopt the attached Resolution 2025-01, which formally adopts the finalized version of the West Linn-specific Manual.

**Attachments:**

1. Resolution 2025-01
2. West Linn Stormwater Management Manual – Final May 2025

**RESOLUTION 2025-01**

**A RESOLUTION ADOPTING THE CITY OF WEST LINN STORMWATER MANAGEMENT MANUAL**

**WHEREAS**, on March 17, 2025, through Ordinance 1758, the City of West Linn amended Chapter 4 of the West Linn Municipal Code to add Section 4.071. Stormwater Management Manual.

**WHEREAS**, Section 4.071 authorizes the City Council, by resolution, to adopt and amend the Stormwater Management Manual to comply with the requirements of the federal Clean Water Act, Safe Drinking Water Act, other federal laws, state laws and regulations, and to protect public health, safety, and the environment.

**WHEREAS**, the City of West Linn has prepared the Stormwater Management Manual, attached hereto as Exhibit A, addressing regulatory requirements and needs specific to the City of West Linn.

**NOW, THEREFORE, THE CITY OF WEST LINN RESOLVES AS FOLLOWS:**

**SECTION 1.** The West Linn City Council adopts the Stormwater Management Manual attached hereto as Exhibit A.

This resolution was PASSED and ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_ 2025 and takes effect upon passage.

\_\_\_\_\_  
RORY BIALOSTOSKY, MAYOR

ATTEST:

\_\_\_\_\_  
KATHY MOLLUSKY, CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

**Agenda Bill 2025-05-12-04**

Date Prepared: May 5, 2025

For Meeting Date: May 12, 2025

To: Rory Bialostosky, Mayor  
West Linn City Council

Through: John Williams, City Manager *JRW*

From: Darren Wyss, Planning Manager *DSW*

Subject: AP-24-02 (Appeal of MIP-24-01/VAR-24-05 – Planning Commission Decision)

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**Purpose**

Council deliberations and vote on the tentative decision made at the April 14, 2025 public hearing to approve the appeal ([AP-24-02](#)) and remove Condition of Approval 2 from the Planning Commission approval ([MIP-24-02/VAR-24-05](#)).

**Question(s) for Council:**

Should the Council vote to approve the tentative decision made on April 14, 2025 for AP-24-02?

**Public Hearing Required:**

No further hearing required.

**Background & Discussion:**

The applicant/appellants (Gary Alfson & Susie Alfson) submitted an application on August 1, 2024 for a 3-Parcel Minor Partition and Class II Variance ([MIP-24-02/VAR-24-05](#)) to allow the division of one property into three new parcels, with the existing detached single-family home remaining on newly created Parcel 1. The variance request is for an exception to the public street requirements of West Linn Community Development Code Chapter 48.030(D) for use of a private driveway by five residential units. Planning staff deemed the application complete on September 9, 2024.

The 3-Parcel Minor Partition and Class II Variance were conditionally approved by the Planning Commission at a quasi-judicial public hearing on [November 6, 2024](#). A [Final Decision and Order](#) was mailed to parties of record on November 21, 2024. Among other Conditions of Approval, Condition 2 required the applicant to amend their access easement that they held with their neighbors to ensure adequate access to the site for all three resulting parcels. The Planning Commission included Condition 2 in an effort to address a perceived public access issue for the three resulting parcels; the applicable private access easement together with a note on the Teresa's Vineyard subdivision plat arguably limited access via this private easement to a maximum of two applicant parcels.

The appellants submitted a timely appeal of the decision on December 5, 2024 to remove the requirement of Condition of Approval 2 of the [Final Decision and Order](#). The grounds for the appeal specifically address the Planning Commission Conditional of Approval 2 including a letter from Kevin V. Harker of Harker/Lepore Attorneys at Law outlining findings in support of the request to remove Condition of Approval 2.

The appeal was originally scheduled to be heard by the City Council at its January 6, 2025 meeting. The hearing on January 6, 2025 was briefly opened by the Council, at which time the applicant/appellant requested a continuance to the April 14<sup>th</sup>, 2025 meeting and the City Council granted the applicant/appellant's request. At the January 6, 2025 hearing the applicant/appellant also agreed to extend the 120-day clock date to June 14, 2025.

At the continued hearing on April 14, 2025, Council conducted the public hearing, including hearing testimony by the applicant/appellant and the public. Council closed the public hearing and evidentiary record. Council deliberated and reached a tentative decision, which is standard procedure in an appeal decision, to approve the appeal and remove Condition of Approval 2 from the Planning Commission approval.

At the meeting on May 12, 2025, Council will deliberate and vote on the tentative decision. No additional evidence or testimony will be accepted as the evidentiary record is closed.

Staff has provided a draft Final Decision and Order based on the tentative decision made on April 14, 2025 and has also provided the draft Final Decision and Order previously developed to support the staff recommendation to deny the appeal and modify the Planning Commission Condition of Approval 2. Council may deliberate regarding each option and may ultimately choose to vote for whichever decision it believes is best supported by substantial evidence in the record.

**Budget Impact:**

None

**Sustainability Impact:**

None

**Council Options:**

1. Deliberate and vote to adopt the Final Decision and Order to approve the appeal and remove Condition of Approval 2 from the Planning Commission approval of MIP-24-02/VAR-24-05.  
*NOTE: This option supports applicant/appellant's argument that all applicable partition and variance criteria are met and supported by substantial evidence in the record, without condition 2. If adopted, the applicant/appellant's application would be approved, without condition 2.*
2. Deliberate and vote to adopt the Final Decision and Order supporting denial of the appeal and modify Condition of Approval 2 from the Planning Commission approval of MIP-24-02/VAR-24-05.  
*NOTE: This option rejects applicant/appellant's argument that all applicable partition and variance criteria are met and supported by substantial evidence in the record, without condition 2. If adopted, the applicant/appellant's application would be approved, with amended condition 2.*

**Recommendation:**

Make a decision to adopt one of the two draft Final Decision and Order documents.

