

The Changing Climate of State Land Use Planning



Moderator: Angel Falconer



*Sean Edging, Housing
Accountability Production Office*



Laura Weigel, City of Milwaukie



Rachael Baker, City of Bend

A Timeline of Housing Legislation

2017-18

[SB 1051](#)
Accessory Dwelling Units; Clear & Objective Standards

[HB 4006](#)
Housing production reporting

2019

[HB 2001](#)
Middle housing

[HB 2003](#)
Housing Production Strategy (HPS); Pilot Oregon Housing Needs Analysis (OHNA)

2020

[OAR 660-046](#)
HPS & middle housing rules adopted

[EO 20-04](#)
Directs DLCD to initiate climate rulemaking

2021

[HB 5006](#)
DLCD to create recommendations to implement OHNA statewide

[SB 458](#)
Middle Housing Expedited Land Divisions

[SB 8](#)
Affordable housing siting

2022

[HB 5202](#)
DLCD to study urbanization & capacity

[HB 4064](#)
Manufactured & prefabricated housing

[OAR 660-012](#)
Climate rules adopted

2023

[HB 2001](#) & [2889](#)
OHNA sets need & production targets statewide; Reforms housing implementation

[HB 3395](#)
Single-room Occupancy; Expands duplexes

[SB 406](#)
Expands middle housing to Tillamook County

2024

[HB 4063](#)
Expands OHNA to Metro urban, unincorporated areas

[SB 1537](#)
Housing Accountability and Production Office

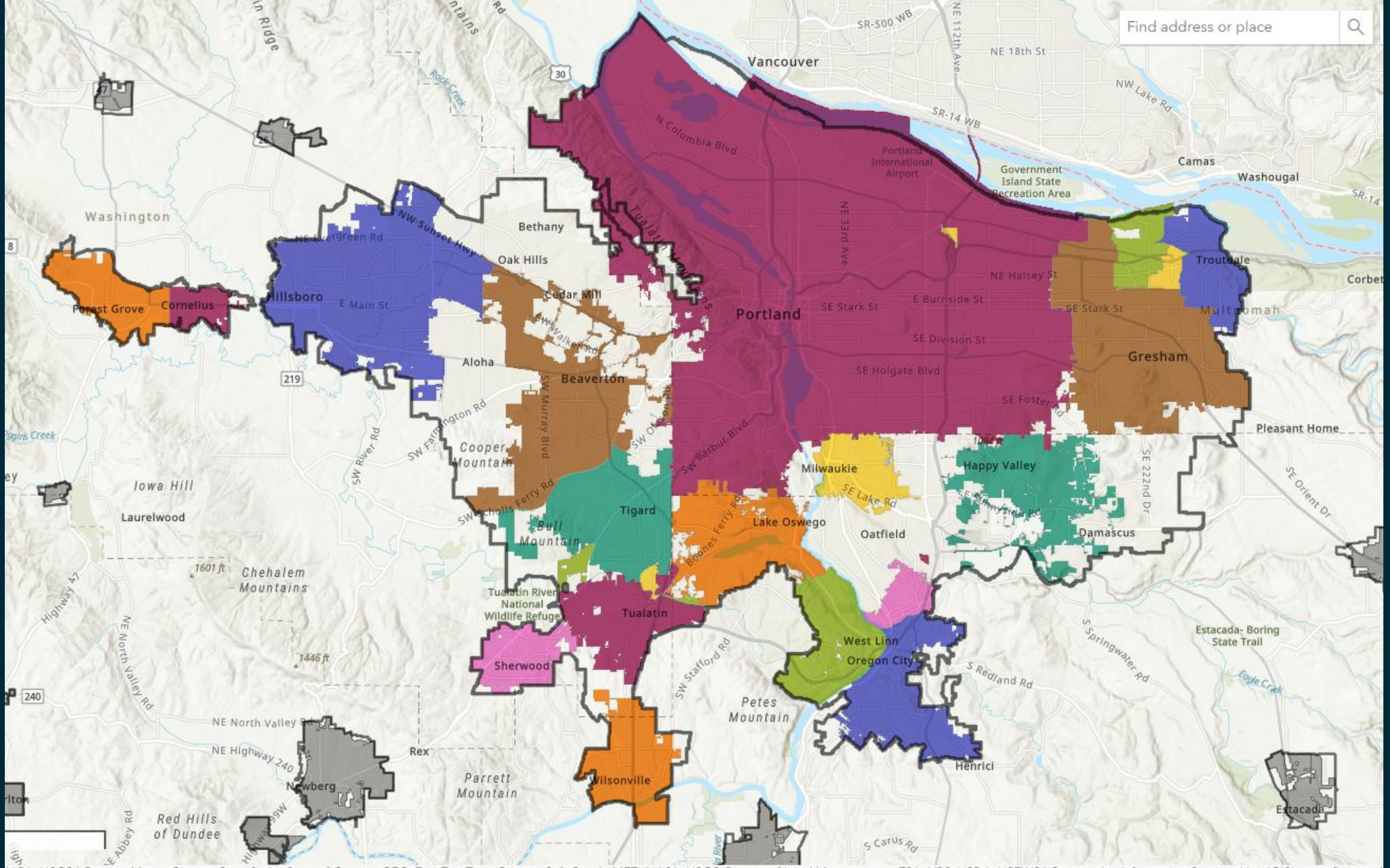
[OAR 660-008](#)
Housing Needs and Production rules adopted



