RESOLUTION NO. 3212

A RESOLUTION OF THE CITY OF WILSONVILLE SUPPORTING AN APPLICATION WITH THE OREGON DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT (DLCD) FOR A 2025-2027 HOUSING PLANNING ASSISTANCE GRANT FOR THE HOUSING STATUTORY COMPLIANCE PROJECT.

WHEREAS, the City of Wilsonville is dedicated to partnerships to support development of housing to meet the variety of housing needs in the community and removing barriers to the development of housing that can meet a variety of needs; and

WHEREAS, in June 2025 the City adopted the Housing Production Strategy (HPS), which includes seven actions the city will pursue over the next six years to help address Wilsonville's unmet housing needs; and

WHEREAS, HPS Action C, Evaluate Use of Administrative Review Processes for Residential Development, directs the City to update its land use review process for residential development to process most land use applications administratively; and

WHEREAS, in 2025 the Oregon Legislature passed Senate Bill 974 requiring certain residential development applications, including Wilsonville's most common residential land use applications, to be reviewed through an administrative land use process; and

WHEREAS, in 2025 the Oregon Legislature passed House Bill 2138 requiring cities to update land use regulations related to middle housing definitions, single-room occupancies, middle housing land divisions, and clear and objective tree removal standards; and

WHEREAS, the City will consider these required Development Code amendments as part of a single project called the "Housing Statutory Compliance Project"; and

WHEREAS, the adopted State budget for the 2025-2027 biennium includes funds for grants to local governments to complete housing-related work, including updates to land use regulations required by Senate Bill 974 and House Bill 2138; and

WHEREAS, the City desires to take advantage of the budgeted grant funds to support the Housing Statutory Compliance Project by requesting \$120,000 in grant funds; and

WHEREAS, the City will make City staff available and fund a portion of City staff time for the planned work during the 2025-2027 biennium; and

WHEREAS, a requirement of the grant request is to have a resolution of support of the grant application from the City Council, and this resolution serves that purpose.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

- Support for the 2025-2027 Planning Assistance Grant Application to the Oregon
 Department of Land Conservation and Development for the Housing Statutory
 Compliance Project.
- 2. Commitment of adequate City staff and resources to support entering into a grant agreement and completion of the funded project.
- 3. This resolution becomes effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 4th day of September, 2025, and filed with the Wilsonville City Recorder this date.

Signed by:
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Shawn O'Neil, Mayor

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Kimberly Veliz	
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Kimberly Veliz, MMC, City Recorder

SUMMARY OF VOTES:

Mayor O'Neil Yes

Council President Berry Yes

Councilor Cunningham Yes

Councilor Dunwell Yes

Councilor Shevlin Yes

EXHIBIT:

A. DLCD 2025-2027 Housing Planning Assistance Application – Submitted August 1, 2025

Exhibit A



Department of Land Conservation and Development 2025-2027 HOUSING PLANNING ASSISTANCE APPLICATION

Please complete each section in the form below. Fill out the requested information in the spaces provided. For applicants requesting multiple services, submit a separate form for each. Submit completed applications by midnight on August 4, 2025.

Date of Application: August 1, 2025

Applicant (Jurisdictional Entity): City of Wilsonville

If applying on behalf of a jurisdiction or pursuing a joint project, please also include the recipient jurisdiction name(s)

Contact Name and Title: Kim Rybold, Senior Planner

 $\textbf{Contact e-mail address:} \ rybold@wilsonvilleoregon.gov$

Contact phone number: 503-570-1583

Requested Service:

	Direct Grant (& budget estimate)	DLCD-Provided Consultant
Housing Planning Assistance Projects		·
Development Code Amendment	\$120,000	
Housing Capacity Analysis (HCA) ¹	□ \$	
Housing Production Strategy (HPS)	□ \$	
Housing Implementation Plan (Housing planning	□ \$	
activities other than an HCA or HPS)	·	
Urbanization Planning Assistance Projects		
Urban Growth Boundary Land Exchange	□ \$	
Urban Growth Boundary Amendment ²	□ \$	
One-Time Urban Growth Boundary Amendment ³	□ \$	
Urban Reserves	□ \$	
Public Facilities Area Plan	□ \$	

^{1.} Housing Capacity Analyses initiated under this Housing Planning Assistance Program are expected to be conducted under the Oregon Administrative Rules implementing the Oregon Housing Needs Analysis that the Land Conservation and Development will adopt in December 2025.