**Potential Motion:**

1. Move to adopt the Final Decision and Order approving the appeal and removing Condition of Approval 2 from the Planning Commission approval of MIP-24-02/VAR-24-05.
2. Move to adopt the Final Decision and Order denying the appeal and modifying Condition of Approval 2, per the staff recommendation, of the Planning Commission approval of MIP-24-02/VAR-24-05.

**Attachments:**

1. AP-24-02 City Council Final Decision and Order Approving the Appeal and Removing Condition of Approval 2.
2. AP-24-02 City Council Final Decision and Order Denying the Appeal and Modifying Condition of Approval 2.
3. [MIP-24-02 Planning Commission Public Hearing Materials November 6, 2024](#)
4. [MIP-24-02/VAR-24-05 Planning Commission Final Decision and Order](#)
5. [MIP-24-02/VAR-24-05 Planning Commission Public Hearing November 6, 2024](#)
6. [AP-24-02 City Council Public Hearing Materials January 6, 2025 and April 14, 2025](#)
7. [AP-24-02 City Council Public Hearing January 6, 2025](#)
8. [AP-24-02 City Council Public Hearing April 14, 2025](#)

**WEST LINN CITY COUNCIL  
FINAL DECISION AND ORDER  
AP-24-02**

**IN THE MATTER OF AN APPEAL OF THE PLANNING COMMISSION APPROVAL OF  
A THREE-PARCEL MINOR PARTITION AND A CLASS II VARIANCE TO ALLOW  
MORE THAN FOUR SINGLE-FAMILY HOMES (FIVE PROPOSED) TO BE SERVED  
FROM AN EXISTING PRIVATE DRIVEWAY AT 2830 COEUR D ALENE DRIVE (MIP-  
24-02/VAR-24-05).**

**I. Overview**

Gary Alfson (Applicant) filed an application on August 1, 2024. The application was deemed incomplete on August 29, 2025. The Applicant submitted revised materials on September 9, 2024, and the application was deemed complete on September 9, 2024. The proposal was for a three-parcel partition and Class II Variance from West Linn Community Development Code Chapter 48.030(D) to allow more than 4 single-family homes to be served by an existing-shared-private driveway. The West Linn Planning Commission approved the application with four conditions of approval on November 6, 2024. The approval criteria for this proposal are Community Development Code (CDC) Chapter 12, Chapter 48, Chapter 75, Chapter 85, Chapter 92, and Chapter 99. The hearing was conducted pursuant to the provisions of CDC Chapter 99.170.

The initial evidentiary hearing commenced with a staff report presented by Aaron Gudelj, Associate Planner. The applicant(s) provided verbal testimony. Written testimony was submitted by Rich Faith and Cynthia Lacro, Rufus Timberlake & Julia Timberlake, Carlos Ugalde and Amy Ugalde, and David Baker. Oral testimony was provided at the hearing by Carlos Ugalde, Rufus Timberlake, Julia Timberlake, David Baker, and Thomas Laun. Applicant rebuttal was provided by the applicant(s). The primary concerns raised during testimony included:

- Traffic Safety
- Sharing of Access easement
- Plat notes
- Views
- Property Values
- Middle housing development on new lots

The hearing was closed, and the Commission deliberated whether the Class II Variance request meets the minimum necessary standards of CDC Chapter 75. A motion was made by Commissioner Evans to approve the application in accordance with the Staff Report, the recommended conditions of approval, and additional findings related to:



1. CDC 48.030(D) – Commission finds the application meets Class II Variance requirements thus granting relief from this provision.
2. CDC 75.020.B.1(c) – Commission finds the physical limitations of providing access to Tract C for Parcel 1 and that the property has been surrounded by subdivision development over time, thus limiting options for access, were not created by the applicant/owner requesting the variance.
3. CDC 85.200.B.8(b) – Commission finds the City, as a public agency, cannot legally prohibit development of middle housing on the newly created parcels and that this criterion is met without the proposed condition of approval in Finding No. 109.

The motion was seconded by Chair Carr. The motion passed unanimously, six in favor (Jones, Metlen, Walvatne, Evans, Schulte-Hillen, Carr) and zero opposed.

The Planning Commission approval of MIP-24-02/VAR-24-05 was appealed on December 5, 2024, by the applicant pursuant to CDC 99.250. As the Appellant (Gary Alfson and Susie Alfson) is both the applicant and property owner of the project site, the Appellant has standing.

The appeal hearing for AP-24-02 was held on January 6, 2025 and began with Mayor Bialostosky recusing himself from the hearing due to formerly working with and personally knowing the Appellant's attorney and personally knowing David Baker who submitted written comment on January 5, 2025. Council-President Baumgardner took over as the presiding officer in charge of the meeting. Shortly after Council-President and City Attorney Kaylie Klein read the legal proceedings the hearing was continued to April 14, 2025 at the Appellant's request. At the time of the request for a continuance the Appellant verbally agreed to extend the 120-day clock to June 14, 2025. The Appellant subsequently submitted the 120-day clock extension in writing on January 7, 2025.