A small, mostly built out, city's approach to our Housing Production Strategy

Housing Land Advocates Conference
March 14, 2025

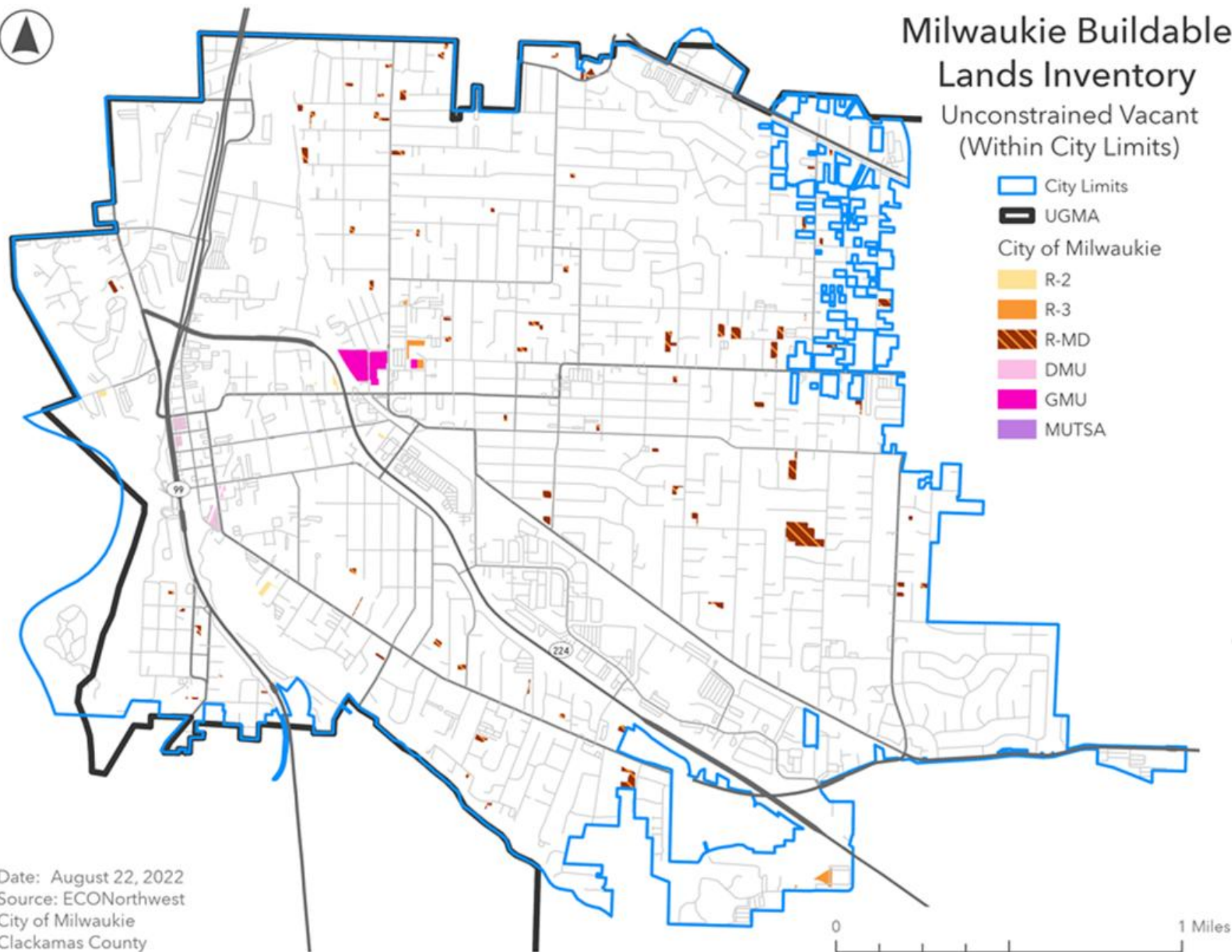
Laura Weigel
Planning Manager
City of Milwaukie



Who lives in Milwaukie?

- Population is slightly younger and older
- Incomes are lower than the county's
- LatinX community is growing