^{2.} A UGB amendment requires a land deficiency identified in a Housing Capacity Analysis.

^{3.} As provided in <u>SB 1537 (2024) Section 48-60.</u>

Project Title: Wilsonville Housing Statutory Compliance Project

Project Summary: (Summarize the project and products in 50 words or fewer)

Part 1 will implement Action C of the City's Housing Production Strategy (Evaluate Use of Administrative Review Processes for Residential Development), including statutory changes regarding the residential application process required by SB 974 (2025). Part 2 will adopt middle housing and related Development Code edits required by HB 2138 (2025).

Project Description & Work Program

Please carefully review the attached Sample Work Program applicable to your jurisdiction's proposed project. The work programs included represent typical tasks and work products associated with common project types. If you expect the project to be substantially similar (i.e. there may be minor variations, but major project deliverables align with applicant expectations) to the project included in the Sample Work Program, the applicant does not need to submit a work plan.

However, if the applicant anticipates a proposal for a project that is substantially different from the projects included in the Sample Work Program, please include an attachment detailing the proposed project, addressing each of the following in an attachment. *Applicants applying for distinct or unique projects are expected to submit detailed applications that specify the work tasks, products, and timelines unique to their project. Priority will be given to applications that provide well-defined tasks, products, and timelines.*

Is the jurisdiction planning to utiliz	ze the applicable Sample Work Progra	m as the project statement
of work? Yes ■ No □		

If "yes", please skip to the "Tasks, Timelines, and Budget" section below. If "no", please attach a detailed work program including the following.

- **A. Goals and Objectives.** The purpose of housing planning assistance projects is outlined in the attached Sample Work Program for reference. Please state the goals or overall purpose of the project. Describe particular objective(s) the community hopes to accomplish. Please indicate whether this is a stand-alone project or is part of a longer multi-year program. If it is the latter, describe any previous work completed, subsequent phases and expected results, and how work beyond this project will be funded.
- **B. Products and Outcomes.** Please describe the product(s) and outcome(s) expected from the proposed project in detail, including a brief description of any anticipated significant effect the project would have on development, livability, regulatory streamlining, and compliance with state/federal requirements, equitable socioeconomic benefits, or other relevant factors.

C. Work Program, Timeline & Payment. Please include a comprehensive work program describing the specific tasks, timelines, expected budget, and deliverables. Public engagement is a necessary component of any planning process but may be tailored to fit the project context. Some projects, such as code amendment or technical projects, may not require extensive engagement in comparison to major projects with substantial local policy impacts. If other changes are necessary, please consult with your Regional Representative.

Tasks, Timelines, and Budget

List and describe the major tasks, including:

- The title of the task;
- Anticipated timeline for each task, including the tentative start date after the grant agreement
 or consultant contract is executed, task completion dates, and project completion date. Note
 that all tasks must be completed before the end of the biennium. We request that project
 timelines conclude no later than June 15, 2027;
- For direct grant projects, anticipated budget for all tasks; and
- Expected local contribution, including budget, staff time, and resources.

Took	Task Title Timeline (Month, Year)		Estimated Budget*		Local	
I dSK					Contribution	
1	Project Management	11/2025 to 12/2026	\$	12,000	\$	6,000
2	Development Code Assessment (Part 1) - Review and Outreach	11/2025 to 2/2026	\$	25,000	\$	12,500
3	Draft and Final Code Amendments (Part 1)	1/2026 to 5/2026	\$	35,000	\$	17,500
4	Adoption (Part 1)	4/2026 to 6/2026	\$	4,000	\$	4,000
5	Development Code Assessment (Part 2)	4/2026 to 7/2026	\$	20,000	\$	10,000
6	Draft and Final Code Amendments (Part 2)	7/2026 to 11/2026	\$	20,000	\$	10,000
7	Adoption (Part 2)	10/2026 to 12/2026	\$	4,000	\$	2,000
8		to	\$		\$	
TOTAL		to	\$	120,000	\$	60,000

^{*} Budget estimates are only required for Direct Grant requests. Applicants requesting DLCD-provided consultants can leave this field blank.