The continued hearing on April 14<sup>th</sup>, 2025, began with Mayor Bialostosky recusing himself from the hearing. Council-President Baumgardner took over as the presiding officer in charge of the meeting. The hearing was opened by Council-President Baumgardner and the legal proceedings were read by the City Attorney, Ashleigh Dougill. After the legal proceedings were complete Associate Planner, Aaron Gudelj presented as the staff planner. Next, Gary Alfson and Susie Alfson presented as the Appellant.

At the completion of the presentations, the public testimony portion of the hearing commenced. Three individuals commented in-person: Carmen Timberlake, David Baker and their legal counsel Kyle Grant. Kyle Grant presented arguments that the applicant did not meet the criteria of a variance, specifically CDC 75.020.B.1(a) and (c). Mr. Grant argued that (1) the variance is not the minimum necessary to make reasonable use of the property because the applicant has access to Tract C, and (2) that the applicant is creating the need for the variance by declining to take access via Tract C. Mr. Grant pointed to the fact that the Applicant knew their land would be surrounded by development in 2007, when they originally applied to the Commission to subdivide their property. The Appellant, Gary Alfson and Susie Alfson, provided

rebuttal testimony stating that the substantial grade change from their property to Tract C, as well as the demolition of an existing detached garage and removal of mature trees that would be required to connect to Tract C, collectively would not allow them to make reasonable use of their property in terms of access via this point. The Appellant also rebutted the subdivisions were built around them, thereby creating the current access constraints and need for the variance. After rebuttal testimony was provided, The City Council moved to questions of staff. After questions of staff the public hearing was closed.

Deliberations then began and Councilor Bryck made a motion to make a tentative decision to approve the appeal (AP-24-02) and modify the Planning Commission approval of MIP-24-02/VAR-24-05 by removing Condition of Approval 2 because the applicant/appellant met the requirements of a Minor Partition and Class II Variance, and direct staff to bring back the findings for adoption on May 12, 2025. The motion was seconded by Councilor Groner. Additional deliberations took place and additional questions of staff were asked. After questions of staff concluded, the motion resulted in three votes in favor (Baumgardner, Bryck, Groner) and one vote opposed (Councilor Bonnington).

## **II. The Record**

The record was finalized with the receipt of written and oral testimony at the continued hearing on April 14, 2025. The record includes the entire file for MIP-24-02/VAR-24-05 and AP-24-02.

## **III. 120-day Period**

The application became complete on September 9, 2024. The 120-day maximum processing period ends on January 7, 2025. As permitted by ORS 227.178(1), the Applicant extended the 120-day period from January 7, 2025 to February 6, 2025 in writing on December 5, 2024. The applicant extended the 120-day period again from February 6, 2025 to June 14, 2025 in writing on January 7, 2025. The City Council's final decision was issued within the extended 120-day period.

## **IV. Scope of Review**

The Appellant and Applicant agreed that the scope of the City Council hearings was de novo.

## **V. Findings of Fact**

- 1) The Overview set forth above is true and correct.
- 2) The Appellant/Applicant is Gary Alfson and Susie Alfson.
- 3) The City Council finds that it has received all information necessary to make a decision based on the agenda reports, appeal application, the Applicant/Appellant's oral and written evidence and testimony, oral and written evidence and testimony by the public, and evidence in the whole record.

**City Council Findings of Fact Approving the Appeal and modifying the Planning Commission decision.**

City Council hereby adopts the following Findings supporting approval of the Application and Appeal based on the Incorporated Findings and the Substantial Evidence in the record.

- A. The City Council incorporates the Staff Report to the City Council prepared in advance of the January 6 and April 14, 2025 appeal hearings, and the Planning Department Power Point presentation presented at the April 14, 2025 appeal hearing.
- B. The City Council incorporates the staff report and staff presentation to the Planning Commission for the November 6, 2024 hearing.
- C. The City Council incorporates the Applicant's submittals dated July 20, 2024 and September 9, 2024; the Applicant's written appeal of December 5, 2024; and the Applicant's oral arguments at the April 14, 2025 hearing, as supplemental findings of approval.
- D. The above referenced documents are referred to in these supplemental findings as "Incorporated Findings".

If there is a conflict between these Supplemental Findings and the Incorporated Findings, these findings shall control.

**Supplemental Findings in response to the Substantive Appeal Issues**

**1. CDC 75.020(B)(1)(a) – Requested variance is minimum necessary to make reasonable use of the property.**

An opponent argued the Applicant/Appellant did not meet its burden of proof to show that the requested variance is the minimum necessary to make reasonable use of the property. The opponent argued the Applicant/Appellant has ready access to the north to Tract C, which they specifically requested in writing and verbally during the 2007 Planning Commission hearing on the Teresa's Vineyard subdivision proposal. The opponent also submitted alleged photographic evidence that it wouldn't be difficult to take access from Tract C. The opponent argued that Teresa's Vineyard Plat Note 9 and an email from City staff confirming the Appellant/Applicant's vested right to access Tract C further supports the standard that the variance is not necessary to funnel all three new parcels through the easement between Teresa's Vineyard Plat Lots 22 and 23.

The Council agrees with the Planning Commission findings that the Applicant's proposal is 1) a reasonable use of the property, 2) the new parcels are similar in size and intensity to the surrounding area, 3) the proposed use of the shared driveway by the new parcels is consistent with existing circulation patterns; 4) the removal of mature trees, the necessary retaining wall construction, and potential demolition of the existing garage make construction of an access from Tract C cost prohibitive for the applicant, 5) the proposed partition increases the economic development opportunities of the subject property, 6) the granting of the variance would not result in the violation of any other code standard, and 7) the variance is the minimum variance necessary to make reasonable use of the property.