Date: August 22, 2022
Source: ECONorthwest
City of Milwaukie
Clackamas County

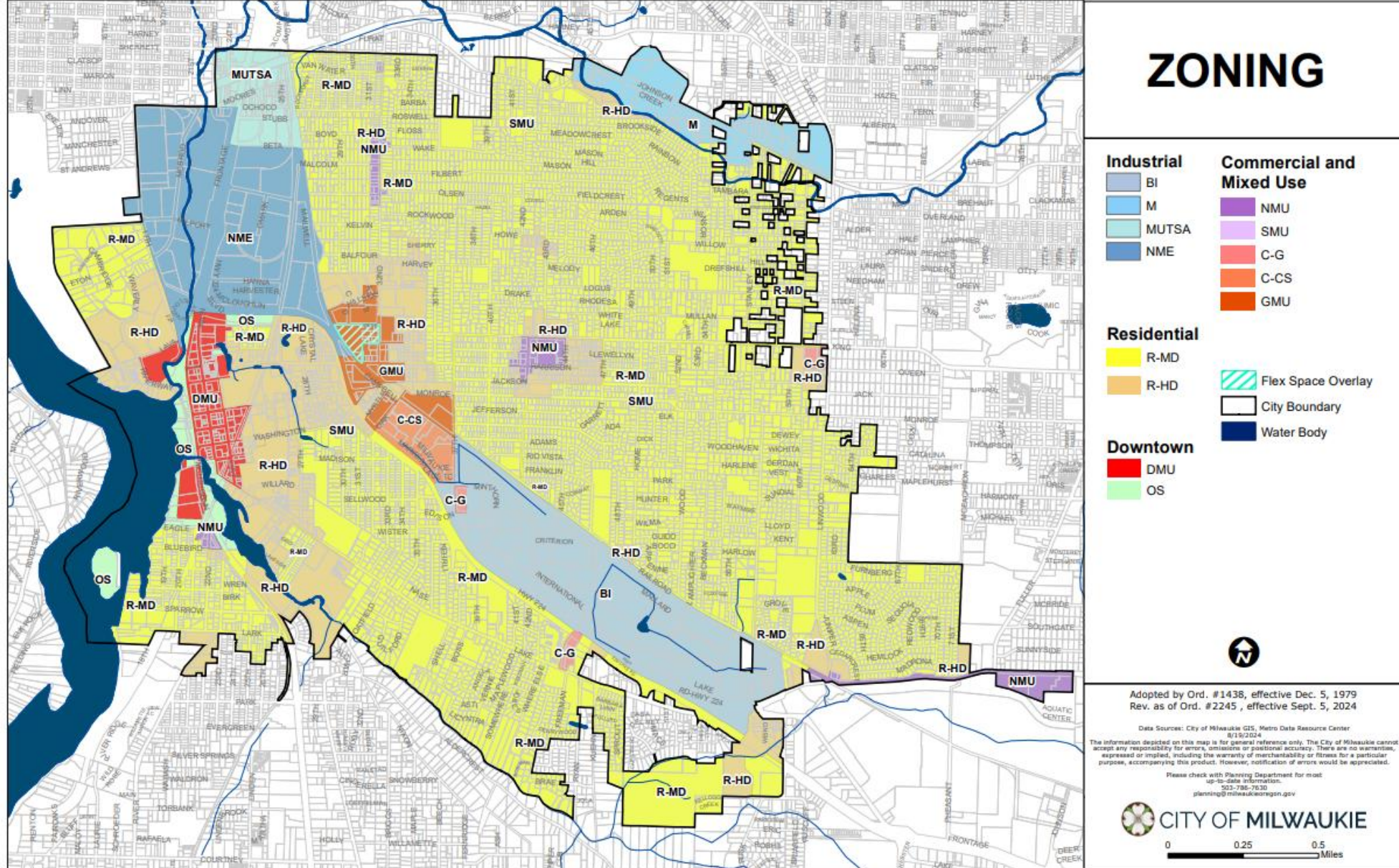
Milwaukie

Mostly Developed

Dated Infrastructure

Future Housing – Infill
and Redevelopment

Zoning in Milwaukee



Implications for Housing Needs



Regional and local affordability problems drive need for more affordable housing, especially rental housing.

38% of households are cost burdened

52% of renter households are cost burdened

The average rental cost is unaffordable to half of Milwaukie's households



Demographic trends suggest increases in demand for a wider range of housing types, for ownership and rental

Forecast of New Housing, 2022 to 2042

Milwaukie is forecast to add 1,670 new dwellings

Single Dwelling
Detached



668

New Units
(40%)

Townhomes



84

New Units
(5%)

Duplex, Triplex,
Quadplex



334

New Units
(20%)

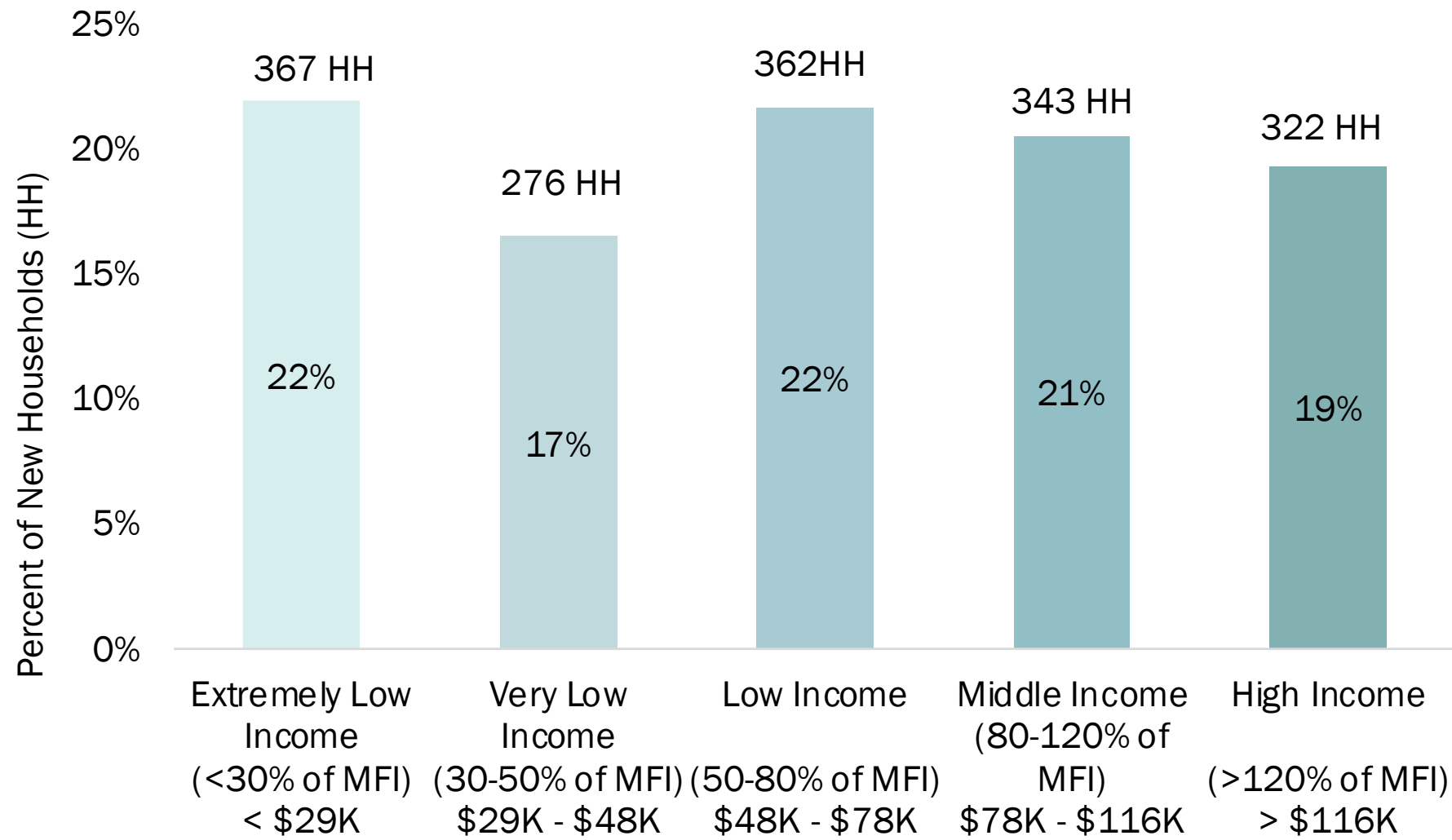
Multi
Dwelling
(5+ units)