If the project is part of a multi-year program, provide an overview of the expected timelines in sequence of expected start dates and completion date for each phase and describe subsequent phases to be completed. You may attach your response in a separate document if needed.

The City will complete the project in two parts consistent with statutory deadlines. Work on Part 1 will begin prior to execution of the grant agreement (see Supplemental Material Attachment for full task outline). As needed, additional Development Code edits resulting from forthcoming rulemaking related to HB 2138 will be undertaken in late 2027-2028, consistent with statutory deadlines.

Project Criteria and Additional Information

1. Evaluation Criteria. Include a statement that addresses the program priorities and evaluation criteria presented in the application instructions ("Eligible Projects and Evaluation Criteria").

The requested grant will fulfill a housing-related statutory obligation by assisting Wilsonville to update its Development Code to comply with the requirements of SB 974 and HB 2138, adopted by the 2025 Legislature. The work will include implementation of Action C of the City's statutorily required Housing Production Strategy (HPS), which directs the City to evaluate the use of an administrative review process for residential development applications. Please see the Supplemental Material Attachment for details on how the proposal meets the evaluation criteria.

2. Project Partners. List any other public or private entities that will participate in the project, including federal and state agencies, council of governments, city and county governments, and special districts. Briefly describe the role of each (e.g., will perform work under the grant; will advise; will contribute information or services, etc.). If the project includes multiple jurisdictions, briefly describe the capacity and support of those jurisdictions to support and participate in the project.

The City will provide notification to agencies on the City's Development Review team, such as West Linn-Wilsonville Schools, SMART Transit, Republic Services, and Tualatin Valley Fire and Rescue, providing opportunity to ask questions and comment throughout the Code amendment process.

3.	Advisory Committees. List any advisory committee or other committees that will participate in the project.
	The City has a Planning Commission whose primary role is to act as a land use policy advisory committee. Planning Commission will make recommendations on the proposed Development Code amendments to City Council.
4.	Cost-Sharing and Local Contribution. DLCD funds may comprise a portion of overall project costs if so, please identify sources and amounts of other funds, staff time, or services that will contribute to the project's success. Cost-sharing (match) is not required, but recommended.
	Given regulatory deadlines for Part 1, the City will fund staff time and consultant work prior to signing a grant agreement with DLCD. The City will continue to fund a majority of staff time throughout the remainder of the project.
Wi	Il a consultant be retained to assist in completing grant products? Yes ■ No □ Il you be utilizing this funding to dedicate your own staff resources in completing ant products? Yes ■ No □

Local Official Support

The application *must include a resolution or letter from the governing body* of the city or county demonstrating support for the project. If the applicant is a regional entity proposing a joint project including multiple local governments, a letter from the local government governing body or administrator with authorization to execute intergovernmental agreements supporting the application may be included in lieu of a resolution. The letter of support may be received by DLCD after the application submittal deadline, but it must be received before planning assistance is awarded.

Submit your application electronically with all required information to:

E-mail: housing.dlcd@dlcd.oregon.gov

Please note that <u>we will not be accepting applications</u> by mail. If your jurisdiction requires special accommodations, please reach out to a Grant Program Contact as soon as possible.

If you have questions about the Housing Planning program or projects funded by this round of planning assistance, please contact:

DLCD Housing Team: housing.dlcd@dlcd.oregon.gov

DLCD HAPO Team: dlcd.oregon.gov

For all correspondence, please include the appropriate Regional Representative.

Mid-Willamette Valley	Melissa Ahrens	melissa.ahrens@dlcd.oregon.gov
Central Oregon	Angie Brewer	angie.brewer@dlcd.oregon.gov
North Coast & Lower Columbia	Brett Estes	brett.estes@dlcd.oregon.gov
Eastern Oregon	Dawn Hert dawn.hert@dlcd.oregon.go	
Portland Metro (West)	Laura Kelly <u>laura.kelly@dlcd.oregon.gov</u>	
Southern Oregon	Josh LeBombard josh.lebombard@dlcd.oreg	
Portland Metro (East)	Kelly Reid <u>kelly.reid@dlcd.oregon.go</u>	
South Coast	Hui Rodomsky hui.rodomsky@dlcd.oregon	
South Willamette Valley	Patrick Wingard <u>patrick.wingard@dlcd.oregor</u>	