Further, the Council finds that while the 2007 Planning Commission approval of the Teresa's Vineyard subdivision proposal does provide access for the Applicant/Appellant from Tract C, the decision does not compel access via a condition of approval, but merely provides an alternate access option. The Council also finds having a right to the access does not prohibit the request for or the approval of a variance for access to the existing shared driveway/easement. The Council finds the Applicant/Appellant testimony regarding the difficulty of constructing a new driveway from Tract C more persuasive than the opponent's photographic evidence. Council finds that the standards of CDC 75.020(B)(1)(a) to be met.

**2. CDC 75.020(B)(1)(c) – Need for variance was not created by the applicant.**

An opponent argued the Applicant/Appellant is creating the need for the variance by declining to take access from Tract C. The Applicant/Appellant knew they would be surrounded by development and foresaw Tract C as appropriate access, which they specifically requested access to during the approval of the Teresa's Vineyard subdivision/preliminary plat in 2007. The opponent argued the City's staff report failed to demonstrate that the need for the Variance was not created by the Applicant.

The Council agrees with the Planning Commission findings that 1) the existing shared driveway has been used by the Applicant and Lots 22 and 23 of Teresa's Vineyard subdivision since the development of Teresa's Vineyard after 2012, 2) historical aerial photos indicate the Applicant home and detached garage were constructed prior to the Teresa's Vineyard subdivision, and 3) the grade change from Tract C to the property was not created by the Applicant/Appellant, but by the developer of the Teresa's Vineyard subdivision. Further, the Council finds that 4) although the Applicant/Appellant has access to Tract C, there are no legal requirements for them to utilize that access and 5) notwithstanding any deliberations regarding this subdivision in 2007, present circumstances beyond the control of the Applicant/Appellant warrant the need of a variance. Council finds the standards of CDC 75.020(B)(1)(c) to be met.

**3. CDC 48.020.(B) – Access from a public street or private platted street.**

CDC 48.020(B) states that "all lots shall have access from a public street or from a platted private street approved under the land division chapter." The 20-foot Access Easement and Joint Maintenance Agreement (Instrument No. 2012-001415, Clackamas County Deed Records) between the Alfson property and Lots 22 and 23 arguably does not permit access

by a fifth lot/parcel. Although the easement contemplates future division of the Applicant's property, Teresa's Vineyard Plat Note 24 may be read to restrict the Applicant property to a maximum of two lots or parcels using the shared drive if the Applicant's original lot is so divided in the future, thus impacting the Applicant's ability to access its resulting parcels via such easement.

The Planning Commission found that the Applicant could not satisfactorily demonstrate that the three newly created parcels have established access to a public street as proposed. To resolve the conflict, the Planning Commission approved the Minor Partition and Class II Variance with Condition of Approval 2 requiring an access/utility easement and joint maintenance agreement that acknowledges the total number of lots using the private access and signed by all owners of land with access.

Council finds the Applicant/Appellant has access from a public street (Couer D'Lane Drive) for the three new parcels per the recorded 20-foot Access Easement and Joint Maintenance Agreement (Instrument No. 2012-001415, Clackamas County Deed Records) and the granting of the Class II Variance to CDC 48.030(D), which satisfies this criterion. The easement includes language that contemplates the future division of the Alfson property but does not restrict the future number of lots or homes that could utilize the shared access easement, thus making the Planning Commission Condition of Approval 2 unnecessary. Further, the Commission declines to determine the impact of the plat restriction on such private right, and instead determines this to be a private, civil matter for the Applicant to resolve with impacted neighbors. Accordingly, Council finds the standards of CDC 48.020(B) to be met.

**4. CDC 48.020.(E) – Shared access with satisfactory legal evidence.**

48.020.E states that "Owners of two or more...units of land may agree to utilize jointly the same access and egress when the combined access and egress...satisfies the requirements as designated in this code; provided, that satisfactory legal evidence is presented to the City Attorney in the form of deeds, easements, leases, or contracts to establish joint use." The 20-foot Access Easement and Joint Maintenance Agreement (Instrument No. 2012-001415, Clackamas County Deed Records) between the Alfson property and Lots 22 and 23, read in connection with Teresa's Vineyard plat note 24, arguably does not permit use of such easement by a third Applicant lot/parcel. Accordingly, these two legal documents taken together arguably do not present satisfactory legal evidence of the establishment of joint use.

The Planning Commission found the Applicant could not satisfactorily demonstrate, with legal evidence, that the three newly created parcels would have a right to the shared access as proposed. To resolve the conflict, the Planning Commission approved the Minor Partition and Class II Variance with Condition of Approval 2 requiring an access/utility easement and joint maintenance agreement that acknowledges the total number of lots using the private access and signed by all owners of land with access.

Council finds the Applicant/Appellant has provided satisfactory legal evidence of joint access for all resulting lots via a “deed, easement, lease, or contract to establish joint use” in the form of the recorded 20-foot Access Easement and Joint Maintenance Agreement (Instrument No. 2012-001415, Clackamas County Deed Records) and the granting of the Class II Variance to CDC 48.030(D) to satisfy this criterion. The easement includes language that contemplates the future division of the Alfson property and does not restrict the future number of lots or homes that could utilize the shared access easement, thus making the Planning Commission Condition of Approval 2 unnecessary. Council also finds Teresa’s Vineyard Plat Note 24 was not required or conditioned by the 2007 Planning Commission decision approving the Teresa’s Vineyard subdivision, nor agreed to by the Alfsons. Therefore, its interpretation and applicability in this context is a private matter between the Applicants and the other parties to the easement to rectify. Council finds the standards of CDC 48.020(E) to be met.