585

New Units
(35%)

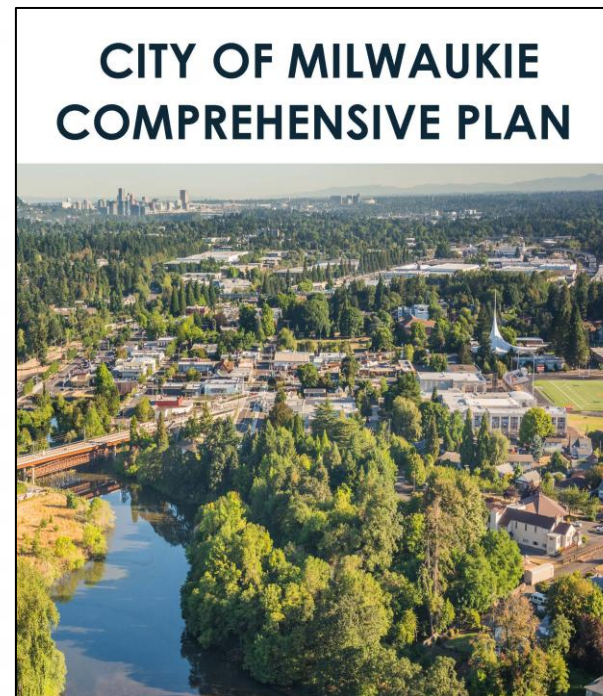
New Dwelling Units by Income in Milwaukee City Limits, 2023 to 2043



Source: 2015-2019 ACS, U.S. Census; PRC at PSU (2020-2040); and U.S. Department of HUD 2021 MFI.

Attainable Housing is important to Milwaukie

- Housing affordability - goal of Council for several years
- Community Vision calls for “all residents to have affordable housing”
- Comprehensive Plan Housing Goals include Equity and Affordability



Milwaukie Housing Affordability Strategy



CITY OF MILWAUKIE

**Milwaukie Housing Affordability Strategy (MHAS):
2018–2023 Action Plan**



- Develop new units
- Prevent Displacement and Keep Affordable Units Affordable
- Connect People to Existing Affordable Housing

Pre-Housing Production Strategy

Established Construction Excise Tax (2017)

Adopted the Milwaukie Affordable Housing Strategy (2018)

Land Banking

Non-Profit Low-Income Housing Tax Exemption

System Development Charge Waiver

Pre-Development Assistance

CONSTRUCTION EXCISE TAX



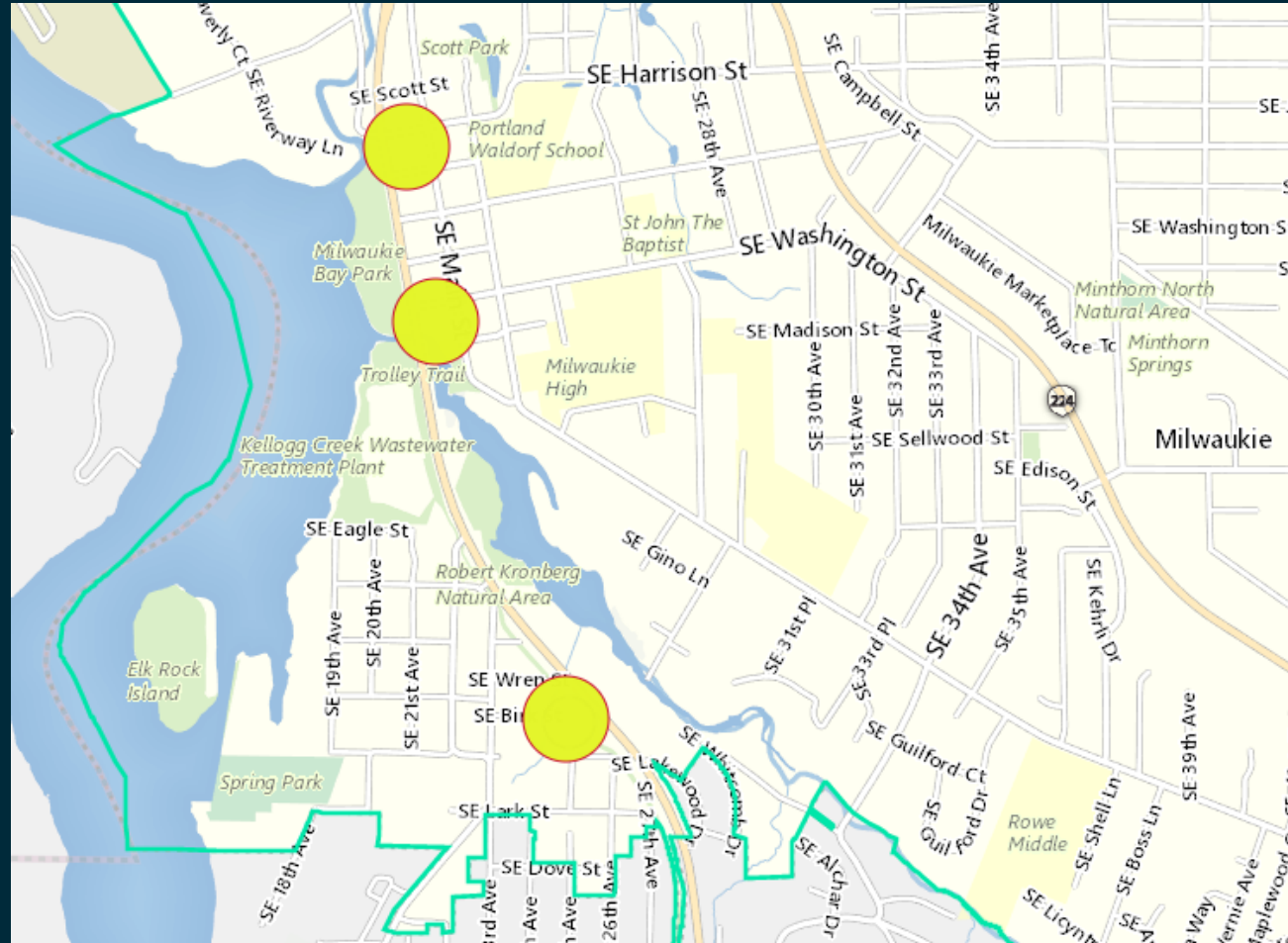
Milwaukie Courtyard Housing Project

Hillside Park



LAND BANKING

Publicly owned land offers housing opportunities near downtown Milwaukie



COHO POINT

- Public Benefits
 - 195 units
 - 10% of units at 80% of AMI for 30 years
 - Shared parking agreement
 - Public Pathway