Important Housing Planning Assistance Dates

Date	Housing Planning Assistance Milestone		
June 2, 2025 1:30 – 3p	Open Forum for follow-up question & answer		
Julie 2, 2025 1.30 – 3p	Zoom link Meeting ID: 821 4886 4505 Passcode: 598033		
June 3, 2025	Application period opens; materials distributed		
August 4, 2025	Application period closes; materials submittal deadline		
Early September	Anticipated funding decision; award notices sent		
October – November 2025	Direct grant agreements anticipated execution		
November – December 2025	Consultant contract anticipated execution		
June 15, 2027	Project completion deadline		

APPLICATION DEADLINE: August 4, 2025

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Project Criteria and Additional Information

1. Project Objectives:

The City of Wilsonville requests grant funding of the Wilsonville Housing Statutory Compliance Project, which will update the City's Development Code to comply with recent legislation related to the land use review process for residential development applications and modifications to middle housing development standards. To maximize efficiency with varying compliance timelines, the City will break the project into two parts:

- Part 1: This part of the project will address process related components of SB 974 (2025), which
 requires certain residential development applications to be reviewed through an administrative
 land use process. The project will integrate Action C of the City's 2025 Housing Production
 Strategy, which calls for the City to implement an administrative review process for residential
 development.
- Part 2: This part of the project will focus on modifications to the City's middle housing allowances, middle housing land division process, and other related Development Code amendments consistent with HB 2138 (2025).

A thoughtful approach to the Development Code amendments in Part 1 is necessary to ensure that the City's land use process remains simple to understand and facilitates good customer service for housing producers, as adopting an administrative review process for residential development applications will be a major shift in Wilsonville's approach to land use review. Presently, applications for most new development, including residential subdivisions, are reviewed through a public hearing process, with land use decisions made by the City's Development Review Board. SB 974 will restrict the City from continuing to use this process for some residential applications, so to ensure consistency and ease of administration the City will evaluate the residential land use review process in its entirety. The required changes, which also affect application noticing and the appeals process, will require amendments to multiple sections of the Development Code, along with other chapters within the City Code. As such, the City will begin work on Part 1 in advance of a grant agreement with DLCD to ensure the statutory deadline of July 1, 2026 is met.

The City's focus in Part 2 is ensuring that allowances for middle housing and other housing types reflect the requirements of HB 2138. The City will include amendments related to middle housing land divisions and clear and objective tree removal standards in this phase. Changes requiring additional rulemaking, such as those involving cottage clusters, will addressed in a subsequent Development Code amendment process.

The City requests \$120,000 via a direct grant to be used primarily for consultant assistance for the Wilsonville Legislative Compliance Development Code Updates project. As staff possess local expertise on the Wilsonville Development Code, some funds may be used for staff time in the event that it is most effective for staff to conduct code writing work for certain tasks. Both parts of the project are included in a single grant request to maximize efficiencies in grant administration and consultant procurement. The statutory deadlines for these amendments ensure that the City will complete this project within the 2025-2027 biennium.

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2. Program Priorities:

The requested grant will **fulfill housing-related statutory obligations** by funding Wilsonville's efforts to update its Development Code consistent with recent legislation that seeks to facilitate the production of varied housing types throughout Oregon. Fulfilling these obligations in a timely manner is a high priority, since some changes are already in effect and others will be in effect by the end of 2026. This work will build on other recent updates to the City's Development Code that **facilitate housing production**, **affordability**, **and choice**, including:

- Residential Development Code Updates (2020) Amended planned development residential development standards to remove barriers to development of ADUs
- Middle Housing in Wilsonville (2021) Adopted siting and design standards to facilitate middle housing types throughout the City
- Frog Pond East and South Development Code (2024) Adopted clear and objective standards for a new urban growth area including housing variety and accessibility requirements

These prior actions, along with other housing planning work including the City's recently adopted Housing Production Strategy, have emphasized **fair and equitable housing outcomes** and this project will continue that emphasis.