**5. CDC 48.025.(B)(3)(b) – Access via driveway connected to another property with direct access to a public street with a recorded easement.**

CDC 48.025.B.3(b) states that an applicant may request access via a private street “connected to an adjacent property that has direct access to a public street (i.e., “shared driveway”). The 20-foot Access Easement and Joint Maintenance Agreement (Instrument No. 2012-001415, Clackamas County Deed Records) between the Alfson property and Lots 22 and 23, read in connection with Teresa’s Vineyard plat note 24, arguably does not permit use of such easement by a third Applicant lot/parcel. Accordingly, these two legal documents taken together arguably do not present direct access for all three resulting Applicant parcels to a public street.

The Planning Commission found the Applicant could not satisfactorily demonstrate that the three newly created parcels would have access to a public street from the existing easement. To resolve the conflict, the Planning Commission approved the Minor Partition and Class II Variance with Condition of Approval 2 requiring an access/utility easement and joint maintenance agreement that acknowledges the total number of lots using the private access and signed by all owners of land with access.

Council finds the Applicant/Appellant has provided evidence of direct access to a public street via a shared driveway and a right to utilize the shared access for the three new parcels, per the recorded 20-foot Access Easement and Joint Maintenance Agreement (Instrument No. 2012-001415, Clackamas County Deed Records) and the granting of the Class II Variance to CDC 48.030(D), satisfactory to satisfy this criterion. The easement includes language that contemplates the future division of the Applicant property and does not restrict the future number of lots or homes that could utilize the shared access easement, thus making the Planning Commission Condition of Approval 2 unnecessary. Council also finds Teresa’s Vineyard Plat Note 24 was not required or conditioned by the 2007 Planning Commission decision approving the Teresa’s Vineyard subdivision, nor agreed to by the Alfsons. Therefore, its interpretation and applicability in this context is a

private matter between the Applicant and the other parties to the private easement to rectify. Council finds the standards of CDC 48.025.B.3(b) to be met.

## **VI. Conclusion**

For the reasons contained herein, the City Council hereby approves the appeal, modifying the Planning Commission Decision and approves the Application with the following conditions of approval.

**1. Site Plans.** With the exception of modifications required by these conditions, the final plat shall substantially conform to the Tentative Plan.

**2. Engineering Standards.** All public improvements and facilities associated with the approved site design, including but not limited to street improvements, driveway approaches, curb cuts, utilities, grading, onsite and offsite stormwater, street lighting, easements, easement locations, and connections for future extension of utilities are subject to conformance with the City Municipal Code and Community Development Code. The City may partner with the applicant to fund additional improvements as part of the project.

**3. Reciprocal Access and Utility Easement.** Prior to final plat approval, the applicant shall record and show on the face of the plat a 20-foot-wide reciprocal access and utility easement and mutual maintenance agreement on Proposed Parcel 2 for the benefit of proposed Parcels 1 and 3. The easement will create legal access for ingress/egress and utility placement. The easement recording number shall be provided on the face of the final plat.

## **VII. Order**

The Council concludes that AP-24-02 is approved. The Council modifies the Planning Commission decision of MIP 24-02/VAR-24-05 and removes Condition of Approval 2, based on the entire Record, Findings of Fact, and Findings above.

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MARY BAUMGARDNER, COUNCIL-PRESIDENT  
WEST LINN CITY COUNCIL

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DATE

This decision may be appealed to the Land Use Board of Appeals in accordance with the applicable rules and statutes.

Mailed this \_\_\_\_\_ day of May, 2025.

Therefore, this decision becomes effective at 5 p.m., May \_\_\_\_\_, 2025.

**WEST LINN CITY COUNCIL  
FINAL DECISION AND ORDER  
AP-24-02**

**IN THE MATTER OF AN APPEAL OF THE PLANNING COMMISSION APPROVAL OF  
A THREE-PARCEL MINOR PARTITION AND A CLASS II VARIANCE TO ALLOW  
MORE THAN FOUR SINGLE-FAMILY HOMES (FIVE PROPOSED) TO BE SERVED  
FROM AN EXISTING PRIVATE DRIVEWAY AT 2830 COEUR D ALENE DRIVE (MIP-  
24-02/VAR-24-05).**

**I. Overview**

Gary Alfson (Applicant) filed an application on August 1, 2024. The application was deemed incomplete on August 29, 2025. The Applicant submitted revised materials on September 9, 2024, and the application was deemed complete on September 9, 2024. The proposal was for a three-parcel partition and Class II Variance from West Linn Community Development Code Chapter 48.030(D) to allow more than 4 single-family homes to be served by an existing-shared-private driveway. The West Linn Planning Commission approved the application with four conditions of approval on November 6, 2024. The approval criteria for this proposal are Community Development Code (CDC) Chapter 12, Chapter 48, Chapter 75, Chapter 85, Chapter 92, and Chapter 99. The hearing was conducted pursuant to the provisions of CDC Chapter 99.170.

The initial evidentiary hearing commenced with a staff report presented by Aaron Gudelj, Associate Planner. The applicant(s) provided verbal testimony. Written testimony was submitted by Rich Faith and Cynthia Lacro, Rufus Timberlake & Julia Timberlake, Carlos Ugalde and Amy Ugalde, and David Baker. Oral testimony was provided at the hearing by Carlos Ugalde, Rufus Timberlake, Julia Timberlake, David Baker, and Thomas Laun. Applicant rebuttal was provided by the applicant(s). The primary concerns raised during testimony included:

- Traffic Safety
- Sharing of Access easement
- Plat notes
- Views
- Property Values
- Middle housing development on new lots

The hearing was closed, and the Commission deliberated whether the Class II Variance request meets the minimum necessary standards of CDC Chapter 75. A motion was made by Commissioner Evans to approve the application in accordance with the Staff Report, the recommended conditions of approval, and additional findings related to:



1. CDC 48.030(D) – Commission finds the application meets Class II Variance requirements thus granting relief from this provision.
2. CDC 75.020.B.1(c) – Commission finds the physical limitations of providing access to Tract C for Parcel 1 and that the property has been surrounded by subdivision development over time, thus limiting options for access, were not created by the applicant/owner requesting the variance.
3. CDC 85.200.B.8(b) – Commission finds the City, as a public agency, cannot legally prohibit development of middle housing on the newly created parcels and that this criterion is met without the proposed condition of approval in Finding No. 109.