- Public Benefits
 - 0-30% AMI
 - Sustainable building practices
 - Brownfield remediation



HARRISON & MAIN

- Transit Oriented Development
- Income restricted affordable housing
- Mixed Use



Other Programs

- Non-Profit Low-Income Housing Tax Exemption
- System Development Charge Waiver (transportation and water)
- Pre-Development Assistance



Housing Production Strategy Development

Stakeholder Involvement in HPS Development



Housing Capacity Technical Committee



Engage Milwaukie



Equity Steering Committee



Interviews with builders and developers



Interviews with service providers



Planning Commission



City Council

Adopted 10 Strategies

Action	Rationale	City Role	Potential Impact on Development Cost or Unit Production	Complexity to Administer	Tenure	Most Likely Affordability Level Targeted
A. Develop a Land Bank Strategy and Partnerships to Support Affordable Housing Development	Reduce land costs	Lead	Small to Large	High	Both	80% MFI and below
B. Reduced SDCs or Planning Fees	Reduce development costs	Lead	Small	Medium	Both	80% MFI and below
C. Multiple-Unit Limited Tax Exemption Program	Reduce development costs	Lead	Small to Moderate	Medium	Rental	80% MFI and below
D. Increase Capacity in the HDR Zone	Increase housing diversity	Lead	Moderate to Large	Medium	Both	Any
E. Evaluate Incentives for Affordable Housing Development such as Density Bonuses	Reduce development costs	Lead	Moderate	Low	Both	60% MFI and below
F. Develop Pre-Approved Plan Sets <u>For</u> ADUs And Middle Housing Typologies	Increase housing diversity	Lead	Small to Moderate	Low	Both	Any
G. Develop Housing Options <u>And</u> Services To Address And Prevent Houselessness	Provide Financial Assistance	Partner	Small to Moderate	High	Rental	60% MFI and below
H. Revolving Loan Fund for Homeownership Assistance	Provide Financial Assistance	Partner	Small to Moderate	Medium	Both	120% MFI and below
I. Urban Renewal / Tax Increment Finance (TIF)	Critical to funding affordable housing actions	Lead	Moderate to Large	High	Both	120% MFI and below
J. Construction Excise Tax	Critical to funding affordable housing actions	Lead	Small to Large	Medium	Both	120% MFI and below

Implementation Considerations

- **Long-term affordability considerations**
- **City staffing implications**
- **Funding implications**



Underway: Evaluate Incentives for Affordable Housing Development

Purpose: Providing more flexibility in development standards can help support development of income-restricted housing.

Examples:

- Allowing more units
- Allow smaller minimum lot sizes
- Height or exemption from height restrictions
- Reducing required open space
- Reduce setbacks

Action Evaluation

Level of Affordability	Impact	Administrative Complexity	Tenure
Up to 80% MFI	Moderate	Low	Both

Underway: Refine our Land Banking Strategy and Partnerships to Support Affordable Housing Development

Purpose: Land banks supports affordable housing by reducing or eliminating land cost from development. Land trusts hold land in perpetuity and sell or lease the housing on the land at below- market rate prices

Implementation considerations: Requires staff capacity, potentially substantial funding, and a non-profit partner with capacity

Action Evaluation

Level of Affordability	Impact	Administrative Complexity	Tenure
Up to 120% MFI	Moderate to large	High	Both

Scoping: Increase Capacity in the High-Density Residential Zone

Purpose: Increasing residential densities in the zoning allows for more development of multi-unit housing

Examples: Increase allowed density in the HDR zone
Look for opportunities to rezone to add more land to the HDR zone.
Evaluate opportunities to support redevelopment of underutilized parcels in HDR zones

Action Evaluation

Level of Affordability	Impact	Administrative Complexity	Tenure
All incomes	Small to Moderate	Low	Both

Scoping: Reduced System Development Charges (SDC) or Planning Fees

Purpose: Reduces development costs and can incentivize qualifying housing types or building features

Implementation considerations: City must identify ways to “backfill” the cost of reducing SDCs.

Action Evaluation

Level of Affordability	Impact	Administrative Complexity	Tenure
Up to 80% MFI	Small	Low	Both

New Action F: Develop Pre-Approved Plan Sets For ADUs And Middle Housing Typologies

Purpose: Streamlines permitting procedures, reducing development timelines and costs.

Implementation Steps:

- Develop middle housing types and ADU plans in collaboration with developers and/or adapt plan sets developed by DLCD.

Action Evaluation

Level of Affordability	Impact	Administrative Complexity	Tenure
All	Small to Moderate	Low	Both

Action C: Multiple-Unit Property Tax Exemption

Purpose: Offers an incentive for preservation and development of housing for low to moderate-income households.

Implementation considerations: The City and participating taxing districts will forego property tax income for the duration of the exemption.

Action Evaluation

Level of Affordability	Impact	Administrative Complexity	Tenure
Up to 80% MFI	Moderate	Medium	Rental

Action H: Revolving loan fund for homeownership assistance

Purpose: Provide funds to be administered by a third party that support homeownership assistance programs

Examples: Down Payment Assistance, Home Repairs, Weatherization, Accessibility Improvements

Implementation considerations: Must identify a funding source

Action Evaluation

Level of Affordability	Impact	Administrative Complexity	Tenure
Up to 80% MFI	Small to Moderate	Medium	Both

Action G: Develop Housing Options And Services To Address And Prevent Houselessness

Purpose: Partner with agencies and nonprofit organizations that provide housing and services to people experiencing houselessness.