3. Project Description:

The project will generally follow the tasks as identified in the Conforming Development Code Amendment Sample Work Program, but due to varying statutory deadlines will be broken into two parts with two adoption processes. Tasks a. and b. will be funded by the City in advance of an executed grant agreement. See the anticipated breakdown of deliverables for consultant and City by task below:

		T	T
Task	Title	Consultant Deliverables	City Deliverables
a.	Project Kick-off (not included in grant request)	 Summary of major tasks and action items for the Project Proposed Project schedule 	 Redlines of draft consultant deliverables Copy of relevant Development Code sections
b.	Development Code Assessment – Residential Review Process (Part 1) (not included in grant request)	 Memorandum assessing statutory changes and approach to Development Code amendments, including: Documentation of affected application types and review timelines Assessment of impact on the City's existing appeals process Assessment of impact on the City's noticing process and options for 	 Review and collaboration on memorandum Redlines of draft consultant deliverables

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		public awareness of residential development applications Information on best practices from other jurisdictions using administrative review processes for residential development Inventory of City Code sections affected by administrative review processes for residential development processes for residential development processes for residential development Impact on land use application fee structure	
1	Project Management	 Ongoing project management meetings 	Participation in project management meetings
2	Development Code Assessment – Residential Review Process (Part 1) – Review and Outreach	 Presentation to explain memorandum findings to Planning Commission and City Council Presentation to gather input from Development Review Board Public meeting facilitation, including presentation information and meeting materials 	 Redlines of draft consultant deliverables Development Review Board/Planning Commission/City Council meeting staff reports, notices, and agendas Public meeting organization and advertisement
3	Draft and Final Code Amendments (Part 1)	 Public review of draft Code amendments Presentation of draft Code amendments to Planning Commission and City Council Final hearings-ready Code amendments 	 Redlines of draft consultant deliverables Planning Commission/City Council staff reports, meeting notices, and agendas
4	Adoption (Part 1)	Presentation materials to explain final amendments to Planning Commission and City Council	 Redlines of draft consultant deliverables Hearings notices, agendas, staff reports, and minutes
5	Development Code Assessment – Middle Housing and Related Updates (Part 2)	Memorandum assessing statutory changes and approach to Development	 Redlines of draft consultant deliverables Planning Commission/City Council meeting staff

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		Code amendments, including: Middle housing definitions and allowances Townhouse definitions and allowances Land division process, including middle housing land divisions Single room occupancy allowances Modular and manufactured structure allowances Clear and objective tree removal standards for residential development Presentation to explain memorandum findings to Planning Commission and City Council Public meeting facilitation, including presentation information and meeting materials	•	reports, notices, and agendas Public meeting organization and advertisement
6	Draft and Final Code Amendments (Part 2)	 Public review of draft Code amendments Presentation of draft Code amendments to Planning Commission and City Council Final hearings-ready Code amendments 	•	Redlines of draft consultant deliverables Planning Commission/City Council staff reports, meeting notices, and agendas
7	Adoption (Part 2)	Presentation materials to explain final Code amendments to Planning Commission and City Council	•	Redlines of draft consultant deliverables Hearings notices, agendas, staff reports, and minutes

4. Grantee Capacity:

The City of Wilsonville has planned this as part of the work program during the proposed project timeline, including planning adequate staff to manage and support the project. Given the City's current budget outlook, external funding and consultant assistance will be critical in ensuring the City can adopt these statutorily required Development Code amendments by the established deadlines.

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The City has a history of successfully managing grants with adequate staff capacity. Specific examples of recent successful housing-related grant projects managed by the same Wilsonville Planning staff that will be managing this project include:

- Equitable Housing Strategic Plan (2020) (Metro grant funded)
- Middle Housing in Wilsonville (2021) (DLCD grant funded)
- Engagement Framework Focused on Latinx Community (Metro grant funded)
- Frog Pond East and South Master Plan (2022) (Metro and DLCD grant funded)
- Housing Our Future: Housing Needs and Capacity Analysis and Housing Production Strategy (2025) (DLCD grant funded)

5. Leverage:

Specifically for this project, the funding will leverage the City's commitment to fund a substantial portion of City staff's time on the project as well as the City funding project tasks prior to execution of a grant agreement with DLCD. Additionally, the State funding builds on and leverages a long-running work program in the City focused on housing as highlighted under Grantee Capacity above.

Local Official Support

City Council will consider adoption of a resolution supporting the project at the September 4, 2025 meeting. City staff will forward this resolution to DLCD upon adoption.