The motion was seconded by Chair Carr. The motion passed unanimously, six in favor (Jones, Metlen, Walvatne, Evans, Schulte-Hillen, Carr) and zero opposed.

The Planning Commission approval of MIP-24-02/VAR-24-05 was appealed on December 5, 2024, by the applicant pursuant to CDC 99.250. As the Appellant (Gary Alfson and Susie Alfson) is both the applicant and property owner of the project site, the Appellant has standing.

The appeal hearing for AP-24-02 was held on January 6, 2025 and began with Mayor Bialostosky recusing himself from the hearing due to formerly working with and personally knowing the Appellant's attorney and personally knowing David Baker who submitted written comment on January 5, 2025. Council-President Baumgardner took over as the presiding officer in charge of the meeting. Shortly after Council-President and City Attorney Kaylie Klein read the legal proceedings the hearing was continued to April 14, 2025 at the Appellant's request. At the time of the request for a continuance the Appellant verbally agreed to extend the 120-day clock to June 14, 2025. The Appellant subsequently submitted the 120-day clock extension in writing on January 7, 2025.

The continued hearing on April 14<sup>th</sup>, 2025, began with Mayor Bialostosky recusing himself from the hearing. Council-President Baumgardner took over as the presiding officer in charge of the meeting. The hearing was opened by Council-President Baumgardner and the legal proceedings were read by the City Attorney, Ashleigh Dougill. After the legal proceedings were complete Associate Planner, Aaron Gudelj presented as the staff planner. Next, Gary Alfson and Susie Alfson presented as the Appellant.

At the completion of the presentations, the public testimony portion of the hearing commenced. Three individuals commented in-person: Carmen Timberlake, David Baker and their legal counsel Kyle Grant. Kyle Grant presented arguments that the applicant did not meet the criteria of a variance, specifically CDC 75.020.B.1(a) and (c). Mr. Grant argued that (1) the variance is not the minimum necessary to make reasonable use of the property because the applicant has access to Tract C, and (2) that the applicant is creating the need for the variance by declining to take access via Tract C. Mr. Grant pointed to the fact that the Applicant knew their land would be surrounded by development in 2007, when they originally applied to the Commission to subdivide their property. The Appellant, Gary Alfson and Susie Alfson, provided

rebuttal testimony stating that the substantial grade change from their property to Tract C and the demolition of an existing detached garage and removal of mature trees that would be required to connect to Tract C, collectively would not allow them to make reasonable use of their property in terms of access via this point. The Appellant also rebutted the subdivisions were built around them, thereby creating the current access constraints and need for the variance. After rebuttal testimony was provided, The City Council moved to questions of staff. After questions of staff the public hearing was closed.

Deliberations then began and Councilor Bryck made a motion to make a tentative decision to approve the appeal (AP-24-02) and modify the Planning Commission approval of MIP-24-02/VAR-24-05 by removing Condition of Approval 2 because the applicant/appellant met the requirements of a Minor Partition and Class II Variance, and direct staff to bring back the findings for adoption on May 12, 2025. The motion was seconded by Councilor Groner. Additional deliberations took place and additional questions of staff were asked. After questions of staff concluded, the motion resulted in three votes in favor (Baumgardner, Bryck, Groner) and one vote opposed (Councilor Bonnington).

Staff returned on May 12, 2025 with the Final Decision and Order to implement the Council's tentative approval of the appeal and removal of Condition of Approval 2. Based on legal advice from the City Attorney's office, staff also provided an alternate Final Decision and Order for Council consideration. The alternate Final Decision and Order is for a denial of the appeal and retention of the Planning Commission Condition of Approval 2, but modified as recommended in the April 14, 2025 appeal hearing staff report.

## **II. The Record**

The record was finalized with the receipt of written and oral testimony at the continued hearing on April 14, 2025. The record includes the entire file for MIP-24-02/VAR-24-05 and AP-24-02.

## **III. 120-day Period**

The application became complete on September 9, 2024. The 120-day maximum processing period ends on January 7, 2025. As permitted by ORS 227.178(1), the Applicant extended the 120-day period from January 7, 2025 to February 6, 2025 in writing on December 5, 2024. The applicant extended the 120-day period again from February 6, 2025 to June 14, 2025 in writing on January 7, 2025. The City Council's final decision was issued within the extended 120-day period.

## **IV. Scope of Review**

The Appellant and Applicant agreed that the scope of the City Council hearings was de novo.

## **V. Findings of Fact**

- 1) The Overview set forth above is true and correct.
- 2) The Appellant/Applicant is Gary Alfson and Susie Alfson.
- 3) The City Council finds that it has received all information necessary to make a decision based on the agenda reports, appeal application, the Applicant/Appellant's oral and written evidence and testimony, oral and written evidence and testimony by the public, and evidence in the whole record.

**City Council Findings of Fact Approving the Appeal and modifying the Planning Commission decision.**

City Council hereby adopts the following Findings supporting approval of the Application and Appeal based on the Incorporated Findings and the Substantial Evidence in the record.