Examples: Partner and support Clackamas County's affordable housing development and rehabilitation projects in Milwaukie

Collaborate with community partners to provide a continuum of programs that address the needs of unhoused persons and families

Seek opportunities to leverage grants to support additional resident services or supportive housing services

Action Evaluation

Level of Affordability	Impact	Administrative Complexity	Tenure
Up to 30% MFI	Moderate	Medium	Rental

How Much Housing Is Getting Built NOW?

The good news is that units are being built in Milwaukie!

Since 2016 the City has added **1,400 housing units**

- 1,000 apartments
 - about 300 qualify as affordable housing
- 300 units mix of detached single-dwelling, middle housing and accessory dwelling units

Currently more than 500 additional apartments and middle housing units approved for construction





Thank You!

Laura Weigel
Planning Manager
City of Milwaukie
weigell@milwaukieoregon.gov



Additional Background Slides

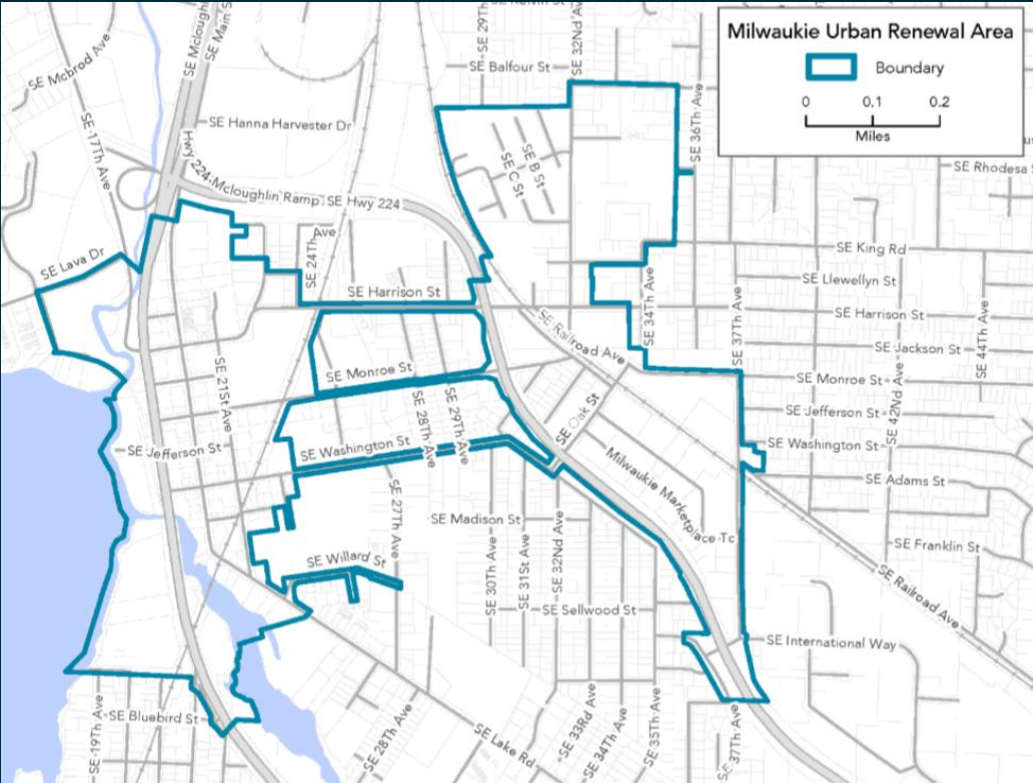
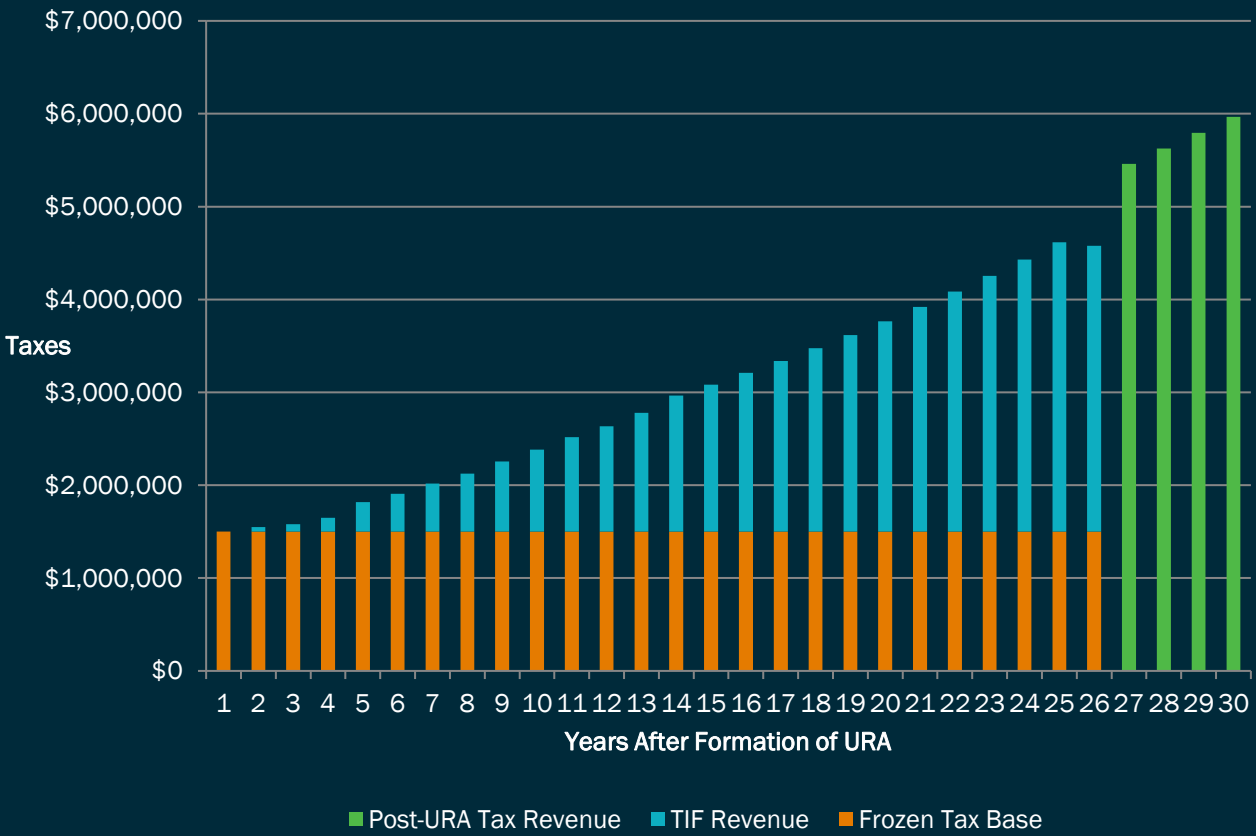
Adopted Housing Production Strategies

	Implementation Year	Implementation Challenges
Develop a Land Bank Strategy and Partnerships to Support Affordable Housing Development	2026	Limited funding available to acquire property. Level of partnership required is high.
Reduce SDC's or Planning Fees	2026 Scoping this year	Few City SDC's. Planning Fees already low.
Increase Capacity in High Density Zone	2026 Scoping this year	Relies heavily on redevelopment.
Evaluate Incentives for Affordable Housing Development	2026 Work Underway	Cracking the incentives code is tricky.

Adopted Housing Production Strategies

	Implementation Year	Implementation Challenges
Develop Pre-Approved Plan Sets for ADUs and Middle Housing	2027	Requires outside resources/partners to develop.
Revolving Load Fund for Homeownership Assistance	2027	Requires funding and partnership.
Multiple-Unit Limited Tax Exemption	2029	Need other taxing districts to support tax exemption.
Tax Increment Financing	Ongoing	As funding is available
Construction Excise Tax	Ongoing	As funding is available
Develop Housing Options and Services to Address & Prevent Houselessness	Ongoing	Requires partnership and funding. City hired a full-time Behavioral Health Specialist.

Tax Increment Financing – 5 year action plan



Affordable Housing Need

Housing Authority of Clackamas County – Annual Plan 2021-2022

- 1504 households on waitlist for affordable housing

Clackamas County Affordable Rental Housing need forecast for next 20 years (2019-2039)

- All of Clackamas County 10,000 units
- Milwaukie 697 units
 - 256 Extremely Low Income (<30%)
 - 167 Very Low Income (30%-50%)
 - 274 Low Income (50%-80%)

North Clackamas School District – Oregon Department of Education (2019-2020)

- 331 homeless youth or 1.92 % of the entire NCSD enrollment

Affordable Housing Need

North Clackamas School District – Oregon Department of Education (2019-2020)

- 331 homeless youth or 1.92 % of the entire NCSD enrollment
 - 33 were “sheltered” residing in private or public shelters intended for use by homeless individuals and families
 - 260 were “doubled-up” sharing the housing of others, whether relatives or friends, due to loss of housing, economic hardship, domestic violence or similar reason
 - 18 were unsheltered residing in cars, trailers, parks, abandon buildings, or other settings not designed as regular sleeping accommodations, and
 - 20 were living in hotels or motels

Sparrow Site - Constraints

- Staff review of development scenarios under current and future zoning
- Significantly fewer units than the 45-50 preferred by 0-30% AMI housing developers

Sparrow Site - Constraints

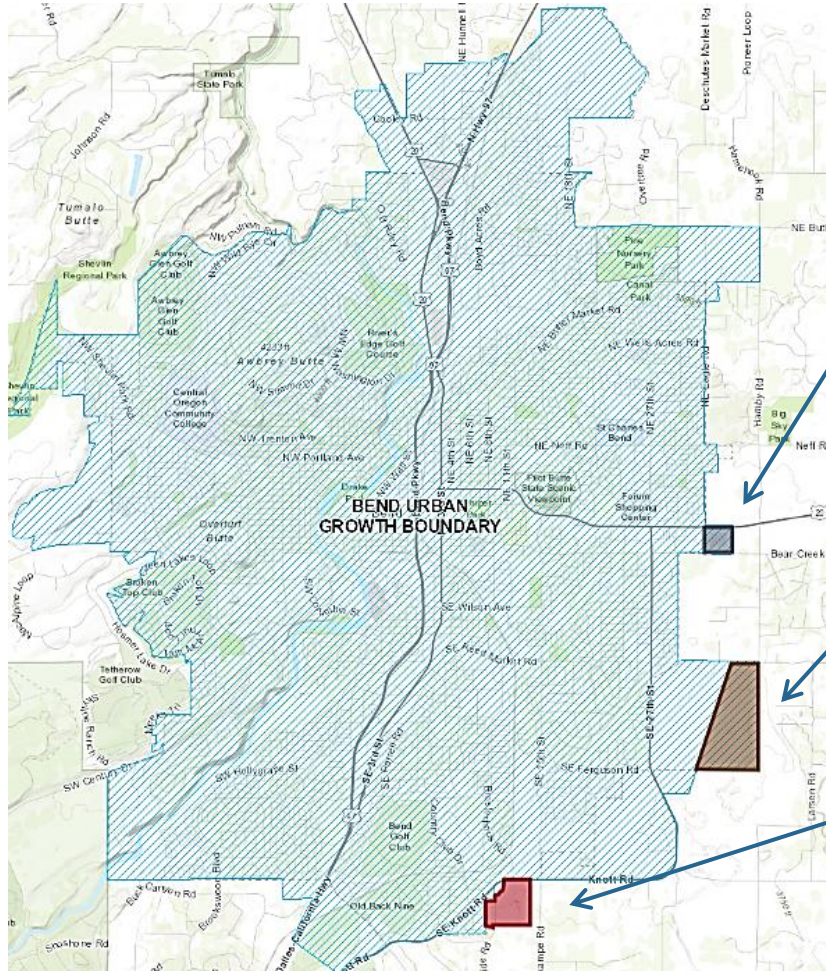
Income restricted rental units

- Challenging to finance 0-30% AMI projects that are less than 50 units
- Hard to compete for LIHTC financing with larger (150-180 unit) projects
- At the 0-30% AMI level, projects typically have on-site resident services (45 units is the low end to finance on-site resident services)
- Less long-term operating income in the deeply affordable 0-30% AMI projects