- A. The City Council incorporates the Staff Report to the City Council prepared in advance of the January 6 and April 14, 2025 appeal hearings, and the Planning Department Power Point presentation presented at the April 14, 2025 appeal hearing.
- B. The City Council incorporates the staff report and staff presentation to the Planning Commission for the November 6, 2024 hearing.
- C. The City Council incorporates the Applicant's submittals dated July 20, 2024 and September 9, 2024; the Applicant's written appeal of December 5, 2024; and the Applicant's oral arguments at the April 14, 2025 hearing, as supplemental findings of approval.
- D. The above referenced documents are referred to in these supplemental findings as "Incorporated Findings".

If there is a conflict between these Supplemental Findings and the Incorporated Findings, these findings shall control.

**Supplemental Findings in response to the Substantive Appeal Issues**

1. **CDC 75.020(B)(1)(a) – Requested variance is minimum necessary to make reasonable use of the property.**

An opponent argued the Applicant/Appellant did not meet its burden of proof to show that the requested variance is the minimum necessary to make reasonable use of the property. The opponent argued the Applicant/Appellant has ready access to the north to Tract C, which they specifically requested in writing and verbally during the 2007 Planning Commission hearing on the Teresa's Vineyard subdivision proposal. The opponent also submitted alleged photographic evidence that it wouldn't be difficult to take access from Tract C. The opponent also argued that Teresa's Vineyard Plat Note 9 and an email from City

staff confirming the Appellant/Applicant's vested right to access Tract C further supports the standard that the variance is not necessary to funnel all three new parcels through the easement between Teresa's Vineyard Plat Lots 22 and 23.

The Council agrees with the Planning Commission findings that the Applicant's proposal is 1) a reasonable use of the property, 2) the new parcels are similar in size and intensity to the surrounding area, 3) the proposed use of the shared driveway by the new parcels is consistent with existing circulation patterns; 4) the removal mature trees, the necessary retaining wall construction, and potential demolition of the existing garage make construction of an access from Tract C cost prohibitive for the applicant, 5) the proposed partition increases the economic development opportunities of the subject property, 6) the granting of the variance would not result in the violation of any other code standard, and 7) the variance is the minimum variance necessary to make reasonable use of the property.

Further, the Council finds that while the 2007 Planning Commission approval of the Teresa's Vineyard subdivision proposal does provide access for the Applicant/Appellant from Tract C, the decision does not compel access via a condition of approval, but merely provides an alternate access option. The Council also finds having a right to the access does not prohibit the request for or the approval of a variance for access to the existing shared driveway/easement. The Council finds the Applicant/Appellant testimony regarding the difficulty of constructing a new driveway from Tract C more persuasive than the opponent's photographic evidence. Council finds that the standards of CDC 75.020(B)(1)(a) to be met.

**2. CDC 75.020(B)(1)(c) – Need for variance was not created by the applicant.**

An opponent argued the Applicant/Appellant is creating the need for the variance by declining to take access from Tract C. The Applicant/Appellant knew they would be surrounded by development and foresaw Tract C as appropriate access, which they specifically requested access to during the approval of the Teresa's Vineyard subdivision/preliminary plat in 2007. The opponent argued the City's staff report failed to demonstrate that the Variance request was not created by the Applicant.

The Council agrees with the Planning Commission findings that 1) the existing shared driveway has been used by the Applicant and Lots 22 and 23 of Teresa's Vineyard subdivision since the development of Teresa's Vineyard after 2012, 2) historical aerial photos indicate the Applicant home and detached garage were constructed prior to the Teresa's Vineyard subdivision, 3) the grade change from Tract C to the property was not created by the Applicant/Appellant, but by the developer of the Teresa's Vineyard subdivision. Further, the Council finds that 4) although the Applicant/Appellant has access to Tract C, there are no legal requirements for them to utilize that access and 5) notwithstanding any deliberations regarding this subdivision in 2007, present circumstances beyond the control of the Applicant/Appellant warrant the need of a variance. Council finds the need for the variance was not created by the Appellant/Applicant and the standards of CDC 75.020(B)(1)(c) to be met.

3. **CDC 48.020(B) – Access from a public street or private platted street.**

CDC 48.020(B) states that “all lots shall have access from a public street or from a platted private street approved under the land division chapter.” The 20-foot Access Easement and Joint Maintenance Agreement (Instrument No. 2012-001415, Clackamas County Deed Records) between the Alfson property and Lots 22 and 23 arguably does not permit access by a fifth lot/parcel. Although the easement contemplates future division of the Applicant’s property, Teresa’s Vineyard Plat Note 24 may be read to restrict the Applicant property to a maximum of two Applicant lots or parcels using the shared drive if Applicant’s original lot is so divided in the future, thus impacting the Applicant’s ability to access its resulting parcels via such easement.

The Planning Commission found that the Applicant could not satisfactorily demonstrate that the three newly created parcels have established access to a public street as proposed. To resolve the conflict, the Planning Commission approved the Minor Partition and Class II Variance with Condition of Approval 2 requiring an access/utility easement and joint maintenance agreement that acknowledges the total number of lots using the private access and signed by all owners of land with access.

Council agrees with the Planning Commission that the two documents (Instrument No. 2012-001415, Clackamas County Deed Records and Teresa’s Vineyard Plat Note 24) may restrict the Applicant’s ability to access three resulting parcels via this easement and require inclusion of a condition of approval to ensure that this access matter is appropriately privately resolved. However, Council finds it necessary to amend the condition to allow alternate solutions to satisfactorily demonstrate access to the City, including through judicial order, by clarifying the easement language, or other legal means that the Applicant may consider. Therefore, Council amends Condition of Approval 2 as found in Section VI and concludes the standards of CDC 48.020(B) to be met upon satisfactory compliance with Condition of Approval 2.