Income restricted homeownership units

- 0-30% AMI homeownership is not common. For example, a 25-unit Habitat for Humanity project will have 15 units for <60% AMI and 7-8 units at 60% - 80% AMI

City of Bend - One Time Expansions to UGB



- In 2016, the Oregon Legislature passed HB 4079, an expedited UGB process. See OAR Chapter 660 Division 39 (the Affordable Housing Pilot Project).
- The 2021 Oregon Legislature set out a process through HB 3318 for the City of Bend to expand its UGB and requires 20 of the Department of State Lands' 260 acres to be sold for deed-restricted affordable housing.
- At the conclusion of the 2024 legislative session, SB 1537 created a process for a one-time expansion to the UGB for cities that met outlined criteria.



HB 4079 – Parkside Place

- 2018 – City of Bend selected for the Pilot Project on property on east Highway 20
- 2019 – City worked with initial developer on concept plan
- 2020 – Current developer began a revised feasibility study
- 2021 – Bend City Council adopted a Resolution to implement a Revised Concept Plan
 - DLCD (agency implementing pilot program) approved Revised Concept Plan
- 2022 – Bend City Council/Deschutes County expanded UGB to include the pilot project property



HB 3318 – Concept to UGB Expansion and Sale

- October 2021 to June 2022
 - City engaged community in development of Stevens Road Concept Plan
 - Council approves Concept Plan
- September of 2022
 - Department of Land Conservation and Development Concept Plan approval
- September to October of 2023
 - City of Bend and County approve UGB Amendment
- February of 2024
 - City of Bend approves Planning Amendments

LAND USE CONCEPT ALTERNATIVE 3

- High Density Residential (RH)
- Medium Density Residential (RM)
- Standard Density Residential (RS)
- Regulated Affordable Housing
- Commercial (C)
- Mixed Employment (ME)
- Parks
- Conceptual Trails

Notes

1. All land uses and locations are preliminary and conceptual.
2. Streets are illustrative and represent a framework – not all streets are shown.
3. The concept plan is subject to future Comprehensive Plan policy and master plan implementation.

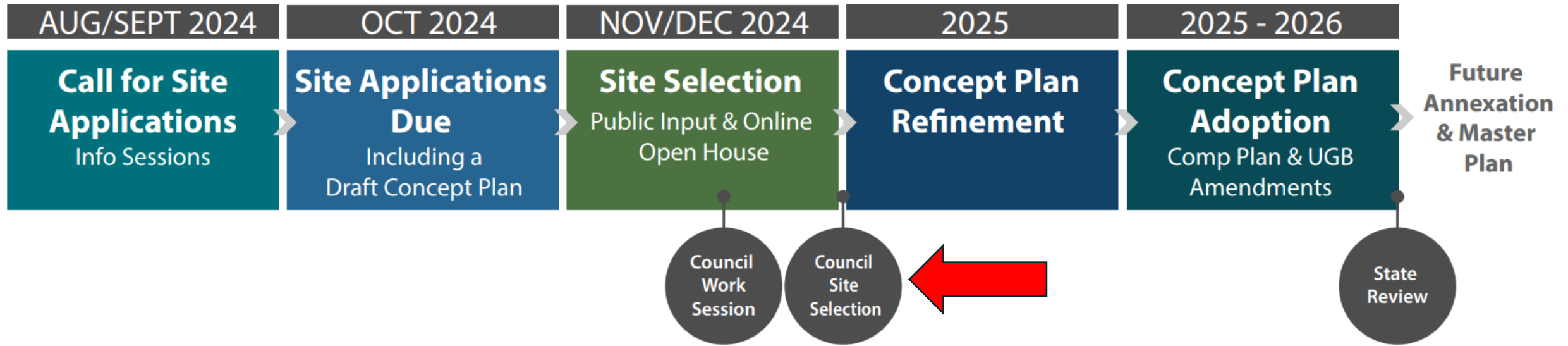


CITY OF BEND
STEVENS ROAD TRACT CONCEPT PLAN



CITY OF BEND

SB 1537 – Caldera Ranch



Infill Initiatives since 2016

- Removing conditional use permit and parking requirements for Accessory Dwelling Units (ADUs), increasing ADU unit size to 800 sq. ft.
- Reduced System Development Charges (SDCs) for ADUs
- Exempting duplexes and triplexes from density maximums
- Allowing for townhomes in low-density zones
- Allowing for residential uses as part of a mixed-use development in all commercial zones
- Establishing new middle housing types, including cottage housing, small dwelling unit development, micro-units, cottage clusters, and shared courts
- Increased lot coverages for middle and multifamily in RM
- Expedited review (beyond state requirement)
- Creation of an Urban Renewal TIF to contribute to development of new housing
- Updating definitions for Affordable Housing (HB 3151)
- Pre-approved plan program for ADUs
- Including requirements for dedicated Affordable Housing in Annexation agreements
- Area planning for annexation areas
- SDC Exemptions, financing and deferral
- Removed minimum parking requirements for all uses, including housing.
- All middle housing exempt from density maximums and allowed in all residential zones
- Adopting standards for HB 3450 (Urban Dwelling Sites) and HB 3395 to allow for additional housing in commercial zones; and SB 8 to allow Affordable Housing on lands not zoned residential
- Low-income property tax exemption (ORS 307.515)
- Adopting standards for HB2984 to streamline building conversions from commercial to residential
- Adopting standards for SB1537 (adjustments)