4. **CDC 48.020(E) – Shared access with satisfactory legal evidence.**

48.020.E states that “Owners of two or more...units of land may agree to utilize jointly the same access and egress when the combined access and egress...satisfies the requirements as designated in this code; provided, that satisfactory legal evidence is presented to the City Attorney in the form of deeds, easements, leases, or contracts to establish joint use.” The 20-foot Access Easement and Joint Maintenance Agreement (Instrument No. 2012-001415, Clackamas County Deed Records) between the Alfson property and Lots 22 and 23, read in connection with Teresa’s Vineyard plat note 24, arguably does not permit use of such easement by a third Applicant lot/parcel. Accordingly, these two legal documents taken together arguably do not present satisfactory legal evidence of the establishment of joint use.

The Planning Commission found the Applicant could not satisfactorily demonstrate, with legal evidence, that the three newly created parcels would have a right to the shared access as proposed. To resolve the conflict, the Planning Commission approved the Minor Partition

and Class II Variance with Condition of Approval 2 requiring an access/utility easement and joint maintenance agreement that acknowledges the total number of lots using the private access and signed by all owners of land with access.

Council agrees with the Planning Commission that the two documents (Instrument No. 2012-001415, Clackamas County Deed Records and Teresa's Vineyard Plat Note 24) as currently presented do not provide satisfactory legal evidence of established joint use, and require inclusion of a condition of approval to address the criterion. However, Council finds it necessary to amend the condition to allow alternate solutions to satisfactorily demonstrate access to the City, including through judicial order, by clarifying the easement language, or other legal means that the Applicant may consider. Therefore, Council amends Condition of Approval 2 as found in Section VI and concludes the standards of CDC 48.020(E) to be met upon satisfactory compliance with Condition of Approval 2.

5. **CDC 48.025(B)(3)(b) – Access via driveway connected to another property with direct access to a public street with a recorded easement.**

48.025.B.3(b) states that an applicant may request access via a private street "connected to an adjacent property that has direct access to a public street (i.e., "shared driveway"). The 20-foot Access Easement and Joint Maintenance Agreement (Instrument No. 2012-001415, Clackamas County Deed Records) between the Alfson property and Lots 22 and 23, read in connection with Teresa's Vineyard plat note 24, arguably does not permit use of such easement by a third Applicant lot/parcel. Accordingly, these two legal documents taken together arguably do not present direct access for all three resulting Applicant parcels to a public street.

The Planning Commission found the Applicant could not satisfactorily demonstrate that the three newly created parcels would have access to a public street from the existing easement. To resolve the conflict, the Planning Commission approved the Minor Partition and Class II Variance with Condition of Approval 2 requiring an access/utility easement and joint maintenance agreement that acknowledges the total number of lots using the private access and signed by all owners of land with access.

Council agrees with the Planning Commission that the two documents (Instrument No. 2012-001415, Clackamas County Deed Records and Teresa's Vineyard Plat Note 24) as currently presented do not provide satisfactory evidence of direct access to a public street for all three resulting legal parcels and therefore requires inclusion of a condition of approval to address the criterion. However, Council finds it necessary to amend the condition to allow alternate solutions to satisfactorily demonstrate access to the City, including through judicial order, by clarifying the easement language, or other legal means that the Applicant may consider. Therefore, Council amends Condition of Approval 2 as found in Section VI and concludes the standards of CDC 48.025(B)(3)(b) to be met upon satisfactory compliance with Condition of Approval 2.

## VI. Conclusion

For the reasons contained herein, the City Council hereby denies the appeal with modifications to the Planning Commission Decision and approves the Application with the following conditions of approval.

1. **Site Plans.** With the exception of modifications required by these conditions, the final plat shall substantially conform to the Tentative Plan.
2. **Legal Access.** Prior to recordation of the plat with Clackamas County, the applicant shall provide the City with one or more recorded documents or court orders demonstrating that all three resulting legal parcels have (a) rights of access to a public right of way for ingress, egress, and utility purposes and (b) a joint agreement regarding maintenance of such access and utility location(s).
3. **Engineering Standards.** All public improvements and facilities associated with the approved site design, including but not limited to street improvements, driveway approaches, curb cuts, utilities, grading, onsite and offsite stormwater, street lighting, easements, easement locations, and connections for future extension of utilities are subject to conformance with the City Municipal Code and Community Development Code. The City may partner with the applicant to fund additional improvements as part of the project.
4. **Reciprocal Access and Utility Easement.** Prior to final plat approval, the applicant shall record and show on the face of the plat a 20-foot-wide reciprocal access and utility easement and mutual maintenance agreement on Proposed Parcel 2 for the benefit of proposed Parcels 1 and 3. The easement will create legal access for ingress/egress and utility placement. The easement recording number shall be provided on the face of the final plat.

## VII. Order

The Council concludes that AP-24-02 is denied. The Council modifies the Planning Commission decision of MIP 24-02/VAR-24-05 with updated language for Condition of Approval 2, based on the entire Record, Findings of Fact, and Findings above.

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MARY BAUMGARDNER, COUNCIL-PRESIDENT  
WEST LINN CITY COUNCIL

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DATE

This decision may be appealed to the Land Use Board of Appeals in accordance with the applicable rules and statutes.

Mailed this \_\_\_\_\_ day of May, 2025.

Therefore, this decision becomes effective at 5 p.m., May \_\_\_\_\_, 2025.